



# Territorial approaches, rural-urban linkages and inclusive rural transformation

Ensuring that rural people have a voice  
in national development in the context  
of the SDGs

Global Policy Engagement Forum and Technical Meeting  
11 December 2015  
Strategy and Knowledge Department

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Investing in rural people



# Acknowledgements

This report has been prepared by David Suttie and Karim Hussein, Global Engagement and Research Division, Strategy and Knowledge Department (SKD), IFAD. The authors would like to thank all the presenters at the Global Policy Engagement Forum and Technical Meeting (see annex 1) and the participants for their insights and contributions to the discussion, as well as for their comments on the draft report. We particularly want to thank His Excellency Serge Tomasi (France) and Mr Luca Fratini (Italy) for their personal investment and contributions to the success of the meeting. We also thank Ms Josefina Stubbs (Associate Vice-President, SKD, IFAD) and Mr Steven Were Omamo (Director, Global Engagement and Research Division, IFAD) for their support, vision and pertinent interventions. Lastly, we hope this report will constitute a concrete and lasting contribution to informing any future policy or analytical work and investments in territorial approaches to development and rural-urban linkages.



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## Background and objectives

Territorial approaches can enable governments to better address geographical or rural-urban inequalities to more effectively integrate the social, economic and environmental dimensions of development with regard to populations and sectors in a given geographical area. They can help coordinate and concentrate efforts to address the spatial concentration of poverty and food insecurity in some less developed areas, reflecting vast spatial inequalities. Given widely differing conditions across regions within countries, territorial approaches provide tools to recognize the spatial dimensions of development and to better understand the great diversity of people and resources across territories and use these to define development goals that address this diversity. Moreover, as they embrace both urban centres and rural areas in an area, territorial approaches provide valuable opportunities to bring the rural dimension into debates surrounding urbanization and promoting a more sustainable urbanization.

A territorial approach to development does not have one single definition, but it can be characterized by the development of a territory (including both areas that are “more rural” and those that are “more urban” in a defined region) by addressing the development of multiple sectors, implemented by a range of stakeholders and structured by multilevel governance – or governance that involves coordination and collaboration between local, regional and national level authorities and stakeholders.

Implementing territorial approaches to development can enable governments to better address geographical and/or rural-urban inequalities with regard to investments, access to services and infrastructure. Territorial development strategies may be appropriate in contexts of widely differing conditions across regions within countries. They can provide tools to recognize the great diversity across territories and use these to define development goals. By bringing a more holistic lens to development than sectoral approaches, territorial approaches offer specific opportunities with respect to the implementation of the 2030 Agenda for Sustainable Development. The interdependence among the goals, as well as the need for more holistic, multidisciplinary, multisector and multistakeholder approaches anchored in more representative, multilevel forms of governance suggests that these approaches could have a growing role as the implementation of Agenda 2030 unfolds.

In the near term, key processes underway in 2016 such as preparations for Habitat III (United Nations Conference on Housing and Sustainable Urban Development) to take place in Quito, Ecuador in October 2016, and the implementation of a Committee on World Food Security (CFS) workstream dedicated to Urbanization and Rural Transformation over 2016-17 provide entry points to advance thinking around territorial approaches to development and how they may work to build rural-urban linkages and connectivity to ensure the rural-urban nexus is leveraged for wider development, and that no one is left behind in the development process. Rapid urbanization and the transformation of the rural space, with their new challenges as well as opportunities, are changing the traditional approaches to food security and nutrition.

For this reason, it is important to seek policy coherence between agriculture, food security and nutrition policies, and the broader objectives and actions related to rural development and social protection. This is also useful to ensure that the benefits of a more sustainable urbanization are felt in both urban and rural areas.

Territorial approaches can help to address the universality of and interdependencies between the Sustainable Development Goals (SDGs), which have been agreed by the international community and provide avenues for the development of more integrated approaches to development. They are potentially key tools for achieving SDGs 1 and 2 on ending poverty and hunger, as well as other goals such as those relating to employment (SDG 8), infrastructure (SDG 9), inequality (SDG 10), environmental sustainability (SDGs 12, 13, 14 and 15) and achieving inclusive societies (SDG 16). Even more specifically, they could be important to achieving Target 11.a of SDG 11: “Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning”.

