



Rural India Conference 2024

Exchange of ideas for
sustaining inclusive
growth and transforming
rural India



July 3 - 4, 2024



Chennai, Tamil Nadu

Rural India Conference 2024

Exchange of ideas for sustaining inclusive
growth and transforming rural India



July 3 - 4, 2024



Chennai, Tamil Nadu



Ministry of Rural Development
Government of India



BILL & MELINDA
GATES foundation



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

Knowledge Partner

GDI

Table of Content

Inaugural Session	07
Session 1 : Rural India: Vision @ 2047	11
Session 2 : Sustaining Inclusion: Reality Check, Operational Models, and Way Forward	14
Session 3 : Demystifying Climate Risk: Dimensions, and Learning for Locally Led Adaptation Practices	17
Session 4 : Unbundling the Evolution of Rural Finance and its Current Relevance	21
Session 5 : Mainstreaming Digital Technologies in Rural India	25
Session 6 : Jobs in Rural Space: Towards Inclusive, Productive, and Sustainable Food Systems	28
Session 7 : Jobs in Rural Space Looking Beyond the Agriculture and Allied Sectors	31
Session 8 : Private Sector Role in Spurring Investment for Rural Growth	34
Session 9 : Institutional Capacity to Deliver Rural Transformation for Developed India	37
Session 10 : Closing session - The way ahead!	40
Organizers	42
Annexure	44



Inaugural Session



The Rural India Conference 2024, organized by the Tamil Nadu Rural Transformation Project, World Bank Group, Ministry of Rural Development, Bill and Melinda Gates Foundation, and GDi Partners, aimed to address persistent challenges in rural India amidst notable advancements in infrastructure, healthcare, and education. Despite progress, issues such as regional imbalances, agricultural sustainability, and resource accessibility remain critical. The two-day event brought together leaders, policymakers, experts, and practitioners to share knowledge and foster innovative collaborations, focusing on creating impactful ideas and partnerships for a sustainable and thriving rural India.

Collaboration and Sustainable Growth

Ms. S. Divyadharshini, IAS, Managing Director, Tamil Nadu Women Development Corporation and Chief Executive Officer, Tamil Nadu Rural Transformation Project, emphasized the importance of collaboration among diverse stakeholders to enhance rural development. She highlighted the efforts of the Tamil Nadu Rural Transformation Project (TNRP) in transforming the rural economy through sustainable agricultural practices, self-help groups, and entrepreneurship. The conference focused on themes such as sustaining inclusion, climate resilience, rural finance, digital technologies, job creation beyond agriculture, private sector investment, and building institutional capacities. Active engagement in discussions was encouraged to address pressing rural issues and achieve development goals aimed at uplifting the rural economy and promoting sustainable growth.



Role of Rural Development in National Progress

Mr. Gagandeep Singh Bedi, IAS, Additional Chief Secretary to Government, Department of Rural Development and Panchayati Raj, Government of Tamil Nadu, underscored the pivotal role of rural development in national progress, particularly highlighting Tamil Nadu's achievements with women self-help groups (SHGs). He stressed the importance of sustainable inclusion, ensuring all eligible women join SHGs, and improving the relevance and impact of skilling programs. He introduced the TN Rise initiative, which supports women entrepreneurs with infrastructure and mentoring, calling for innovative approaches to enterprise development and job creation in rural areas. Mr. Bedi emphasized that even small governmental inputs in rural areas could yield significant results, advocating for dynamic and relevant skilling programs to foster sustainable rural livelihoods.

Comprehensive Approach to Rural Development

Mr. Shailesh Kumar Singh, IAS, Secretary, Ministry of Rural Development, Government of India, outlined India's comprehensive approach to rural development, which includes poverty alleviation, social protection, and creating rural growth engines. He highlighted the success of initiatives like MGNREGA, PMGSY, and NRLM in job creation, housing, and infrastructure development. Emphasizing the importance of digital platforms, dynamic skilling programs, and enterprise development, he praised the TN Rise initiative and encouraged other states to adopt similar models. Mr. Singh underscored the need for financial inclusion and capacity building to promote sustainable livelihoods and bridge the rural-urban divide.



Adapting to Rapid Urbanization

Mr. Samik Sundar Das, Senior Rural Development Specialist, World Bank addressed the need to consider rural transformation in the context of rapid urbanization. He discussed the changing dynamics of rural households, which are increasingly involved in non-farm activities, and emphasized job creation, female labor force participation, and the adaptation of food systems to new dietary demands. Mr. Samik highlighted the importance of leveraging digital connectivity and business development services to support rural growth. He expressed hope that conference discussions would yield actionable insights and policy recommendations, contributing to a white paper to guide government policies and programs.

Agricultural Modernization and Economic Growth

Mr. Martin Raiser, Vice President, South Asia Region, World Bank, emphasized the importance of rural development for India's ambition to become a high-income country by 2047. He stressed the need for agricultural modernization to shift labor from agriculture to higher productivity sectors like services and manufacturing. This modernization is crucial for maintaining food production and improving agricultural resilience to climate change. Mr. Raiser pointed out the significant opportunity for rural job creation in agri-value chains and agri-business, noting that only a small fraction of India's food is currently processed domestically. He reaffirmed the World Bank's commitment to supporting rural India's transformation and driving economic growth through modernization.



Session 1

Rural India: Vision @ 2047

Key Messages

Ministry of Rural Development
Government of India



BILL & MELINDA
GATES foundation

THE WORLD BANK
WITH IDA | WORLD BANK GROUP

Rural India Conference 2024

Exchange of ideas for sustaining inclusive growth and transforming rural India



July 3 - 4, 2024 | Chennai, Tamil Nadu



1. Emphasise the **One Health approach**, integrating the health of humans, animals, plants, and the environment. This approach ensures comprehensive health planning and mitigates future health shocks such as pandemics and climate hazards.
2. **Invest in disease prevention and health promotion** to reduce long-term healthcare costs. This reduces long-term healthcare costs and improves overall health outcomes through lifestyle changes and early interventions.
3. Implement the concept of **Providing Urban Amenities in Rural Areas** (PURA) concept for comprehensive rural development. Like: Creating safe and accessible spaces for exercise can help combat non-communicable diseases.
4. **Using data, including gender-disaggregated data**, for planning and understanding vulnerabilities. This helps in creating targeted interventions for women and children affected by climate impacts.
5. Focus on **adaptation and resilience to climate change** alongside mitigation efforts.
6. **Build the capacity of local bodies like panchayats** to manage natural resources sustainably. Enhance the capacity of local governance bodies to manage natural resources sustainably. This empowers communities and promotes decentralized decision-making for sustainable development.



7. Using **technology to add value and traceability to rural products, such as QR codes** and carbon credits. Develop a carbon credit system for rural sustainable practices. Farmers and rural entrepreneurs can earn additional income by selling carbon credits for their eco-friendly activities.
8. **Promote market-driven agriculture** to increase farmers' income and reduce intermediary dependency.
9. Implement **decentralized manufacturing in rural areas** for products like jaggery and telemedicine services. This provides employment opportunities and reduces migration to urban areas.
10. Emphasize the **triple bottom line approach**: people, planet, and profit in business practices.
11. Develop **systematic, household-specific livelihood plans** to double incomes every five years.
12. Implement **skilling programs that focus on 21st-century skills** relevant to the global market. Preparing the rural workforce with these skills ensures better employment opportunities.
13. Develop **food processing zones** with a **hub-and-spoke model** to enhance value addition. This creates local processing units connected to central hubs, improving supply chains and increasing farmer incomes.
14. **Address social issues** like caste discrimination and gender violence through **strengthened Panchayati Raj institutions and SHG networks**.
15. **Promoting nutrition education in schools and communities** to encourage healthy eating habits. This involves teaching the nutritional value of foods and reducing the consumption of processed foods.
16. Utilize **artificial intelligence and other technologies to optimize resource use** and increase agricultural productivity. Smart agriculture reduces waste and maximizes crop yields.
17. Leverage traditional weaving and other sustainable fashion practices. **Integrate modern technology to authenticate and market these products globally, ensuring fair compensation for artisans.**



Session 2

Sustaining Inclusion: Reality Check, Operational Models, and Way Forward

Key Messages

Ministry of Rural Development
Government of India



Ms. Soumya Kapoor Mehta

Senior Social Development Specialist,
The World Bank



Ms. Shweta Banerjee
India Country Lead, BRAC



Ms. Smriti Sharan IPOs

Joint Secretary, Ministry of Rural Development,
Government of India



Rural India Conference 2024

Sustaining Inclusion: Reality Check, Operational Models, & Way Forward

Ministry of Rural Development
Government of India



Rural India
Conference



Rural Sustaining Inclusion

Ms. Shyamprerni
India Group, BRAC

1. Focus on **increasing operational farm sizes** to boost productivity.
2. **Leverage NREGA and NRLM programs to enhance social capital and financial inclusion** among rural women. Implement targeted financial inclusion initiatives, such as microfinance and credit access for underserved populations. This empowers individuals to invest in education, healthcare, and entrepreneurship, breaking the poverty cycle.
3. Promote **livelihood-based graduation** programs for long-term asset creation. Adopt the graduation approach, combining asset transfers, skill training, and financial support to help ultra-poor households achieve sustainable livelihoods. This model has shown success in Bihar and can be scaled up in other states.
4. Encourage **government ownership and implementation of graduation programs** for scalability.
5. Embed **climate adaptive strategies in graduation programs**, such as asset insurance and workday insurance for extreme weather conditions. This builds resilience and protects rural livelihoods from climate shocks.
6. Foster **peer-to-peer learning among districts** with similar vulnerabilities to enhance program effectiveness.

ing rural India

BANK
GROUP

Knowledge Par

GDI



7. **Implement the 'Nayi Chetna' campaign** to educate women on their rights and address domestic violence.
8. **Focus on convergence** (Enhance value chains, agro-product processing, and address the evolving landscape of rural employment and health)
9. **Consider status in job creation** by addressing the status differences associated with various types of work in rural areas.
10. **Enhance the role of farmer producer organizations:** Strengthen the connection between these organizations and the farmers.
11. **Understanding different types of exclusion** (structural, incidental, processual) for targeted policy interventions.
12. **Incorporating participatory approaches** in development policies to ensure inclusivity and effectiveness. **Public investment in R&D and extension services** is essential. The disconnect between macro-level policies and micro-level practices needs addressing.
13. **Data-Driven Policy Design:** Emphasizing the importance of concrete data to identify excluded groups and design inclusive policies. Utilize data to understand the intersectionality of vulnerabilities in rural populations, such as caste, gender, age, and disability. This targeted approach helps in designing inclusive and effective development programs.



Session 3

Demystifying Climate Risk: Dimensions, and Learning for Locally Led Adaptation Practices

Key Messages

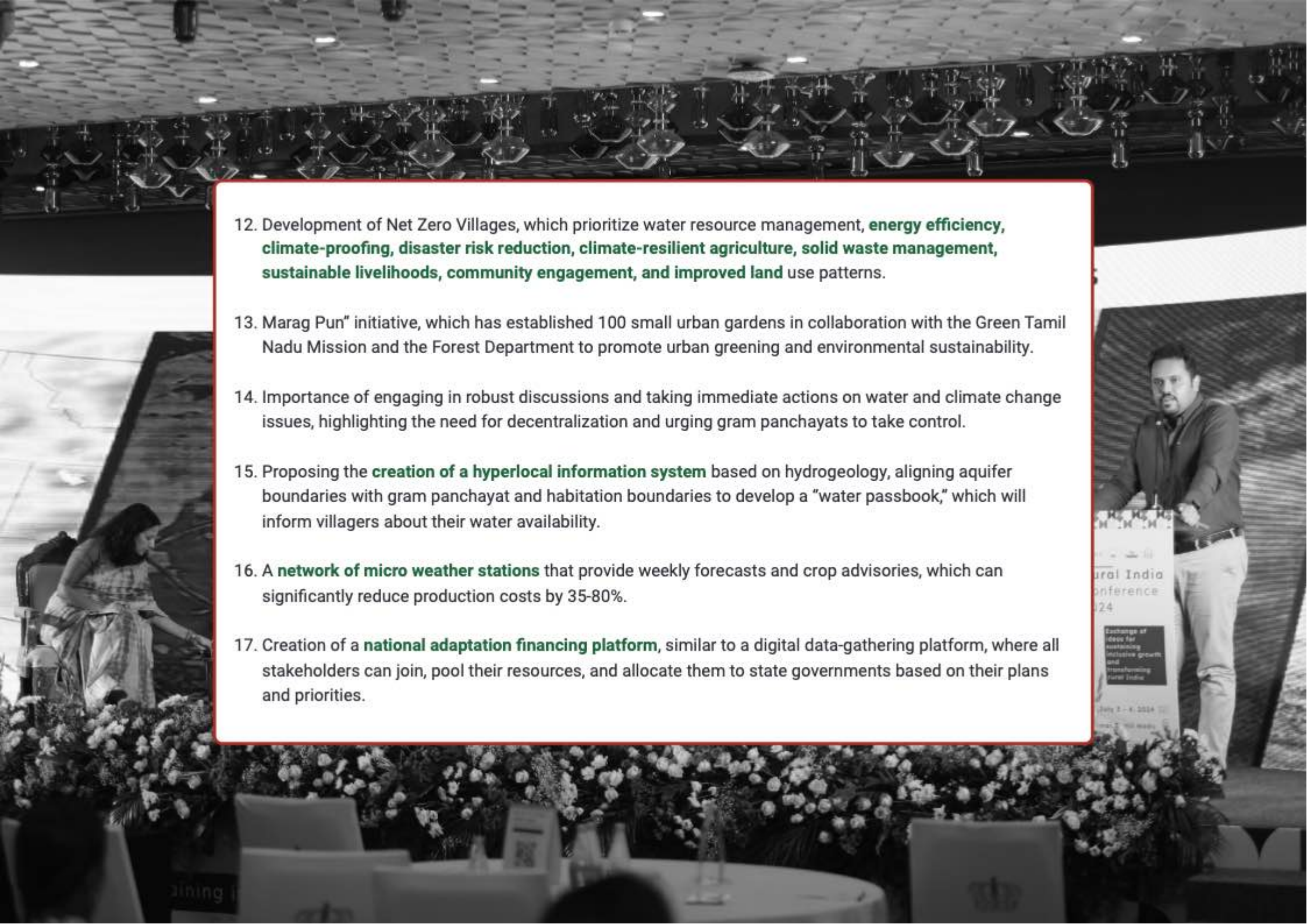


1. **Comprehensive environmental initiatives** such as solarization, wastewater treatment, training, and water pollution monitoring, emphasizing that leveraging carbon credits for resources like mangroves could provide significant financial incentives for communities to conserve natural resources.
2. Establishing programs like **biodiversity conservation program** by National Biodiversity Board that establishes a biodiversity register at every block and panchayat to track biological resources and ensure communities receive **compensation for any commercial exploitation, such as harvesting aloe vera**.
3. Advocating **against promoting excessive groundwater extraction** in drought-prone areas and emphasizes the need to integrate adaptation policies into village-level development plans and government policies.
4. **Ecosystem-based adaptation plans** that enhance both community and ecosystem resilience, emphasizing the preservation and improvement of forests, biodiversity, and water bodies to maintain the productivity of natural and social resources.
5. **Adaptive practices should be inclusive and avoid maladaptation** by considering the local impacts on flooding systems and livelihoods when building infrastructure like roads or highways.



6. **Self-generated adaptation resources**, emphasizing the need for government programs to incorporate natural resource impact assessments and budget for climate change needs, thus mainstreaming adaptation into development programs.
7. Corporate social responsibility (CSR) funds be used to support community-driven ecosystem improvements through a **Green Credits market**, where the value of these improvements is monetized and sold to corporates, with state governments facilitating and generating such projects.
8. Mandatory natural resource accounting to prevent climate change losses and calls for guidelines similar to those for financial institutions, so that corporates plan investments that benefit communities and address climate risks.
9. Sustainable agriculture relies on **maintaining soil health and managing water resources** wisely, achieved through community stewardship and effective aquifer management.
10. Opportunity to **capture and manage unexpected rainfall through legislative measures to rejuvenate water bodies**, and also emphasizes the importance of transitioning to renewable energy with projects like rooftop solar and offshore wind energy in Gujarat and Tamil Nadu.
11. **Stronger commitment** to climate financing from governments and the corporate sector, noting that while there is progress in circular economy and waste management, climate finance remains both an opportunity and a challenge.



- 
12. Development of Net Zero Villages, which prioritize water resource management, **energy efficiency, climate-proofing, disaster risk reduction, climate-resilient agriculture, solid waste management, sustainable livelihoods, community engagement, and improved land** use patterns.
 13. Marag Pun” initiative, which has established 100 small urban gardens in collaboration with the Green Tamil Nadu Mission and the Forest Department to promote urban greening and environmental sustainability.
 14. Importance of engaging in robust discussions and taking immediate actions on water and climate change issues, highlighting the need for decentralization and urging gram panchayats to take control.
 15. Proposing the **creation of a hyperlocal information system** based on hydrogeology, aligning aquifer boundaries with gram panchayat and habitation boundaries to develop a “water passbook,” which will inform villagers about their water availability.
 16. A **network of micro weather stations** that provide weekly forecasts and crop advisories, which can significantly reduce production costs by 35-80%.
 17. Creation of a **national adaptation financing platform**, similar to a digital data-gathering platform, where all stakeholders can join, pool their resources, and allocate them to state governments based on their plans and priorities.

Session 4

Unbundling the Evolution of Rural Finance and its Current Relevance

Key Messages



1. Financial literacy efforts under NRLM must be paired with prompt and accurate service delivery to be effective, **combining awareness with immediate access to financial services**. This integrated approach is proving successful in the field.
2. **Collaborating with existing financial literacy centers**, like FLCCs, by complementing their efforts with NRLM's resources and CRPs to provide mutual support instead of competition.
3. **Establishment of Saksham centers at the sub-block level**, managed by community institutions, to provide training, service delivery, and grievance handling for SHG members, with support from RBI and other institutions. This initiative is already operational in 14-15 states.
4. Pradhan Mantri Mudra Yojana as a powerful tool for grassroots women empowerment, resulting in increased women deposits in the banking system both on an overall and incremental basis.
5. **Digitizing records across India's** approximately 600,000 villages will empower female borrowers by improving their access to quality home loans, marking a significant strategy for women empowerment.
6. **State funding** is crucial in empowering women at the grassroots level, ensuring essential support reaches those at the bottom of the pyramid.
7. **Encouraging PSBs to connect with women founders and organizing camps** to provide financial education, helping women access mainstream banking, benefit from government schemes, and learn about investment and financial planning.
8. **The need to focus on asset creation**, noting that despite efforts, most funds are still used for working capital. This highlights both opportunities and challenges for bankers.



Microcredit in cashflow management for households

Used microcredit as
finance

of LIHs- Insufficiency,
liquidity
structure of microcredit
conducive for business

largely used
purposes



9. Many ground-level innovations are driven by **ag-tech and fintech startups**, which have the potential to address challenges bankers face in lending to farmers and the rest of the value chain.
10. **Tech-enabled output marketplaces** are connecting farmers with new buyers, helping them discover prices, and ensuring timely payments. Data scientists in startups are using drones, satellite imagery, IoT sensors, and algorithms for decision-making across the value chain, while a small segment focuses on agri-fintech.
11. Many ag-tech startups, initially not focused on lending, realized they were gathering extensive data and building strong relationships with farmers. This has led to innovative lending solutions within the ecosystem.
12. Innovative use of **remote sensing in crop loans**, which allows for real-time monitoring of the entire crop cycle from sowing to harvest, including crop age, potential yield, and risks from pests or weather events. This technology has significantly scaled up, providing valuable farm scores.
13. **Crucial role of digital public goods**, particularly the **upcoming agri-stack**, which captures farm ID, farmer ID, and crop ID. These three pillars identify the farmer, their location, and their crops, helping bankers assess the potential income and determine lending amounts.
14. **Digitising agri-input sales** can lead to innovations in retailer finance, value chain financing, and credit marketplaces. Additionally, promoting e-repositories, especially for post-harvest activities, is already gaining traction.
15. Need for **climate-linked financing products** that can address and anticipate climate risks, especially given the challenges posed by weather volatility.
16. Once the women begin using the digital platform for practices they currently conduct offline, they can start building a digital trail. This digital trail can then serve as a foundation for designing financial products tailored to their needs. A study is being conducted in Rajasthan with about 300 women, offering them the **option to transfer some of their existing money management practices to a digital platform**. The goal is to understand which practices they are willing to adopt digitally.



Session 5

Mainstreaming Digital Technologies in Rural India

Key Messages



1. Importance of **strong policy directives** in driving digital transformation and ensuring widespread, consistent adoption of new technologies in governance.
2. Need for **collaboration between the government and the commercial sector** to effectively implement digital technologies in rural areas. This partnership would ensure a comprehensive and sustainable approach, leveraging the strengths of both public and private entities to enhance digital infrastructure, services, and economic opportunities in rural regions.
3. **Integrating digital skills into the rural education system early** on to bridge the skill gap between rural and urban areas. This will enable rural residents to start businesses, connect with markets, services, and government programs more effectively, and promote local economic growth.
4. Creating a **comprehensive rural data stack**, similar in scale to Aadhaar and UPI, to digitize the rural economy. **Assigning unique IDs to microenterprises** will streamline access to financial services and integrate various economic activities effectively.
5. Developing **AI-enabled backend content and chatbots** to support micro-entrepreneurs, providing them with essential business resources and information on a single platform.
6. Need to develop **local digital expertise**, as the current efforts often focus on top-down approaches rather than cultivating grassroots digital skills. Ensuring digital experts at block level is crucial for effective and sustainable digital transformation in rural areas.