Territorial approaches have also proven to be useful in fostering inclusive rural transformation when associated with the establishment of multilevel governance structures, and a participatory and coherent management of land and natural resources involving all relevant stakeholders. They offer significant potential in integrating rural and urban development and planning, as well as bringing together the social, environmental and economic dimensions of development. They also promise to foster more horizontally and vertically linked governance, specifically with regard to approaches to decentralization that foster meaningful participation among local actors. Territorial approaches also offer a compelling entry point for leveraging the rural-urban nexus for inclusive urban and rural development.

As such, the role of territorial approaches is an area of focus within discussions leading to Habitat III. Territorial approaches can also be useful to bringing the rural dimension into the “New Urban Agenda” being developed by the United Nations as an outcome document of Habitat III, and to which IFAD has been contributing from a rural perspective since 2014.<sup>1</sup> With this background in mind, on Friday, 11 December 2016, IFAD’s Strategy and Knowledge Department (SKD) convened a multistakeholder *Global Policy Engagement Forum and Technical Meeting* to foster an evidence-based exchange on the following question:

In the context of the 2030 Agenda for Sustainable Development and the forthcoming Habitat III global conference, **how can territorial approaches to agricultural and rural development be designed and used to ensure that smallholders, rural women and rural young people are empowered to influence relevant decision-making processes?**

The event was organized in two parts:

- **First:** Global Policy Engagement Forum involving interventions by selected resource persons, experts and practitioners with knowledge of critical issues related to the topic from their perspectives as actors in related international, country and policy processes.
- **Second:** Immediately following, a substantive technical exchange around practical experiences of applying territorial approaches to agricultural and rural development that fosters inclusive rural transformation in a context of urbanization.

The full list of speakers and programme for the meeting can be found in annexes 1 and 2.

1. See for example: <http://unhabitat.org/wp-content/uploads/2014/07/IFAD.pdf>



## Main issues raised

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A better understanding of the connections or nexus between the rural and urban, fostering mutually beneficial rural-urban linkages and avoiding rural-urban dichotomies, will be an important strategic priority (see box 1).

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- Territorial approaches offer an attractive entry point to understanding and responding to key urban-rural dynamics, particularly in light of current trends of rapid urbanization and mass migration.
  - Rural and urban areas and populations are interlinked in many ways, often exhibiting symbiotic interactions and connections: rural products are sold in urban markets, with the latter being important sources of income for rural economies; rural areas also rely on cities for access to services, employment and information; urban areas in turn look to rural areas for key goods and services such as food, raw materials and natural resources; rural people often move to urban centres temporarily or permanently for work or to access services often lacking in rural areas (electricity, transport networks, etc.). However, they often keep close links with rural areas through family connections, remittances and investments, land, and other assets.
  - Coherence across policies related to food security and nutrition that cut across rural and urban areas is necessary, such as policies on agriculture, rural development, urban planning and social protection. Territorial approaches provide a useful paradigm within which this coherence can be taken forward. In this regard, cities and municipal authorities have important roles to play in fostering synergies between rural and urban areas through municipal development strategies, ensuring equal access to services and infrastructure, developing strategic markets for effective food distribution, developing strategic markets to ensure access to sufficient and nutritious food for producers and consumers, fostering the development of agreed standards and instruments at the national level for private investment, and linking different actors in the same territory.
  - Understanding and leveraging the growing role of small and intermediate towns and cities<sup>2</sup> will be important to realizing the rural-urban nexus and increasingly critical in achieving the aspirations of the SDGs. In this respect, investment in marketplaces accessible to rural producers and smallholder farmers, infrastructure for transport, food processing (such as cold storage and transport facilities for fresh products) and the development of agro-industry will be required.
2. *World Urbanization Prospects: The 2014 Revision*. United Nations Department of Economic and Social Affairs, New York, distinguishes between the following:
- Cities with between 1 and 5 million inhabitants
  - Smaller cities: 500,000 and one million inhabitants
  - Smaller urban centres: less than 500,000 and in many cases just a few thousand inhabitants, with large variations across regions. In Africa, more than half of urban dwellers live in such settlements, compared to close to two thirds in Europe, but just one third in North America. About half the world's urban population live in such smaller urban centres.

### Box 1. Rural-urban transformation in Viet Nam's Mekong Delta

Rapid urbanization and industrialization are transforming the relationship between urban and rural centres in Viet Nam, sparking multiple impacts on the food sector. Between 1990 and 2013, for example, the number of cities in Viet Nam grew from 500 to 760.

But urbanization in Viet Nam is more than a shift of the population from the countryside to large cities to search for work. Labourers in rural areas and small towns also commute daily to nearby industrial zones, and rural labourers may migrate from one village to another for seasonal work. There is a historic process of circular migration that characterizes some regions in particular, as noted by many observers over decades in West Africa, for example. Indeed, since 2005, more people have been migrating between villages than from rural areas to cities.

In this context, the International Institute for Environment and Development (IIED) and its regional partners, with the support of IFAD, United Kingdom's Department for International Development and other donors, have examined the impact of these profound socio-economic transformations in Vinh Thoi (a growing market node), My Thoi 1 (a peri-urban settlement near the growing city of Can Tho) and Hoa (the more typically agricultural of the three settlements) in Vietnam. The authors found that farming zones and urban centres have developed a mutually beneficial relationship, leading to local economic growth and reduced poverty. For urban residents, the rise in average incomes had led to higher standards of living, better diets and a growing demand for fresh fruit and vegetables. At the same time, a large number of increasingly mobile rural residents – mostly, but not all, young – found work in the growing industrial and service sectors. Income from these workers helped rural households invest in high-value fruit orchards. Indeed, many farmers have virtually abandoned growing rice in favour of fruit.

Nearly 10 years after the initial analysis in 2006, the authors returned, and found that all three settlements continue to be success stories of synergistic rural-urban development. The population has grown and people continue to find work off the farm, either very locally or a short distance away. Living conditions have also improved, and official poverty rates have declined substantially. Equally, it has also been found that new challenges are emerging. These include weak quality standards, water pollution and waste, climate change, and population and urbanization pressures. Addressing these issues in the years ahead through coherent, coordinated and locally owned planning processes will be critical to ensure the continued sustainability of benefits achieved to date.

For more information, see: <http://pubs.iied.org/pdfs/17332IIED.pdf>

International comparisons are difficult, however, as definitions of what constitutes an urban centre vary between nations and, in many cases, even national definitions can change over time, and this affects smaller towns. These smaller urban centres are in many ways a crucial connection in rural-urban linkages, with debates on their role having gone on for at least three decades. For example, the book *Small and intermediate urban centres: Their role in national and regional development in the third world* (1986) states that "Most of the Third World's urban population either lives in or depends on small and intermediate sized urban centres for access to goods, services and markets" (p.14). Much remains the same today, albeit the sizes of these small and intermediate urban centres may have grown.

- Territorial approaches offer a lens through which to better balance the needs of people living and working in different types of settlements – large cities, intermediate cities, connecting towns and villages, and the diverse spatial entities between and within them. On the one hand, this means acknowledging and responding to a reality in which poverty and malnutrition remain concentrated in rural areas. On the other hand, it means balancing this with the growing rates of malnutrition and food insecurity in urban centres, and the increasing difficulties in providing adequate water, sanitation and housing to urban residents, especially those living in informal settlements. Investments, policies and approaches must adopt holistic, integrated solutions to these issues. In this context, territorial approaches provide a compelling means to identify potential solutions that, on the one hand, balance and leverage interdependencies and, on the other hand, take into account the diversity of contexts and constraints.
- Combining the use of spatial landscape management, urban planning, territorial planning and administrative management approaches is essential to bring an understanding of the relationships between the physical space people occupy, their livelihoods, natural resources, the interactions between rural and urban areas, the opportunities to improve and strengthen food security and nutrition, and to identify the solutions required to address the vulnerabilities faced by poorer people, whether in rural or urban areas – particularly smallholders and urban poor living in highly degraded and shock-prone environments.

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The need for integrated bottom-up planning and local participation – including key rural actors – is paramount (see box 2).

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- Reducing spatial disparities across key development indicators such as education, health, infrastructure, employment, access to services and political engagement is a precondition for meaningful local participation. At the same time, the latter can be an effective means of promoting integrated and balanced development across “more rural” and “more urban” areas.
- The most sustainable means of designing appropriate policies is to do so with the participation of the people intended to benefit from those policies. For this co-design of policies to become a reality, political will is a necessary precondition.
- Key local rural actors include smallholders, particularly rural women and young people. Here, smallholders encompass small-scale rural food producers and processors, agriculture and food workers, artisanal fishers, pastoralists, rural artisans, indigenous peoples, and the rural landless people and their organizations. They should be involved in all phases of planning and policy processes. This will be central to developing local ownership, capacity and awareness.
- Boosting capacities among local actors – particularly smallholders, rural women, rural workers, young people, indigenous peoples, migrants and their organizations – to engage with stakeholders at all levels of planning will be a precondition for developing sustainable and coherent policies.