- 
- 
7. Development of a **robust digital finance system**, including **credit scores for rural SMEs, micro-entrepreneurs, and farmers**, to enhance financial services. This policy-level investment would enable startups, enterprises, and NBFCs to better serve rural areas, improving financial inclusion and economic growth.
 8. **Open Network for Digital Commerce (ONDC)** will revolutionise e-commerce in India by providing widespread coverage and fostering competition, improving connectivity, and access for all service providers. This inclusive approach will accelerate progress and enhance the e-commerce landscape in rural areas.
 9. Digital technologies like **e-learning, e-health, and e-agriculture** are crucial for bridging the gap in infrastructure and services between urban and rural India, leveraging existing networks to provide quality access and connectivity. These digital solutions are essential for enhancing rural development and making advanced services available to rural populations.
 10. **Increasing financial access to affordable devices and promoting digital content and services in regional languages** to better serve the 57% of Indians who prefer local languages. Tools like Bhashini can bridge language barriers, making digital platforms more inclusive and effective.
 11. **Establishing digitally enabled incubators and accelerators at the block level** to transform necessity entrepreneurs into aspirational ones, fostering rural entrepreneurship. Additionally, training millions of women as digital facilitators (digital Sakhis) through digital literacy programs will significantly empower rural communities.
 12. Critical importance of cybersecurity in e-commerce and digital payments to protect rural populations, for whom losing even small amounts can be devastating. Ensuring **robust cybersecurity measures** is vital for managing finances, protecting identities, and securing transactions, particularly in vulnerable rural areas.
 13. **Standardising protocols and opening them up through APIs** fosters innovation by allowing diverse solutions to integrate seamlessly.

Session 6

Jobs in Rural Space: Towards Inclusive, Productive, and Sustainable Food Systems

Key Messages



1. Potential to **connect fishery women to nutrition programs** like school feeding and anganwadi to enhance economic opportunities. This will improve nutrition while creating a stable market for local fisherwomen's produce.
2. Advocating for comprehensive support, including **policy changes and skill development**, for women self-help groups in the fisheries sector, **emphasizing the use of public assets** like village tanks and partnerships to enable sustainable fish production and market integration.
3. Promoting the **success of partnerships and convergence between public and private sector**, suggesting this model's scalability to other states for broader impact.
4. **Develop inland and marine aquaculture** to meet growing fish demand, leveraging the success of regions like Andhra Pradesh to other parts of India.
5. Need for **technology interventions**, thereby supporting more cost-effective and ethical milk production by farmers such as improved feed and breeding techniques to enhance milk production and dairy profitability.
6. **Subsidising the cost** of artificial insemination, could significantly improve the rural economy by increasing the number of valuable female calves and reducing the burden of male calves on farmers addressing gender imbalances in rural economies.
7. Encourage the **development and use of apps** that allow fishermen and farmers to bid and sell directly to markets, ensuring fair pricing and reducing middlemen.
8. **Provide funding and incentives for the establishment of cold chain infrastructure**, including trucks and processing centers, to maintain the quality of perishable goods from harvest to market.
9. Enforce **strict quality standards and certifications** to ensure traceability from farm to consumer, enhancing food safety and consumer trust.



10. Support the **integration of different agricultural sectors**, such as seafood and poultry, to diversify income sources and improve overall sector resilience.
11. Public investments should focus on **digitization and open data initiatives** to enable better market linkages and support working capital for small traders.
12. Promote industries like **construction, wholesale, retail, and machinery** in rural areas to create more job opportunities and support local economies.
13. Foster **interdepartmental collaboration to streamline resource allocation and support** for rural development projects, maximizing impact through synergy.



Session 7

Jobs in Rural Space Looking Beyond the Agriculture and Allied Sectors

Key Messages

- Women HC expanded to 16x in last 24 months
- Opened 4 women only facilities
- Business benefited



1. Diversifying economic growth by **enhancing value in agriculture** and its related sectors, **expanding services and manufacturing**, and developing new growth avenues to generate more employment opportunities.
2. Focusing on **region-specific sectors with job creation potential**, particularly in salaried and service jobs, emphasizing the care sector's growing importance as India's population ages.
3. Need for **equitable access to employment by improving transport and digital connectivity**, and ensuring availability of government and private sector services.
4. To improve employability, **the private sector must lead the design of curriculum, training, and certification, as they are better positioned to anticipate future skill** needs. Collaboration with the private sector is essential for effective government intervention in this area.
5. Three opportunities for rural youth employment: **matching talent to new jobs** created by increased investment, **unlocking new job opportunities** through local startups, and **scaling entrepreneurship initiatives**.
6. Need to **strengthen career counseling and the job matching ecosystem**, focusing on early counseling to shape aspirations and leveraging platforms like LaborNet and Quest to match skills to jobs with precise, micro-level information.
7. **Foster digital rural entrepreneurship by supporting rural BPOs, KPOs, and gig economy** roles such as data labeling and digital content creation, leveraging the increasing digital penetration in rural areas.
8. A **comprehensive overhaul of the skills ecosystem** to enable flexible career progression, suggesting states like Punjab and Chhattisgarh define relevant trades locally and introduce deeper, apprenticeship-based models from early schooling.



9. **Financing for skills training** should be **tied to both placement and retention outcomes**, addressing the issue of high turnover and ensuring sustainable employment.
10. **Formalizing the care economy to re-engage women in the labor force**, suggesting that both large industries and MSMEs need to drive this change to bridge the gap caused by domestic care duties.
11. Development of **large-scale rural franchises integrated into corporate supply chains** as a crucial and timely solution to boost rural employment and economic growth.
12. Introducing a **skill development program for entry-level supervisory roles**, offering comprehensive training and guaranteed employment near participants' homes.
13. Sectors like education, skills, industry, and jobs are working in isolation despite having broad, mission-oriented goals. The government's aim is to **integrate these sectors to create a more cohesive and effective system**.
14. A **platform where industries post job openings and youth share their aspirations**, with an AI algorithm matching them for efficient job placements. The government also supports this initiative by offering wage compensation and incentives for skill training.



Session 8

Private Sector Role in Spurring Investment for Rural Growth

Key Messages

India Conference 2024

Private Sector Role in Spurring Investment for Rural Growth

Mr. V. Vishnu IAS

MD & CEO, Guidance Bureau,
Govt. of Tamil Nadu

Mr. Ponnuswami M

Founder and MD, Ponnuswami
Chemicals Group
Co-Chair, CII National
Council & Chair, CII
Committee on
of Doing Business
South Asia

Mr. Sou

Wholesale

Mr. Sats Ra

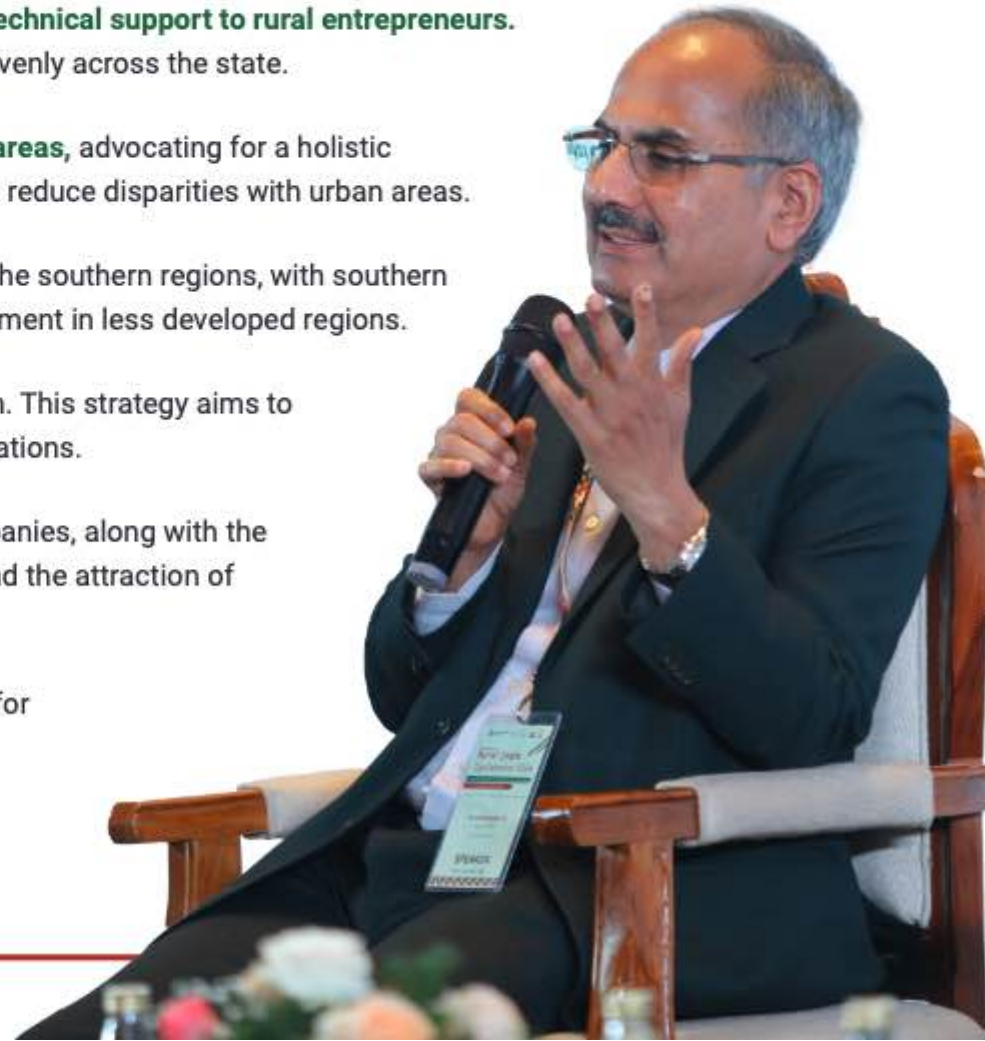
M-



1. **Investments in essential rural infrastructure and industries**, including modern agriculture, food processing, and microfinance, to drive growth and development in rural areas. These investments aim to enhance connectivity, productivity, and entrepreneurial opportunities in rural regions.
2. Need for **skill development, clean energy and ecotourism** to boost rural growth. Additionally, financial inclusion, digitalization, startups, and infrastructure improvements are vital for the rural economy's advancement.
3. Importance of **investments in both capital-intensive and employment-intensive sectors** to create jobs, highlighting that job creation is a crucial aspect of any investment strategy.
4. **Integrating into the global value chain** is essential for generating jobs and attracting large-scale investments. This integration enhances competitiveness and opens up international market opportunities.
5. The government should **support rural industries by prioritizing factory setups in backward districts** and offering solar energy facilities. This support aims to promote industrial development and sustainability in rural areas.
6. Promoting the efficiency and accessibility of the **single-window and guidance systems** for industry requirements, emphasizing their responsiveness and recent rural approval amendment. This streamlined approach simplifies industrial setup and ensures timely approvals, boosting investment confidence.
7. Highlighting the **significant impact of the animal husbandry sector** on rural economies, noting its unique ability to create indirect employment and provide sustenance. This sector plays a vital role in supporting rural livelihoods and economic stability.



8. Emphasizes the **interconnectedness of rural businesses** with the larger economy, exemplified by a company that recycles PET bottles into yarn for Hyundai's seating products. This demonstrates how rural enterprises can integrate into major industrial supply chains.
9. Corporates should address rural-urban disparities while fulfilling obligations to shareholders, bankers, and the government, without expecting **special allowances for rural areas**. This approach aims for balanced and responsible investment in rural development.
10. Rural areas are well-suited for **land-intensive activities** such as farming and manufacturing. These sectors can thrive in rural settings due to the ample availability of land.
11. Emphasizes the importance of **promoting local food processing and providing technical support to rural entrepreneurs**. This strategy aims to boost local entrepreneurship and distribute income more evenly across the state.
12. Government should **implement policies encouraging companies to hire in rural areas**, advocating for a holistic development approach. Companies should strive to enhance rural areas, not just reduce disparities with urban areas.
13. Government **subsidies are structured to increase significantly** from Chennai to the southern regions, with southern areas receiving up to 40-50% subsidies. This approach aims to incentivize investment in less developed regions.
14. **Creation of large land banks** in tier-2 and tier-3 cities to promote industrialization. This strategy aims to attract global companies by offering them substantial land parcels for their operations.
15. **Government-subsidized skill development programs** for women to attract companies, along with the need for more technical schools in rural areas, improved power infrastructure, and the attraction of agribased multinationals.
16. Tamil Nadu's challenges with green power infrastructure, emphasizing the need for **improved storage solutions**.



Session 9

Institutional Capacity to Deliver Rural Transformation
for Developed India

Key Messages



1. **Recognizing high performers and providing support to underperformers** are effective strategies for enhancing capacity and systematizing performance in rural development institutions. These innovations ensure continuous improvement and accountability.
2. **Special Purpose Vehicles (SPVs)** streamline processes and reduce bureaucracy, leading to lower vacancy rates and more efficient hiring for specialist roles. SPVs also enable faster decision-making and flexible funding, which are essential for adapting to evolving needs in rural development.
3. **Prioritize capacity-building institutions**, particularly state institutions for rural development and panchayat raj. Empower panchayats to function as real local governments, ensuring they have the authority, resources, and capacity to address local needs and drive development. These institutions are crucial for enhancing the effectiveness and sustainability of rural development efforts.
4. Nationwide **replication of NRLM's Cluster Facilitation Teams** for MGNREGA.
5. Local governments should have distinct, **locally tailored systems** instead of mimicking state-level systems, which are often impractical. They emphasize the need for localized IT solutions to better address specific local needs and challenges.
6. Capacity-building **initiatives should be tailored to the distinct roles and contexts** of institutions like block development officers and gram panchayats in different states. Customized approaches are necessary to effectively address the unique needs and functions of these roles in various regions.
7. Addressing rural India requires **long-term investments** beyond short-term training programs. Invest in long-term human resource development by establishing institutions akin to IRMA, focusing on creating managers and leaders for rural development sectors.
8. Addressing **positional externality**, where the success of one role depends on others, is crucial for significant progress in rural development. Solving this issue requires coordinated efforts and aligned responsibilities across various roles and sectors.
9. Importance of **ensuring that individuals have the necessary competencies**—attitude, skill, and knowledge (ASK)—to perform their roles effectively. This includes both domain-specific and behavioral competencies, regardless of the terminology used.



10. Developing organizational capabilities that provide **clear visibility into individual and managerial performance**.

This ensures that all levels, from the individual to the organization, can verify and ensure they are meeting their delivery goals effectively. Develop robust performance management systems that link individual roles to organizational goals, ensuring accountability and efficiency in rural development programs.

11. Establishing **commodity-based centers of excellence**, like the one for citrus in Punjab, to provide technical support and processing opportunities for farmers. They advocate for networking large groups of farmers with corporates to bridge market gaps and enhance agricultural value chains. **Develop cooperatives focused on specific commodities**, similar to the Amul model, to ensure better price realization, quality control, and market linkage for farmers.

12. Establish **PPP models to create value chains in agriculture, linking farmers directly with corporates** to streamline the supply chain, reduce intermediaries, and enhance market access.

Session 10

Closing session - The way ahead!

Key Messages



1. Need to **analyze and understand the factors that contribute to the success of certain programs** in some areas while similar programs fail in others. This understanding can help improve policy and implementation strategies to achieve better outcomes universally.
2. **Conduct independent evaluations of rural development schemes** in both advanced and less advanced states to identify systemic differences and replicate successful models.
3. **Increase devolution of powers and resources to local authorities and NGOs** to enhance local governance and improve the efficiency of rural development programs.
4. Effective government decision-making on **phasing out or strengthening programs necessitates robust medium-term resource planning**. This strategic planning is essential for prioritizing and allocating resources efficiently.
5. **Prioritize large-scale water conservation projects**, including underground storage and creation of small reservoirs and ponds, to address water scarcity exacerbated by climate change.
6. **Integrate technology in rural health, education, and infrastructure services** to ensure equal access and improve service delivery across rural areas.
7. **Develop strong value chains** by connecting rural producers directly with markets, reducing intermediaries, and enhancing their income through better price realization.
8. **Advocate for flexibility in government scheme guidelines** to allow local adaptation and ensure that resources are utilized in the most effective way for the local context.
9. **Foster collaboration among various ministries** (e.g., Rural Development, Agriculture, Water Resources) to implement holistic rural development projects that address multiple issues simultaneously.



Organizers





Tamil Nadu Rural Transformation Project

Vazhndhu Kattuvom Project alias Tamil Nadu Rural Transformation Project is an innovative World Bank assisted Project that aims at rural transformation through strategies that look beyond poverty alleviation by building sustainability and prosperity of rural communities through rural enterprise promotion, access to finance and employment opportunities in the selected blocks of Tamil Nadu. The Project will build on existing institutional capital and investments made by TNEPRP, TNSRLM and NRLP.



World Bank Group

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development. The World Bank supports projects that aim to reduce poverty and promote inclusive growth. This includes funding for rural development, social protection programs, and projects that improve access to education, healthcare, and basic infrastructure.



GDi Partners

GDi Partners is an impact consulting firm focused on addressing various social, economic, and environmental challenges. The firm works with a range of stakeholders, including governments, non-profits, and private sector organizations, to design and implement strategies that drive positive change in communities. GDi Partners engages in projects across different sectors such as child development, agriculture, policy development, and rural economic growth. Their work often involves analyzing complex problems, developing diagnostic frameworks, conducting research, and executing field projects to achieve long-term success in the areas they operate. Additionally, GDi Partners is known for its innovative approach to digital content creation, particularly through platforms like Instagram, where they share informative and engaging content related to consulting, rural development, and other impact-driven topics.

[illegible]

1. Dr. Soumya Swaminathan, Chairperson, M S Swaminathan Research Foundation (MSSRF)

emphasized that health shocks, like pandemics, climate hazards, and antimicrobial resistance, are recurring issues that require integrated planning. Dr. Swaminathan advocated for the One Health approach, stressing that human health is linked to the health of animals, plants, and the environment. She pointed out the economic benefits of investing in disease prevention and health promotion, using the example of hypertension and its link to chronic kidney disease. Early detection and treatment of hypertension can prevent costly treatments like dialysis, demonstrating the value of preventive healthcare.

Focusing on non-communicable diseases (NCDs), Dr. Swaminathan noted the increasing burden of diabetes and hypertension, particularly in rural areas. She highlighted that less than 10% of Indians consume a healthy diet, leading to high rates of NCDs. Poor diet, environmental hazards, tobacco, alcohol, and lack of physical activity are major risk factors. Dr. Swaminathan emphasized the need for developing rural areas to prevent distress migration to cities, advocating for good infrastructure, health facilities, schools, and job opportunities in rural areas. This development approach aligns with the concept of providing urban amenities in rural areas (PURA) and can prevent the strain on urban infrastructure.

Dr. Swaminathan discussed the impact of climate change on health and livelihoods, particularly in coastal communities. She stressed the importance of integrated planning across departments and the need for better data, including gender-disaggregated data, to understand vulnerabilities. Women and children are disproportionately affected by climate impacts, with increased gender-based violence and undernutrition in drought-affected areas. Dr. Swaminathan advocated for building the capacity of local bodies like panchayats to manage natural resources sustainably. She called for moving beyond GDP as a measure of development to include ecosystem services, ensuring that natural resources are preserved for future generations. Education and skilling, especially in rural areas, are crucial for sustainable development, and partnerships with the private sector, NGOs, and communities can accelerate this process.



2. Mr. Nagaraja Prakasam, Founder Chairman, Native Lead

highlighted the immense potential of rural India, often overshadowed by urbanization discussions. He emphasized the importance of addressing rural migration by creating opportunities within rural areas, thereby preventing the need for people to migrate to urban centers. Prakasam shared his experiences from traveling across 28 states, noting the untapped potential and existing sustainable practices in rural communities. He stressed the importance of integrating traditional knowledge with modern technology to address global challenges like climate change and inequality.

Prakasam advocated for valuing sustainable rural products by using technology to authenticate and add value, such as QR codes for traceability and carbon credits for sustainable practices. He highlighted the need for market-driven agricultural produce to boost farmers' income and reduce dependency on intermediaries. He called for the promotion of entrepreneurial ventures in rural areas to create local employment and prevent migration to cities. Prakasam also emphasized the role of women in rural development and the need for modern skills training to ensure sustainable growth.



3. Mr. R Subrahmanyam IAS (R), Member, Centre for Research in Schemes and Policies

emphasized the critical need to focus on rural development, highlighting that 59% of India's population resides in rural areas, which still account for 72% of the country's poor. He underscored the declining productivity in rural areas and the need for a second agricultural revolution to boost productivity and skills. Drawing from Gandhian philosophy and President Abdul Kalam's concept of PURA, he advocated for bridging the rural-urban divide through physical, electronic, knowledge, and economic connectivity. This approach counters the traditional economic theory that surplus rural labor should migrate to urban areas for growth.

He stressed the importance of transforming agriculture with techno-economic

modernization, smart agriculture, and natural farming practices to improve productivity and climate resilience. Emphasizing economic empowerment, Mr. Subrahmanyam called for systematic livelihood plans tailored to each household's needs and aspirations, leveraging the existing social capital created by self-help groups (SHGs). He highlighted the potential of food processing and supply chains to enhance rural incomes, advocating for decentralized processing at the village level. Furthermore, he emphasized the need for skill development aligned with global standards to boost rural productivity and prepare the workforce for urban and global markets.

4. Ms. Soumya Kapoor Mehta, Senior Social Development Specialist, The World Bank

presented an analytical overview of rural India's current state, emphasizing that 64% of India's population remains rural. She highlighted challenges such as decreasing operational farm sizes, from 2.28 hectares per household in 1971 to 1.08 hectares in 2015-2016, and increased educational attainment leading to higher youth aspirations. Despite 76% of women in rural areas working in agriculture, the sector contributes only 16% to GDP. A significant wage gap persists between men and women in both agricultural and non-agricultural jobs, with the gap increasing in non-farm jobs over the past decade.

Ms. Mehta underscored the importance of targeting interventions across caste and wealth groups, noting that NREGA has been an equalizer by providing jobs and equal wages for men and women. She highlighted the role of NRLM in creating social capital among women, enhancing their mobility, social networks, and financial inclusion. However, child nutrition indicators, particularly stunting, remain concerning, affecting cognitive development and adult longevity. Mehta concluded by stressing the need for tailored rural development models that consider these diverse factors.



5. Ms. Shweta Banerjee, India Country Lead, BRAC

emphasized the global progress in poverty reduction, noting a decrease from 2 billion people in 1990 to 712 million today. She highlighted India's significant role in this achievement but warned that post-COVID-19, poverty estimates have risen, and the climate crisis threatens further progress. Banerji discussed the characteristics of extremely vulnerable populations, including lack of assets, health issues, and remote living conditions. She compared cash transfers and livelihood-based graduation programs, advocating for the latter due to their long-term impact on asset creation and household consumption.