- Attention should be paid to fostering a more equitable and inclusive urbanization that takes account of the network of diverse actors across territories, and also to the robustness of the networks between sectors and spatial entities that form the basis for a more sustainable urbanization.
- The role of stakeholders in intermediate cities will be important in opening up spaces to bring rural actors to the table, creating entry points for them to participate – economically and politically – in development planning and processes.

### Box 2. Participatory approaches to territorial development in Morocco

A seminal moment in Morocco's transition towards territorial approaches to development, at the turn of the 21st century, was the *2020 Rural Development Strategy*. This innovative strategy recommended a multidimensional territorial approach, participatory development practices, family agriculture development and responsible environmental management. A major pillar of the strategy was called "intermediate urbanization in rural areas".

Over the years, awareness grew and many of the strategy's components were implemented in development projects, including those sponsored by IFAD. In 2008, the Ministry of Agriculture promoted a new policy called the *Green Morocco Plan*. This policy (still being implemented at the time of writing) has two pillars: the first focuses on agriculture and farmers who have access to modern equipment and inputs and who could afford substantial investment to increase productivity; and a second pillar for small-scale agriculture mostly in economically depressed areas, mountains, arid regions and southern oasis valleys. Today, the second pillar has achieved notable success at the level of smallholder farm development. However, the vertical nature of sectoral programmes and, at times, excessive direct administrative management of the sector were identified as obstacles to integrated territorial approaches and delegation to responsible local governance mechanisms and authorities.

To respond to this challenge, approaches prioritizing local participation in territorial planning processes have shown remarkable positive development impacts. After initial implementation and success in the country's northern regions, these have subsequently been adapted to other regions. At the core of these approaches have been enabling local staff to take on more autonomy and responsibility and, crucially, to involve people from the village level in all phases of the planning process. These approaches enhance the skills and capabilities of local people and broaden their awareness and participation.

Many other participatory development initiatives have been implemented in Morocco, mostly through agricultural cooperatives, and in many places local development associations have been created. At a territorial level, the most recent and important step is the new policy for regional development. This policy has provisions to promote significant democratic autonomy of the 13 regions in Morocco. The first regional elections were held in September 2015. Regions are now preparing, in this new context, to address their developmental issues and develop plans. One of the first steps will be to find ways to articulate the various territorial levels in the region and to find appropriate responses to reconcile vertical government development programmes and the necessary horizontality of programmes at the regional level.

*Source: Written contribution by Mr Grigori Lazarev, Independent Consultant, territorial and rural development in the Maghreb and Morocco.*

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Effective representative systems of governance at all levels are essential building blocks for successful territorial development.

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- Too often, cases studies have revealed lack of integration - both horizontal (i.e. sectoral) and vertical (i.e. between central and local planning levels). In this context, it was emphasized that for initiatives to be sustainable, effective vertically integrated, multilevel governance, national ownership and coherence with national policies are essential. See, for example, the case of the 3N Initiative in Niger (box 3 below).
- The presence of inclusive, transparent, democratic and representative local institutions, capacities and anticorruption safeguards are essential for promoting functional territorial approaches.
- Decentralized governance will be an important element of bringing key local actors to the table. In this respect, a strong civil society presence and functional democratic institutions must be in place to ensure local governments are accountable to and represent their constituents. Equal access to capacity development, information and budgetary resources are essential for decentralized local authorities to function effectively and sustainably. It is also necessary that decentralization goes beyond political statements to involve allocation of financial resources.
- At national, regional and local levels, coherence between social policies and inclusive growth policies has tended to be weak in many countries. In this respect, creating synergies between agricultural investments, rural transformation and social policies has much unrealized potential.

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The interface between value chain approaches and territorial approaches needs to be better understood and leveraged.

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- Agricultural value chains represent a key channel through which urban and rural spaces and people are connected. These value chains usually function across territories, linking people in different professions and spaces. They therefore represent a valuable interface with – and one of the most promising drivers of – successful territorial approaches.
- Frequently, food security and nutrition policies and investments are not concerned with inclusive value chain development. They have missed the importance of developing integrated value-chain-wide approaches that enhance access of rural and urban people to resources, productive assets, food security and nutrition. At the same time, often the value chain approaches that have been adopted have not been informed by territorial considerations. In some cases, this has led to the financing of value chains that are productive, but that can also extract value from local territories with negative implications for food security and nutrition.
- As such, approaches to foster more efficient and integrated agricultural value chains that are responsive to the needs of local territories and their populations, creating opportunities for rural and urban people upstream and downstream and enabling smallholders to meet standards and certification regulations, have much potential. This should be a central dimension to territorial approaches to development.

### Box 3. The territorial approach adopted by the 3N Initiative in Niger

The Government of Niger is implementing an ambitious agricultural transformation plan called the 3N Initiative – Nigeriens Feed Nigeriens. The implementation of the Initiative is based on a number of principles that include the concentration of interventions at the local level, with programmes and implementation taking place at the level of the communes, and targeting support. This approach ensures the effectiveness and coherence of interventions, promotes synergy and complementarity in the communal space to increase impact, and strengthens the capacity of communes to assume their role in fostering development at the local level. Communes are the entry point for the investments made by the 3N Initiative, which is in line with the role devolved to local authorities in the context of Niger's legal provisions on decentralization (*Code général des collectivités territoriales*, adopted in 2010), which grants territorial authorities the roles of designing and implementing economic, social, educational and cultural development activities at the communal or regional levels. The communes are, therefore, major players in implementing the Initiative, empowered by the State to manage, monitor, supervise and facilitate projects, to take decisions, formulate requests, formulate projects and finance them. Investment projects of regional scope or involving several local authorities are managed by regional councils.

The High Commission for the 3N Initiative and the United Nations agencies in Niger jointly developed the *Communes de convergence* approach. It is an innovative approach to building food and nutrition security at the local authority level, and it is based on the geographical, programming and operational convergence of activities. It promotes a synergy of interventions and continuity between emergency and development activities, the multisectoral and multi-actor approach. Local authorities implement action plans and the High Commission is responsible for monitoring operations.

The *Maison du paysan* (farmer house) approach is another facet of the 3N Initiative's territorial approach planned for 255 local authorities across the country. The *Maison du paysan* is a coherent set of diverse services and infrastructures put in place at the local authority level to help producers and agricultural enterprises improve the performance of their activities. Through improved access to these services, it is hoped that rural actors will ultimately gain higher incomes. These services are tailored to the agroecological context and to the priority needs of the users-clients. They act as the interface between the national and village levels, ensuring complementarity and coherence among the services on offer.

At the same time, the High Commission and its development partners have begun a process of reforming agricultural finance to improve the supply of integrated locally accessible financial services that meet the needs of rural producers, agricultural enterprises and vulnerable populations. This is embodied in the FISAN mechanism to finance food security and nutrition that includes three facilities: agricultural finance; financing for structural agricultural investments; and financing for agricultural services (research and advisory services that can respond to producer demand).

In four years, the 3N Initiative has managed to re-establish the leadership of the State and its administrative units at different levels of development activities related to food security and nutrition, and sustainable agricultural development. By putting in place an inter-ministerial committee to guide implementation, chaired by the President of Niger, the Initiative has increased the level of strategic management. It has also positioned nutrition security in the multisectoral and multidimensional approach of the 3N Initiative, bringing together all relevant stakeholders. And it fits within the framework of Niger's decentralization and devolution policy by giving a high degree of responsibility to regional and local authority actors, particularly through the *Communes de convergence* and *Maison du paysan* initiatives. Lastly, the 3N Initiative has contributed to the coherence of financing approaches and policies by proposing harmonized financing instruments through the establishment of the FISAN.

*Source: Written contribution prepared for the event by His Excellency Ouendeba Botorou, High Commissioner for the 3N Initiative, Government of Niger.*