Banerji praised India's approach of integrating social protection measures as the first step of livelihoods programs, avoiding the "either-or" debate seen in other regions. She cited Bihar's Satat Jeevika Pariyojana as a successful high-fidelity government-led graduation program. She emphasized the need for community-level federation involvement and the importance of contextualizing graduation elements to specific district needs. Banerji also stressed the importance of embedding climate adaptive strategies in graduation programs and fostering peer-to-peer learning among districts facing similar challenges.



6. Ms. Smriti Sharan IPoS, Joint Secretary, Ministry of Rural Development, Government of India

emphasized the importance of financial inclusion as a critical enabler for breaking the poverty trap and restoring individual agency and dignity. NRLM's initiatives focus on holistic development and last-mile delivery, with notable achievements such as 10 crore households, 91 lakh self-help groups (SHGs), and 6 lakh community resource persons. Financial inclusion efforts have leveraged capitalization from banks to the tune of 8.84 lakh crores, a 20-fold increase. The Women Enterprise Acceleration Fund aims to upscale SHG women's entrepreneurship. Inclusion efforts target SC and ST populations, people with disabilities, and elderly groups, incorporating both men and women into SHGs, even those without a propensity to save.

MGNREGA has enhanced women's participation in the labor force, increasing wage parity. Women's participation has risen from 53% to 59% in the last five years. MGNREGA also focuses on climate resilience, with numerous projects aimed at natural resource management. PMGSY connects unconnected habitations, especially in left-wing extremism areas, enhancing connectivity and access to markets, health, and education. PMAY-G has sanctioned over 2.95 crore houses, emphasizing inclusion through integrating toilets, electricity, LPG connections, and tap water. NRLM's focus on food, nutrition, health, and WASH through community resource persons aims to combat anemia, stunting, and infant mortality. The gender campaign 'Nayi Chetna' educates women on their rights and addresses domestic violence. The graduation approach or 'Satat Jeevikoparjan Yojana' provides extra support to marginalized households, with pilot projects in 11 states. A unique initiative in Jharkhand addresses victims of witch-hunting, forming protection committees, identifying survivors, and rehabilitating them. The Swabhimaan project, in partnership with SRLM, UNICEF, and NRLM, showed improved dietary diversity and better maternal health practices in 356 villages.

In conclusion, the Joint Secretary highlighted the need for convergence in rural development efforts, focusing on value chains, agro-product processing, and addressing the evolving landscape of rural employment and health.

7. Mr. Vijaya Baskar, Member, State Planning Commission, Government of Tamil Nadu

The speaker expressed gratitude to the organizers and fellow panelists, especially Prof. Jodhka. He expressed a disagreement with the title "sustaining inclusion," arguing that inclusion has not yet been achieved in India. He pointed out that recent farmers' protests, agitations for backward caste status, and caste conflicts indicate that inclusion is still a distant goal. The speaker emphasized the importance of status associated with jobs, not just income, in a caste-conscious society. Even if landed households earn well from agriculture, the status is lower compared to incomes from intellectual labor. This status difference significantly influences rural aspirations.

Mr. Baskar highlighted the ecological crises from industrialized agriculture and the difficulties of structural transformation due to technological advancements and declining employment absorption in manufacturing and services.



He criticized the inadequate investment in primary education, which has led to low agricultural productivity and limited manufacturing capabilities. Investing in human capital is crucial for sustaining and improving social inclusion.

He stressed the importance of addressing regressive caste norms and promoting progressive norms that support equality and fraternity. While appreciating agroecological initiatives, he cautioned against their potential reinforcement of regressive norms and questioned their scalability. He also noted the disjuncture between macro-level food policy and micro-level organic initiatives, emphasizing the need to balance eco-friendly practices with broader food policy goals.

Mr. Baskar called for increased public investment in R&D and extension services, arguing that public investments do not crowd out private investment. He pointed out the limited success of efforts to disintermediate and connect farmers directly to markets, particularly with farmer producer organizations. Lastly, he noted that while women's groups are successful in distributing low-cost credit, they are less effective as collective enterprises due to social norms.



8. Prof. Surinder Singh Jodhka, Professor, Sociology, Jawaharlal Nehru University

addresses the intertwined issues of inclusion and sustainability, emphasizing the persistent reality of exclusion and the complex structural processes that drive it, such as caste, gender, ethnicity, class, and community. He highlights incidental exclusions like disability, disaster, and aging, and processual exclusions like climate change and development-induced displacements. He stresses the need to classify different types of exclusion to design effective policies. The speaker challenges the traditional notion of the rural as backward and static, advocating for a re-envisioning of the rural as diverse, fluid, and socially constructed. He points out that rural areas are not homogeneous but vary greatly within regions and communities, with different experiences of caste, status, and power dynamics. He calls for recognizing the agency of rural people and incorporating participatory development approaches.

Mr. Jodhka also highlights the changing nature of caste, gender, and family structures and the need for civil society organizations to adapt. Ultimately, he urges a critical engagement with these evolving realities to address exclusion and promote sustainable development.

9. Ms. Supriya Sahu, Additional Chief Secretary to the Department of Health and Family Welfare, Government of Tamil Nadu

shared insights on the impact of climate change on communities, particularly through real-life examples from Tamil Nadu. Highlighting the severe reduction in fish and prawn harvests faced by local fishermen in Pichavaram and the adverse effects of the Ennore Creek oil spill on fishing communities, she emphasized the urgent need for adaptation and mitigation strategies. The Government of Tamil Nadu's initiative to launch ten climate-resilient villages aims to enhance local resilience through comprehensive measures such as solarization, wastewater treatment, training, capacity building, and pollution monitoring. The involvement of the World Resources Institute in creating detailed project reports and the National Biodiversity Board's efforts to register and compensate for commercial exploitation of biological resources were also discussed. The speaker underscored the importance of motivating communities to conserve natural resources and adapt to the changing environment.



10. Ms. Yeshika Malik, Climate Change Specialist, The World Bank

highlighted the critical importance of addressing climate change, emphasizing its profound impacts on vulnerable communities. She underscored that while developed economies have historically contributed more to global warming, developing nations, particularly in South Asia, bear the brunt of its effects. India, despite contributing only about 4% of global emissions, has over 50% of its population at climate risk. The country faces severe challenges such as flooding, sea level rise, heat stress, and extreme weather events, which threaten the livelihoods of millions, especially in rural areas. Agricultural sectors, vital to rural economies, are particularly vulnerable, with extreme weather causing crop failures, water scarcity, and economic losses.

Ms. Malik pointed out that adaptive capacity is crucial for resilience, necessitating integrated policies at national, state, and local levels. She highlighted initiatives like climate-smart villages and traditional knowledge systems as key to building resilience.

Additionally, she stressed the disproportionate impact on women and the need for their involvement in adaptation strategies. Ms. Malik advocated for a holistic approach that combines local adaptation efforts with global policy frameworks to address climate change effectively, ensuring sustainable development and resilience for vulnerable communities.

11. Mr. A R Rahul Nadh, Director, Environment and Climate change, Govt. of Tamil Nadu

highlighted Tamil Nadu's proactive measures in addressing climate change. He emphasized the state's challenges, including rising temperatures, sea-level rise, and extreme weather events, and outlined opportunities for natural resource management and renewable energy transition. Tamil Nadu's initiatives include developing district and village-level climate action plans, establishing a District Climate Change Mission, and implementing the Chief Minister's Green Fellowship Program. The state has also undertaken comprehensive climate risk assessments and launched Climate Smart Village projects to achieve Net Zero Villages. The Green School Scheme promotes environmental education, while mangrove plantation projects support biodiversity and green credits.

Tamil Nadu is also focusing on sustainable agriculture, forestry, and the circular economy. The state is enhancing coastal biodiversity and protection through the Tamil Nadu Shore program, funded by the World Bank. Efforts include workshops for stakeholders, promoting cool roofs to reduce heat stress, and creating a digital platform for volunteer environmental initiatives. Mr. Nadh stressed the importance of local leadership, inclusive governance, and community involvement in achieving these goals. With these comprehensive initiatives, Tamil Nadu aims to achieve Net Zero emissions ahead of the national target of 2070, positioning itself as a leader in climate resilience and sustainability.





12. Mr. Rajani Ranjan Rashmi IAS (R), Distinguished Fellow and Programme Director, TERI

highlighted the critical need for rural communities to enhance their adaptive capacity in the face of climate change. He outlined that climate change impacts resources and productivity, emphasizing the need for improved adaptive measures. Mr. Rashmi traced the origins of India's National Action Plan on Climate Change (NAPCC), which includes eight missions targeting both mitigation and adaptation. Focusing on agriculture, he pointed out the importance of developing drought-resistant crops and sustainable farming practices but noted that these efforts alone are insufficient. The speech underscored the necessity of state-level action plans and the creation of an adaptation fund, although its effectiveness and continuity are in question. Mr. Rashmi emphasized the importance of assessing climate risks and prioritizing resources accordingly. He advocated for ecosystem-based adaptation, ensuring inclusivity, and avoiding maladaptation. Highlighting the role of both government and private sectors in organizing resources, he introduced the concept of Green Credits, which monetize ecosystem improvements for corporate investment.

Mr. Rashmi concluded by stressing the need for mainstreaming natural resource accounting into developmental programs and corporate investment planning to truly enhance the adaptive capacity of rural communities.

13. Ms. Marcella D'Souza, Director, Watershed Organization Trust (WOTR)

shared her extensive experience with natural resource management through watershed development, initiated 30 years ago. Her presentation highlighted the transition from watershed development to ecosystem-based adaptation for sustainable livelihoods. Central to these interventions is the active participation of the community, essential for successful implementation. Ms. Marcella presented various case studies, showcasing significant improvements in agriculture, forest cover, and land stability in rain-shadow areas. Remote sensing data demonstrated lower temperatures and increased agricultural productivity in treated areas. However, challenges like reduced biodiversity, deforestation, and groundwater



exploitation were noted. Ms. Marcella emphasized the need for sustainable practices, including water stewardship and aquifer management, to maintain soil health and manage water resources judiciously.

She introduced tools like water governance standards and community-based water budgeting to ensure effective resource management. Ms. Marcella underscored the importance of inclusive governance, considering gender and community involvement, to build adaptive capacities and address climate risks. By protecting streams, springs, and riverbanks and managing pollution, communities can enhance their resilience to climate change. Ms. Marcella concluded by encouraging the use of available tools and resources to continue these efforts, emphasizing the interconnectedness of agriculture, water management, and ecosystem health.

14. Mr. Liby Johnson, Executive Director, Gram Vikas

highlighted the severe climate challenges faced by the region, including cyclones, floods, and unprecedented landslides caused by a cloudburst in 2017.

He discussed the traditional slash-and-burn cultivation by Adivasis, which led to soil degradation due to shortened cycles and reduced forest access. In the late 1980s, afforestation programs introduced cashew as an alternative crop, which eventually contributed to landslides as cashew trees do not hold the soil well. He emphasized the guilt and helplessness of the communities as they face the impacts of climate change. Migration has become a primary coping mechanism, with remittances being used to improve land and infrastructure.

Mr. Johnson's organization, Gram Vikas, focuses on water and natural resource management, emphasizing the need for decentralization and local control by gram panchayats. Their intervention involves creating "water passbooks" to monitor water availability, establishing micro weather stations for crop advisories, and reducing production costs. He advocated for building local movements led by gram panchayats, supported by citizen organizations, and creating hyperlocal social entrepreneurs to ensure long-term resilience and equity.