- Increasing demand for agricultural products driven by urbanization, as well as by higher rural incomes, notably but not exclusively for high-value and perishable products, is a key driver of agricultural value chain development. When rural producers can earn enough to increase their own spending on local products, a strong basis for the development of diversified local economies exists, with a potential for generating more income, increased resilience and sustainable local development.
- The role of local traders is key and frequently not sufficiently recognized. These traders are often able to buy the entirety of the harvest of smallholder farmers, while supermarkets and multinationals might only be able or willing to purchase a proportion of it related to relatively strict quality, grading and food safety requirements. Local traders operate in informal markets and rely upon social networks. Given the key role local traders play for poor smallholders, particularly in providing markets for smallholder produce, local authorities should provide greater support. They should establish an enabling policy environment to foster inclusive market approaches and business models, and establish regulations that safeguard against monopsonic structures or local traders that become effective monopolies, such as the only local economic actors to own lorries or other vehicles. Further, local authorities should develop policies to encourage the operation of local food systems through support to farmer markets and informal markets.
- Appropriate policies and legislation to facilitate partnerships between public-sector actors, private-sector companies and small-scale producers within and across value chains are key.<sup>3</sup> Territorial development is fundamentally about ensuring that partnerships between the public, the private and producers are beneficial for regional development in a balanced and equitable way to benefit all stakeholders; such partnerships form one of the bedrocks of territorial development.

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There is a need to go beyond developing individual projects and programmes to system-wide approaches and operating principles.

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- UN-Habitat's International Guidelines on Urban and Territorial Planning<sup>4</sup> Milan Urban Food Policy Pact<sup>5</sup> and City Region Food System approaches were cited as examples that can help address urban and rural development challenges and foster more integrated approaches. However, these can be perceived as having an urban bias with urban food security needs as the primary entry point. Therefore, in their application, special attention is needed to ensure a balanced treatment of rural and urban perspectives and needs.
- The SDGs will not be achieved by projects and programmes alone: changes to systems and operational norms will be needed if the new agenda is to develop modalities of development that are inclusive and leave no one behind. Project-based approaches may be unsustainable where national institutions lack capacity or political will. Moving to system-wide, place-based approaches to development, supported by representative national institutions and decentralized local authorities, is the most sustainable way to implement territorial approaches.

3. Or public-private-producer partnerships – 4Ps. On 4Ps and the distinction between small-scale producers and private-sector companies, see: <https://www.ifad.org/pub/thematic/list>, and: <https://www.ifad.org/documents/10180/998af683-200b-4f34-a5cd-fd7ffb999133>

4. <http://www.unhabitat.org/books/international-guidelines-on-urban-and-territorial-planning/>

5. See: <http://www.foodpolicymilano.org/en/urban-food-policy-pact-2/>

- A more structured approach in which linkages between rural and urban areas are strengthened by design, paying particular attention to the role of intermediate urban areas, needs to be adopted across key areas of development planning, including infrastructure investment, land-use planning, urban design, and public and private procurement policies.
- Addressing gaps between and within territories, through participatory and inclusive principles and implementation modalities, and investments and policies that target the poorest, most marginal and vulnerable groups will be needed, deepening understanding and addressing root causes of exclusion within economic, political and social spheres.
- Key challenges in implementing territorial approaches include: defining appropriate scales or levels of intervention; and defining tensions between the complexity and diversity of territorial approaches and the demand for the need for scalable, replicable and sustainable approaches to development.

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Our understanding of “territories” must go beyond examining physical space as the main unit of analysis.

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- Within a particular physical space there are a complex of actors and factors: people with diverse characteristics, occupations and interests; organizations; social and cultural norms; power relations; natural resources; and different layers of decision-making from household up to local authority, regional and national levels. Understanding the dynamics, linkages, opportunities and constraints implied by these must be central to the development and implementation of territorial approaches.
- A key element of analysing rural-urban linkages is attempting to understand how different economic sectors can link together to become more resilient. These linkages, by contributing to diversification of economic activities at the local level, are central to promoting enhanced resilience, especially among relatively vulnerable rural households who rely upon natural resource-based livelihoods in a context of climate variability and climate change.
- A focus on key actors in rural development – for example, smallholders, women, young people, migrants, indigenous peoples – will be needed to bring about inclusive and sustainable territorial development. The role of rural areas and agriculture in contributing to providing jobs for young people, especially in sub-Saharan Africa and South Asia where significant youth population bulges are set to continue in the years ahead, should be highlighted.
- The role of the state in shaping territories must inform how territorial approaches are viewed and promoted. Dialogue between all actors, including between consumers and producers, will be needed to foster inclusive solutions that respond to rural-urban interdependencies. In this respect, standards and good practices that take into account social, environmental, economic and food security considerations at the territorial level, could play a role in shaping choices among urban consumers, as well as incentivizing responsible private investment in a context of wider private-sector involvement with smallholders.
- At the same time, from a spatial perspective, enhanced geo-reference and territorial information systems will be needed to inform territorial approaches in most regions.