15. Mr. Gaurav Gupta, CFA, Co- Author of Inclusive Finance

State of the Sector Report 2023 emphasized the crucial role of finance as the "oil" driving India's economy, beyond just credit provision. The presentation outlined significant shifts in India's financial landscape, highlighting the proactive role of the RBI, which issued 21 bank licenses between 2015 and 2018, and the success of initiatives like the Pradhan Mantri Jan Dhan Yojana for financial inclusion.

Key points included the substantial increase in bank accounts and digital transactions facilitated by government policies and private sector innovations. Mr. Gupta noted the reduction in remittance costs for migrant workers and the success of microfinance and agricultural credit programs. He identified ongoing challenges such as gender disparities in credit access, low savings mobilization, and the need for better financial products and infrastructure in rural areas. Despite significant progress in financial inclusion, the speaker stressed that more work is needed to fully address these issues and improve the quality and accessibility of financial services for all Indians.



16. Mr. Soumya Kanti Ghosh, Group Chief Economic Advisor, State Bank of India (SBI)

presented an analysis on women's economic transformation in India through the banking system and government initiatives. He highlighted several schemes like Pradhan Mantri Jan Dhan Yojana, Mudra Yojana, and Ujjwala Yojana, which have significantly impacted financial inclusion and women's empowerment. He emphasized the substantial increase in women's participation in banking, reflected in higher deposits and improved financial independence. The initiatives have also led to increased female labor force participation, especially in agriculture, and have positively impacted social and economic indicators, including reduced crime rates and better social fabric in districts with higher scheme penetration.

Dr. Ghosh pointed out ongoing gender disparities in sectors like MSMEs but noted efforts to bridge these gaps through targeted reforms and financial education. He concluded by underscoring the transformative potential of empowering women at the grassroots level, which not only benefits individual women but also strengthens the overall societal framework.

17. Mr. Srikanth Goli, Associate Vice President, Research & Insights, CRIF HighMark

presentation focused on the state of rural credit in India, covering recent trends and key loan product categories. He explained that major loan categories, including gold loans, agriculture loans, and microfinance loans, significantly contribute to rural credit, which makes up about 50% of the total disbursed amount of 25 lakh crore in FY24. He highlighted robust growth in most loan categories, except for a degrowth in agriculture loans due to underperformance by three major gramin banks.

The analysis identified the top 10 states contributing 80% to rural credit, with notable growth in some states while others like UP, Rajasthan, and Gujarat witnessed degrowth. Shri Kant emphasized that rural and urban loan performance is comparable, with rural loans sometimes performing better. He noted that women borrowers have significant representation in most loan categories, except for agriculture and personal loans.

Mr. Goli provided a deep dive into the microfinance sector, revealing a total portfolio of 7 lakh crore with a 28% growth. He discussed the overlap between SHG, JLG, and consumer loans, indicating that SHG members often have multiple loan types. He concluded by highlighting the importance of focusing on both high-performing and aspirational districts to enhance rural credit penetration.



18. Mr. Anil Kumar, Mission Manager, Financial Inclusion, National Rural Livelihoods Mission

emphasized the need to strengthen the demand side of financial inclusion, noting that while significant work has been done on the supply side in terms of policies, products, and services, there is a lack of focus on making people aware of these offerings. He highlighted that a large portion of the population remains financially illiterate, with only 21% of women and about one-third of the urban population being financially literate. To address this, NRLM has initiated a model focusing on financial and digital literacy,

particularly for rural women. This model involves a three-tier structure of trainers at the district and field levels who provide targeted awareness and training on seven key financial topics. The approach combines financial literacy with service delivery to ensure practical benefits.

Mr. Anil also stressed the importance of sustainability, advocating for financial literacy to be managed by community institutions to ensure continuity beyond project timelines. Collaboration with existing financial literacy infrastructures like FLCC centers and a system of concurrent evaluations to measure impact are also part of the strategy.

Despite progress, challenges remain, such as the largely physical structure, the need for digital solutions, and the requirement for more significant investment and convergence among stakeholders. The establishment of saksham centers aims to address these issues.

19. Mr. Hemendra Mathur, Chair, FICCI task force on Agri Startups and Venture Partner, Bharat Innovation Fund

discusses the critical role of agriculture in India's economy, emphasizing its contribution of 18% to GDP and employing 55% of the population. Highlighting the challenges in providing credit to smallholder farmers, who make up 85% of the farming population, he notes that institutional credit covers only two-thirds of agricultural lending, with the remainder sourced from high-cost non-institutional lenders.

Mr. Mathur points out that a significant portion of agricultural credit is used for non-agricultural purposes, and there's a need to focus more on asset creation rather than just working capital. The presentation also highlights innovations by agri-tech startups, which are addressing various issues like farmer onboarding, credit assessment using remote sensing, and post-disbursement monitoring. These startups, through digital solutions and data-driven approaches, are improving the efficiency and accessibility of credit to farmers.

Mr. Mathur stresses the importance of collaboration among regulators, banks, NBFCs, and startups to scale these innovations. They also advocate for the use of digital public goods, such as agri-stack, to streamline processes and reduce the cost of lending. Lastly, the speaker calls for data-driven frameworks for loan waivers to ensure they are more effective and less politically motivated.





20. Mr. Indradeep Ghosh, Executive Director, Dvara Research

discusses the demand side of financial inclusion, emphasizing the differences between the financial lives of low-income households and those of more affluent ones. He points out that India's financial inclusion success has been largely driven by credit, but questions why informal credit still plays a significant role despite extensive policy efforts.

Mr. Indradeep highlights the growth of the microcredit industry and its shift towards consumption smoothing rather than enterprise activities. He argues that traditional annual poverty assessments overlook the episodic poverty experienced by low-income households, whose monthly incomes often fall below the poverty threshold multiple times a year. This income instability leads to frequent cash flow deficits, necessitating borrowing. Indradeep also mentions a study in Rajasthan exploring how digital platforms could organically build trust among poor women by allowing them to transfer existing money management practices online, thereby creating a digital trail for better financial product design. He concludes by stressing the need for more tailored financial solutions that reflect the unique financial lives and challenges of low-income households.

21. Mr. Amit Singh, a partner at Deloitte,

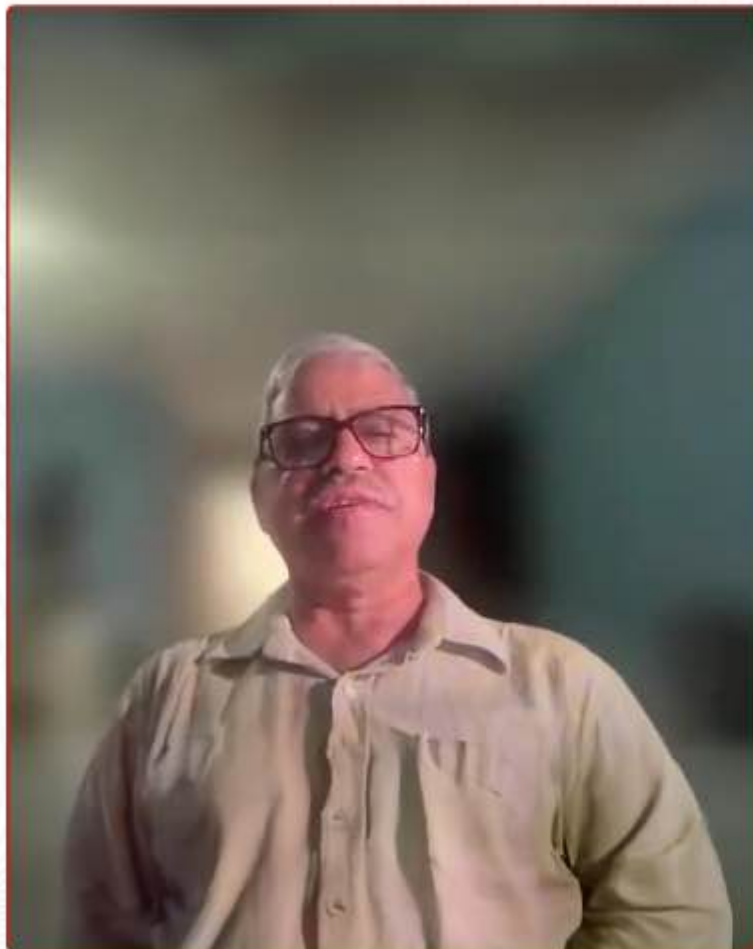
delivered an insightful presentation on the integration of digital technologies in rural India. He emphasised the transformative potential of digital technologies in enhancing rural livelihoods and services. Mr. Singh began by envisioning a future where a technically savvy agriculturalist in a remote region can seamlessly integrate AI and other advanced technologies to improve agriculture and access equitable public services, healthcare, education, and employment.

Mr. Singh highlighted the current state of digital ecosystems in rural India, noting significant achievements such as widespread access to public services, digital transactions, and knowledge resources. However, he pointed out gaps in equitable service delivery and future-facing technologies between rural and urban areas. Key government-led initiatives, such as Aadhaar, UPI, DigiLocker, and Ayushman Bharat,



were praised for their impact. Yet, Mr. Singh stressed the need for better infrastructure, connectivity, and digital literacy to bridge existing gaps. He emphasised the importance of financial access, content in regional languages, and rural entrepreneurship in driving rural transformation.

Mr. Singh concluded by underscoring the critical role of public-private partnerships and cybersecurity in ensuring the safe and effective deployment of digital technologies in rural India. By addressing these elements, he envisioned a future where rural areas could achieve parity with urban regions in terms of digital services and opportunities.



22. Mr. Parmesh Shah, Global Lead for Data-Driven Digital Agriculture at the World Bank,

addressed the transformative power of digital technologies in the rural economy during his virtual session. He emphasised the need for significant investments in digital public infrastructure, connectivity, data, and digital skills to bridge the gap between rural and urban areas. Mr. Shah outlined three key areas requiring focus: high-quality connectivity, data as essential public infrastructure, and bridging the digital skills gap through early education and training in rural areas.

He stressed the importance of creating a comprehensive rural data stack that encompasses various sectors beyond agriculture, such as animal husbandry, horticulture, fisheries, and non-farm sectors like handlooms and textiles. This data stack would enable better integration with markets, services, and government programs, fostering a more inclusive and connected rural economy. Mr. Shah highlighted the need for investment in non-agriculture sectors, noting that horticulture production in India has already surpassed agricultural production. He advocated for digitization efforts in these sectors to drive rural development. Additionally, he emphasised the role of digital technologies in increasing the processing content of rural produce, thereby creating new enterprises and jobs.

He also proposed the creation of AI-enabled content and chatbots to support micro-entrepreneurs, providing them with resources and information in local languages.

Furthermore, he emphasised the importance of digital finance, suggesting the development of a rural credit score system to facilitate access to financial services for micro-entrepreneurs and SMEs. Mr. Shah concluded by advocating for policies that encourage the emergence of new startups in rural areas and the establishment of digital incubators and accelerators to support entrepreneurship. He highlighted the need for digital facilitators, or "digital sakis," to bridge the digital literacy gap and enable rural communities to fully leverage digital technologies.