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Diversities within and between territories must be taken into account, and tailored strategies developed for specific challenges facing people living in fragile situations and less developed areas.

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- The environmental, economic and cultural diversity in which food systems are situated in a territorial or city-region context must be acknowledged, and inform the further development and implementation of territorial approaches.
  - Even in countries where rural-urban connectivity has improved significantly, certain regions have been left behind such as mountainous areas, resource-scarce and degraded environments, and indigenous peoples' settlements. For these areas and their inhabitants, different ways of thinking, requiring multisector and multilevel partnerships between governments, communities, UN agencies, NGOs, civil societies, private sector and a strong participatory process with the vulnerable communities themselves, will be needed.
  - Attention should be given to the interface between territorial approaches and social protection, creating synergies between the two. These should aim to ensure that vulnerable and disadvantaged groups are not left behind by – and are able to contribute to – local and territorial development.
  - From a global policy perspective, taking into consideration diverse geographical and social realities to obtain recommendations relevant to a range of contexts is particularly challenging. In this respect, the need for flexibility and to adapt to local circumstances should be taken into account in any attempt to develop global policy implication and recommendations.
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When examining rural economies and livelihoods, it is important to bear in mind that these go beyond agriculture.

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- In the realm of food security and nutrition, much of the policy focus has been on agriculture, often focusing on the production side. Consequently, opportunities to develop non-farm income sources have not been fully realized.
- Revenues from the rural non-farm economy and other sources (such as remittances and investments from urban centres) constitute a significant part of many rural household incomes. These non-farm incomes are likely to play a growing role in shaping rural economies in the decades ahead.
- Agricultural growth will be necessary but not sufficient for rural transformation.
- Intermediate cities provide opportunities to encourage non-farm activities, where smallholders can travel to urban centres and access employment in agroprocessing or other commercial enterprises. In turn, through remittances they can re-invest their money in agriculture and contribute to supplement their family's food budget.



## Conclusions for policies and programmes

The potential of territorial approaches to foster inclusive rural transformation and rural-urban linkages was widely agreed. In particular, to provide a framework to operationalize and integrate action around key development objectives and advance coherent, integrated and synergistic systems of development. In the overall context of structural economic transformation, where urbanization is occurring in many areas without commensurate job creation – implying the need for rural areas to generate a large share of the new jobs needed in many developing economies in the decades ahead – these approaches will be especially important.

For territorial approaches to realize their potential, significant political obstacles will have to be overcome such as: social and economic power imbalances, as well as deficits related to inclusive governance and decentralized planning, and competition between authorities at the local, regional and national levels. Governance challenges emerge as a critical area requiring much work for the effective implementation of territorial approaches. Most pertinent, gaps in effective governance are borne by a lack of effective participation from local actors in planning processes. In this respect, developing local capacities and functional democratic institutions, and providing mechanisms for local stakeholders to take part in political and planning processes must be prioritized. Decentralization offers compelling opportunities in this respect, but only where the right conditions (in particular, resourcing) and capacities are in place.

The need for the private sector to play a growing role in the development landscape, and the growing reliance on private sources of finance, offers opportunities but also potential stumbling blocks. The implementation of standards for responsible private investment and activities that might affect inclusion, food security, environmental sustainability, employment and livelihoods at a territorial level can play an important role in shaping desirable patterns of consumption among urbanized populations. This needs to be accompanied by measures to close governance and regulatory gaps.

Prioritizing the needs of groups experiencing particular vulnerabilities, such as poor smallholders and poor people living in urban centres, rural women, young people, indigenous populations and migrants, and ensuring their representation in planning processes, will be critical. Adopting approaches specific to the requirements of less developed or poorer areas and their populations must also be prioritized, not least in the context of the Agenda 2030.

Moving from projects and programmes to system-wide approaches and investments, where possible, will be central to territorial development and will contribute to the achievement of the SDGs. An important element of system-wide approaches will be to develop more integrated or complementary urbanization and rural transformation policies. They must be

attentive to the rural impacts of urbanization and concerned with orderly and equitable transformation, and build on the important developmental roles of villages, small and medium-sized towns, and intermediate urban areas.