23. Mr. Prashant Mehra, Co-founder of Platforms Commons Foundation,

presented his ideas on the rural stack, emphasizing the need to reimagine technology as a common asset. He began by illustrating the economic disparity between rural and urban India, likening them to two neighbouring countries. Rural India exports raw agricultural commodities and people due to lacklustre infrastructure and limited economic opportunities, resulting in significant dependence on government subsidies.

Mr. Mehra highlighted the necessity of a balanced development agenda to transform rural India into a prosperous region. He underscored the potential of cell manufacturing, a decentralised manufacturing model adopted by companies like Unilever, which could be applied to rural areas to create local jobs and reduce logistical costs. He also emphasised the need to scale successful service economy models, such as call centres and work-from-home setups, to create more employment opportunities in rural areas. He discussed the importance of institutional structures and enterprise models to support local supply chains and professional management. Mr. Mehra proposed creating protocols and APIs to standardise processes, enabling innovation and seamless integration of various services and technologies. This approach would allow for the development of software products tailored to the unique needs of rural manufacturing and services.

Furthermore, Mr. Mehra stressed the need for collaboration between government and private entities to build a robust digital infrastructure. He concluded by acknowledging the challenges of mobilising such an initiative and called for innovative solutions and closer deliberation to design effective constructs for rural development.

24. Mr. Osama Manzar, Founder Director of the Digital Empowerment Foundation,

delivered a compelling presentation on leveraging new media technologies to improve service delivery in rural India. Emphasising the human aspect over technology, Mr. Manzar argued that the real challenge lies in creating sustainable models rather than simply deploying technology.

He shared anecdotes illustrating the innovative ways rural communities use technology, such as a tea garden entrepreneur in Assam who created a swanky video to mobilise people for a new scheme. He also highlighted how his daughter made a simple yet effective video that garnered millions of views, emphasising that effective use of technology often comes from unexpected sources. Mr. Manzar discussed the significant digital divide and the limited impact of current digital transactions and internet usage in rural areas. He pointed out that while 820 million people in India use the internet, only 442 million are from rural areas, with most using it for entertainment rather than productive activities. He stressed the need to enable digital literacy and behavioural changes to make digital tools more relevant to rural communities. He provided examples of grassroots digital initiatives, such as connecting a rural hospital, school, and craft unit in Tamil Nadu with minimal investment. He emphasised that the focus should be on creating demand-driven, bottom-up solutions tailored to the specific needs of rural communities.

Mr. Manzar concluded by calling for targeted institutional interventions and the creation of local expertise to support digital initiatives. He argued that planning digital interventions should consider the unique demographic and economic characteristics of rural areas to be truly effective.



25. Mr. Prashant Mittal, Deputy Director General of the National Informatics Center (NIC),

addressed the government's vision for adopting digital technologies in rural India. He highlighted the importance of delivering the right benefits to the right beneficiaries at the right time, emphasising that technology plays a supporting role, with domain experts in rural development, agriculture, and other sectors leading the way.

Mr. Mittal noted the historical commitment of the Ministry of Rural Development to technology, starting as early as 1988. He highlighted key initiatives such as Aadhaar and the Public Financial Management System (PFMS), which have significantly improved the delivery of benefits and reduced the parking of funds. He underscored the transition from conventional data processing models to AI-enabled solutions that provide flexibility and adaptability to local needs. He emphasised the importance of tailored interventions, citing the varied labour remuneration scales across different states. Mr. Mittal praised the impact of digital identity verification through Aadhaar and highlighted the need for careful handling of personal data in light of upcoming legislation.

Several digital initiatives were mentioned, including the Poshan Tracker for women and child development, mobile-enabled applications for agriculture, and digital services for social justice. He pointed out that rural India houses the largest data repository, with over 200 crore records, which can be monetized for further development. Mr. Mittal also discussed the challenges and opportunities in rural digital literacy, emphasising the need for local digital experts. He called for efficient scheme design, enhanced service delivery, and better connectivity. Highlighting the success of government initiatives, he shared that transparency has increased with the geo-tagging of assets like Indra Awas houses and the implementation of solutions across India within days.

He concluded by encouraging active collaboration between public and private sectors to bridge the digital divide and ensure efficient service delivery in rural areas.

26. Mr. Adarsh Kumar, Senior Agribusiness Specialist, World Bank

presented a framework for improving rural job creation through targeted interventions. He began by emphasizing the importance of understanding the current status of rural jobs, noting that agriculture remains the largest employer, with nearly 60% of the labor force engaged in the sector. Additionally, 29% of new jobs are being created in agriculture according to the Periodic Labor Force Survey.

Mr. Kumar identified three main pathways for creating more and better rural jobs: higher value agriculture and agribusiness, faster growth of employment-intensive industries, and better linkages to urban job markets. He highlighted the significant role of non-farm sectors such as construction, wholesale, retail, machinery, and transport in job creation both in rural and urban areas. Manufacturing, particularly in apparel, food processing, and textiles,



also contributes significantly to rural employment. He pointed out that while there are pockets of dynamism in rural areas, such as the growing agricultural exports, there remains substantial potential for growth. Most rural workers are self-employed, often earning less than casual laborers, with rural women particularly disadvantaged. Mr. Kumar provided examples of successful global interventions that have transformed rural job markets. He cited Kenya's flower industry, which has become a major exporter due to government support in reducing duties, investing in skills, and promoting national standards. In India, the dairy sector has seen significant improvements through the National Dairy Development Board's initiatives, supported by the World Bank. These initiatives included technological advancements in artificial insemination and feed and nutrition improvements, leading to a 21% increase in dairy cow productivity and mobilizing over 1.5 million people into dairy cooperatives.

He concluded by posing key questions for further discussion, including how to connect rural workers to wage employment in high-growth sectors, the types of micro reforms and policy measures needed to enhance competitiveness, and how to target growth areas for increased private sector involvement.



27. Mr. Arun Padiyar, India Lead, WorldFish,

delivered a presentation on the opportunities and growth potential in the fisheries sector. He began by highlighting the increasing demand for fish in India, noting that approximately 25 crore people have joined the fishetarian population over the last 15 years, bringing the total to nearly 100 crore. Despite this growth, per capita fish consumption in India remains significantly lower than the global average, indicating substantial room for expansion.

Mr. Padiyar pointed out that while fish consumption is primarily concentrated in South India and the eastern parts of the country, there is a rising trend towards freshwater fish in the eastern and northeastern regions and marine fish in the coastal states. He emphasized the impressive growth of the fisheries sector, which has seen a 7% growth rate over the last decade, with aquaculture alone experiencing a 9% growth rate. Andhra Pradesh has emerged as a powerhouse in fish production, with 20% of its landscape area converted into aquaculture. He noted that employment in the fisheries sector directly supports 2.8 crore people and indirectly supports another 5.6 crore, contributing nearly 3 lakh crore rupees to the gross value added (GVA) of agriculture. The sector's growth is driven by high-value species and value additions, particularly in the hotel, restaurant, and catering sectors. Mr. Padiyar highlighted the potential of

leveraging public assets, such as village tanks and minor irrigation projects, for fisheries development, particularly for women self-help groups under programs like the National Rural Livelihoods Mission (NRLM). He provided examples from Odisha and Assam, where policy changes and support have enabled women to successfully engage in fish farming and marketing.

He emphasized the importance of partnerships and convergence at all levels, including inter-departmental collaboration, to achieve synergies and accelerate transformation. He shared successful initiatives, such as leasing village tanks to women self-help groups in Odisha and integrating fish powder into school feeding programs for improved nutrition.



Panel Discussion on Role of Private Players in Agricultural and allied Value Chains:

The panel discussion, moderated by Mr. Adarsh Kumar from the World Bank, focused on the various aspects of rural jobs, particularly in agriculture, fisheries, dairy, and other sectors. The speakers highlighted the challenges, opportunities, and interventions required to enhance job creation and economic growth in rural areas:

Discussion Highlights:

1. Technology and Innovation:

- Technology plays a crucial role in enhancing productivity and ensuring quality in agriculture, fisheries, and dairy sectors.
- Innovations like digitized payment systems, AI-enabled apps for market access, and improved breeding techniques are essential.

2. Policy and Government Support:

- There is a need for targeted policies to support post-harvest processing, cold chain infrastructure, and market access.
- Government subsidies and policy interventions should focus on enhancing productivity and creating an enabling environment for private enterprises.

3. Supply Chain and Market Linkages:

- Establishing efficient supply chains with cold storage and processing facilities close to production areas is critical.
- Ensuring market access and fair pricing for producers through digitized platforms and partnerships can drive sector growth.

4. Rural Employment and Economic Growth:

- Sectors like aquaculture, dairy, and agriculture offer significant opportunities for rural employment, especially for women.
- Creating jobs and supporting rural entrepreneurs through training, financial support, and market linkages is vital for sustainable development.

Overall, the panelists highlighted the importance of leveraging technology, fostering partnerships, and implementing supportive policies to drive rural job creation and economic growth.

28. Ms. Nandini Krishnan, Lead Economist at The World Bank,

delivered an analytical presentation on rural India's employment scenario, emphasizing the issues of jobless growth and the necessity for inclusive and sustainable job opportunities. She highlighted that despite India's 6.6% economic growth over two decades, job creation has lagged, with employment elasticity falling from 0.26% to 0.1%. Capital-intensive sectors like manufacturing have not generated sufficient jobs.

Rural employment challenges include high labor force participation, yet 60% of rural women and youth remain outside the workforce. Recent participation increases are mainly in unpaid household enterprises. Unemployment is notably high among educated youth, with substantial regional disparities. Job quality is low, dominated by self-employment and casual labor, with stagnant real earnings. Agriculture still employs 48% of rural men and 73% of rural women, indicating insufficient structural transformation. Micro-firms with fewer than five workers dominate employment, necessitating MSME sector reforms.



Krishnan recommended focusing on region-specific sectors with job creation potential, enhancing rural livelihoods by shifting from casual labor to enterprise work, improving transport and digital connectivity, and involving the private sector in curriculum and training design to meet future skill demands. Her presentation laid the groundwork for the panel discussion, providing a thorough analysis of rural employment and suggesting targeted policy interventions for sustainable job creation.



29. Ms. Aparna Bijapurkar, Managing Director and Partner at BCG, presented a detailed analysis of the rural non-farm job ecosystem, building on insights from Ms. Nandini Krishnan. She highlighted the large, young rural labor force, which is mainly engaged in small enterprises and individual work, with a notable gender imbalance due to low female participation. Agriculture remains the primary employer, particularly for women.

Rural youth, especially women, aspire to stable jobs, often in government roles, and prefer employment close to home. Migration is an option for the young, but married women often drop out of the workforce due to domestic responsibilities. Future job growth is expected in construction, trade, transport, retail, professional services, and manufacturing. Innovative job models include rural BPOs, digital content creation, rural franchises, care economy roles, and renewable energy installations.

Bijapurkar recommended enhancing career counseling, job matching ecosystems, and reforming the skills ecosystem to be more demand-led and outcome-based. Addressing gender biases, supporting transition costs, and improving social protection for the rural gig economy are crucial. Additionally, fostering entrepreneurship through business incubators and focused training, and exploring B2B models to facilitate rural product marketing and distribution, can reduce fragmentation and enhance scale.

Her presentation underscored the need for targeted policy interventions to create sustainable and inclusive job opportunities in the rural non-farm sector.

30. Mr. Pankaj Kalass, Vice President - Head of People Operations at Delhivery,

highlighted the crucial role large-scale service companies can play in job creation for rural markets. Delhivery, India's largest supply chain company, covers 98% of the country's PIN codes with over one lakh employees, handling 11,000 trucks daily and operating 18 million square feet of warehousing storage. Their business lines include Express Parcels, Part Truck Load, Full Truck Load, Cross Border services, and Supply Chain Services.

Delhivery is committed to sustainability with initiatives like a 5 MW solar capacity on warehouse rooftops, electrified trucks, and Road Rail trucks, promoting greener logistics solutions. The company also emphasizes diversity and inclusion, significantly increasing its female workforce by 16 times in two years and managing four facilities entirely by women. This approach has led to greater productivity and reliability.

Financial flexibility is provided through variable pay structures and daily salary access, reducing attrition rates and enhancing employee satisfaction. Delhivery's extensive network of 3,500 offices across 86 districts ensures job opportunities are within a 10 to 15 km radius for most people. They support micro-entrepreneurship through programs like Direct to Partner Program (DPP) and Delivery Partner Program (DPP), enabling small-scale entrepreneurs to manage last-mile deliveries. Additionally, skill development programs for entry-level supervisory roles ensure continuous talent growth and employment opportunities.





31. Mr. Sharad Venka, Concept and Vice President, Reliance Retail,

presented on the substantial role of Reliance Retail in generating employment and fostering economic growth in rural India. He emphasized the company's strategic initiatives and the transformative impact of organized retail on local economies.

Reliance Retail operates 5,000 stores nationwide, with 60% located in non-metro and tier-2 markets, significantly benefiting the rural economy. The Indian retail market, currently the fourth largest globally, is projected to reach \$1.8 trillion by 2030, with substantial growth driven by rural areas. The establishment of retail stores creates numerous direct and indirect employment opportunities, including construction, maintenance, security, and housekeeping services. Local procurement of goods like grains, pulses, and vegetables stimulates the agricultural sector and generates local employment. Retail stores enhance rural economies by increasing consumption and prosperity, providing access to quality goods, and creating a market for local produce. Reliance Retail's strategy to cover every pin code in India demonstrates its commitment to widespread economic benefits.

Digital connectivity and local marketing are crucial for effective communication and increased consumption in rural areas. Reliance Retail also prioritizes gender diversity, with 60% of its workforce being women. The story of STI, a woman from a remote village who transformed her life through employment at Reliance Retail, highlights the profound social impact of organized retail.

32. Ms. Innocent Divya, Managing Director, Tamil Nadu Skill Development Corporation,

presented on the government's efforts to bridge gaps in education, skills, and employment in Tamil Nadu. She highlighted the need for integrated efforts across sectors and introduced key initiatives focused on improving youth employability and addressing gender disparities.

Tamil Nadu has an equal gender ratio at birth and in primary education, but significant disparities emerge in higher education and employment. Male dropouts increase from middle to high school, while female dropout rates spike after 12th grade.



Key government initiatives include:

- Pudhumai Pen Scheme: Provides ₹1,000 monthly incentives to female students from government schools who pursue higher education, boosting college enrollment among girls.
- Education Management Information System (EMIS): Tracks students from 8th grade to monitor and re-enroll dropouts.
- Skill development programs are central to these efforts:
- Naan Mudhalvan Initiative: Aligns college curricula with industry needs, integrating skill-based courses such as English communication, digital skills, and domain-specific technical skills.
- TN Skills Finishing School Program: Offers tailored training and placement support for unemployed graduates and those with career breaks, in collaboration with industries.

The Tamil Nadu Skill Development Corporation also conducts job fairs and collaborates with industries to facilitate placements and recruit-train-deploy models. Continuous engagement with industries ensures skill development programs meet evolving needs, aiming for flexible, industry-aligned training that enhances employability.

33. Mr. Devesh Tripathi, Principal Investment Specialist at Invest India, provided an insightful presentation on the private sector's vital role in boosting investments for rural growth. He emphasized the rural economy's significant contributions to India's overall economic development, highlighting the need for private sector involvement to complement existing public sector efforts.

Invest India, under the Ministry of Commerce and Industry, serves as the national investment promotion and facilitation agency, working to attract and facilitate investments across diverse sectors and regions. India, one of the fastest-growing large economies, benefits significantly from its rural economy, which comprises 65% of the population and contributes 46% towards income. This sector has shown a 10% growth, underscoring its importance to national progress. Mr. Tripathi pointed out the necessity for enhanced private sector investments in rural areas, despite substantial public sector spending and numerous government schemes. Key areas for investment include rural infrastructure, modern agricultural techniques, food processing, microfinance, skill



development, clean energy, ecotourism, education, and healthcare. He highlighted examples of successful financial inclusion, rural digitalization, startup growth, and infrastructure improvements that drive rural development. Promising sectors for investment include agriculture, food processing, animal husbandry, dairy, fisheries, aquaculture, rural tourism, retail, and e-commerce.

Mr. Tripathi's presentation emphasized the crucial role of private sector investments in achieving sustainable growth and enhancing the rural economy's contribution to India's overall economic landscape.



34. Panel Discussion

The panel discussion on the role of private sector investments in rural development brought together six speakers: Mr. Devesh Tripathi, Mr. V Vishnu, Mr. Ponnuswami M, Mr. Sounder Kannan, Mr. Srivats Ram, and Mr. Satyam Shivam Sumndaram. They explored various aspects of fostering private investments in rural areas, highlighting both challenges and opportunities.

Key Themes:

1. Economic and Investment Overview:

- Mr. Devesh Tripathi set the stage with a detailed analysis of the Indian economy, emphasizing the need for private sector investments in rural areas to drive sustainable growth.
- The significant role of rural economies in national growth was highlighted, with calls for increased private investments to complement public sector efforts.

2. State-Level Initiatives and Strategies:

- Mr. V Vishnu elaborated on Tamil Nadu's strategic efforts to attract investments, focusing on how the state has become a preferred investment destination through policies and incentives.

3. Entrepreneurial Stories and Local Development:

- Mr. Ponnuswami M shared his personal journey and success stories of rural entrepreneurship, illustrating how localized efforts can spur significant economic growth.
- Mr. Srivats Ram discussed the unique entrepreneurial spirit in Tamil Nadu and shared insights from specific regions like Karur, showcasing community-driven business initiatives.

4. Consumer Behavior and Market Dynamics:

- Mr. Sounder Kannan provided an insightful perspective on rural consumer behavior and market dynamics, highlighting the challenges and potential in targeting rural consumers.

5. Policy Recommendations and Future Directions:

- The discussion concluded with suggestions on improving technical education, infrastructure, and policy support to further stimulate private sector investments in rural areas.



35. Mr. Ankur Bansal, Founder and CEO of GDi Partners,

delivered an analytical presentation on the institutional capacity needed for India's rural transformation by 2047, focusing on existing mechanisms and identifying gaps in hiring and performance management. He highlighted the roles of various government departments, community institutions like PRI and SHGs, civil society organizations, and technical support agencies. Key challenges include high vacancy rates for Panchayat Development Officers and technical roles, and performance management issues such as limited feedback mechanisms and unclear role-goal linkages. Innovative practices suggested include lateral hiring and the introduction of young professionals through programs like Maharashtra's CM Rural Development Fellowship, performance measurement systems like Odisha's DA-K, and the use of SPVs for faster decision-making. He also pointed out the need for NGOs to address small-scale

operations, compensation issues, and project-based funding uncertainties, advocating for improved tracking, retention strategies, and training focused on digital literacy, climate issues, and gender through regional centers.

Mr. Bansal emphasized the need for a collaborative approach involving government, private sector, and civil society to address institutional gaps and drive rural transformation. He urged for more innovative hiring practices, performance management systems, and enhanced training programs to meet the evolving aspirations of rural India.



36. Panel Discussion

The panel discussion, moderated by Mr. Anjani Kumar Singh, focused on the institutional systems for rural India and explored solutions for enhancing these institutions. The discussion featured insights from Mr. SM Vijayanand, Mr. Sanjeev Chopra, Ms. Neelima Khetan, and Mr. Santhosh Mathew. The panelists examined both diagnostic aspects and potential solutions for strengthening rural institutions, emphasizing the importance of effective governance, capacity building, human resources, and value chains.

Key Points Discussed:

1. Institutional Capacity and Effective Governance:

- The importance of local governments, particularly gram panchayats, as real local governments.
- The role of self-help groups (SHGs) and their partnership with gram panchayats for effective rural development.
- Need for capacity building institutions like state institutes of rural development and panchayati raj.

2. Human Resources:

- Critical need for skilled human resources at various levels of rural institutions.
- The significance of long-term investments in institutions like IRMA for developing skilled professionals in the rural sector.
- The success of community resource persons in peer-to-peer learning and expanding SHGs under programs like NRLM.

3. Performance Management:

- The need for a robust performance management system to ensure accountability and efficiency in rural development programs.
- Emphasis on solving positional externality and ensuring coordinated efforts across various sectors and levels.

4. Value Chains and Market Linkages:

- The importance of effective value chains to connect agricultural producers with markets, reducing intermediaries and improving income.
- Examples of successful value chains in commodities like milk, bananas, and citrus.

5. Role of Civil Society Organizations:

- Civil society organizations (CSOs) are not just implementers but innovators in the development sector.
- Challenges faced by CSOs, including financial constraints and the need for flexible funding.

6. Technological and IT Systems:

- Importance of decentralized IT systems tailored to local needs.
- The need for a robust local statistics system for better planning and implementation.



37. Dr. Montek Singh Ahluwalia, Economist; Member, Tamil Nadu Governing Council on Climate Change

session addressed the future of the rural economy in India by 2047, emphasizing the importance of aligning rural development with the overall economic growth of the country. He highlighted the following key points:

1. Economic Growth and Urbanization:

- The future of rural development is closely tied to the economic growth of the entire country. Achieving a high growth rate will require significant improvements in various sectors.
- Urbanization will increase, leading to a decrease in the rural population and those dependent on agriculture.

2. Broad Definition of Rural Development:

- Rural development now encompasses a wide range of governmental activities beyond just income generation, including health, education, sanitation, and infrastructure.
- Effective rural development means ensuring access to all services that any citizen in India has a right to.

3. Regional Variations and Effectiveness of Schemes:

- There is a need to study and understand why certain schemes work better in some regions compared to others. This involves analyzing the effectiveness of schemes in both advanced and less advanced states.
- Independent evaluations of these schemes can help identify best practices and systemic issues.

4. Importance of Water Conservation:

- Water conservation is critical due to the imminent threat of climate change. Effective water management, including the construction of small reservoirs and ponds, is essential.
- The scale of water conservation efforts needs to be immense to combat the challenges posed by climate change.

5. Devolution of Power to Local Authorities:

- There is a need for greater devolution of power to local authorities to make rural development more effective.
- Evaluating the impact of devolution in various states can provide insights into its effectiveness.

6. Resource Allocation and Scheme Evaluation:

- Effective resource allocation requires a strong medium-term resource planning framework.

NGOs and other ground-level organizations can provide valuable feedback on the effectiveness of various schemes.





BILL & MELINDA
GATES foundation

THE WORLD BANK
WORLD BANK GROUP

Knowledge Partner

GDI

... 2024