In promoting territorial approaches, there is much scope to link with global policies and processes and build on existing platforms. The Habitat III process, as well as the CFS work stream around urbanization and rural transformation, provide fruitful avenues for doing this in the immediate term. Initiatives such as the Milan Food Policy Pact, International Guidelines on Urban and Territorial Planning, IFAD's work on rural transformation and the City Region Food Systems approach also offer potentially fruitful entry points for exploring the value of territorial approaches to foster inclusive rural transformation and better rural-urban linkages to support balanced development.





## Potential areas for IFAD follow-up

The promotion of positive synergies between urban and rural areas constitutes an important part of efforts to achieve more sustainable and healthier lives for all. Territorial approaches and maximizing the benefits of rural-urban linkages can represent a rich avenue of work going forward for IFAD, in collaboration with its partners and the other United Nations Rome-based agencies, focusing on fostering more inclusive and sustainable rural transformation processes. Leveraging the rural-urban nexus for development constitutes a key opportunity to promote the needs of rural people within the framework of the SDGs. In 2016, to feed into international development policy debates and development programming, SKD will share several publications. These will review the relationships between rural-urban linkages, sustainable food systems and inclusive development, and will build on collaborations with a range of actors involved in this agenda such as UN-Habitat, United Nations Centre for Regional Development and International Institute for Environment and Development.

Reviewing evidence, sharing knowledge and building partnerships will be central in international processes and debates. IFAD and its partners will promote the importance of rural people and inclusive rural transformation, with a focus on the context of global debates on sustainable urbanization, food and nutrition security, and inclusive development. Thanks to knowledge sharing among global and regional development actors in events such as this forum, there is growing understanding and acknowledgement that there is a need to place the interests and potentials of rural people at the centre of these global debates. Going forward, the scope and potential for more detailed sharing of experiences and methodologies from diverse country experiences should be explored.

Based on exchanges during the event, some key areas for further work by stakeholders were identified to inform further engagement in territorial approaches to development and efforts to maximize the contribution of rural-urban linkages to development. These include:

- Reviewing ways to strengthen implementation capacity and address implementation gaps with regard to the application of territorial approaches from the bottom up. This should prioritize meaningful involvement of the intended beneficiaries of such approaches – including poor rural and urban dwellers and smallholders – to increase their voice, empowerment, participation and democratic representation in decision-making processes, building on the local multistakeholder platforms that exist or creating new ones.
- Developing strategies to encourage representative modes of local governance and modalities for integrated systems of governance for urban and rural areas to function horizontally and vertically.

- Understanding who the main actors are in the public, private, collective action and civil society spheres of territories; their comparative advantages in relation to fostering inclusive rural transformation; and how to harness their energies, knowledge and complementarities to promote more balanced and equitable territorial development.
- Understanding how changing spatial demographics and population growth are shaping different patterns of urbanization and the implications for efforts to link rural and urban areas.
- Examining how structural transformations in today's developing countries are different from the historical experience of OECD countries. In particular, it was noted that urbanization is progressing in many developing regions without significant job creation. Therefore, rural areas will need to play a more significant role in generating employment than was the case in the process of development of many countries that are now "developed".
- Documenting further the roles of small and medium-sized towns and intermediate urban centres in fostering rural-urban linkages that lead to sustainable and inclusive rural transformations.
- Agreeing, clarifying and aligning core definitions related to territorial approaches to development.
- Documenting and sharing country experiences in promoting territorial approaches.
- Establishing broad-based multistakeholder partnerships to collaborate in global policy processes related to fostering mutually beneficial rural-urban linkages that promote more balanced and equitable development processes.



## Further reading

FAO. 2014. *Territorial Approaches to Food Security and Nutrition Policies: Empirical evidence and good practices*. Second International Expert Meeting. Final Report. <http://www.fao.org/3/a-at536e.pdf>

Hardoy J. E., and D. Satterthwaite (eds). 1986. *Small and intermediate urban centres: Their role in national and regional development in the third world*. London: Hodder and Stoughton in association with IIED. <http://pubs.iied.org/pdfs/7019IIED.pdf>

Hussein K., and D. Suttie. Forthcoming. *Rural-urban Linkages and Food Systems in sub-Saharan Africa: The rural dimension*. IFAD Research Paper Series. Rome: IFAD.

IFAD. 2014. *Leveraging the rural-urban nexus for development*. IFAD Post-2015 Policy Brief 1. Rome: IFAD.

Satterthwaite D., and C. Tacoli. 2003. *The urban part of rural development: the role of small and intermediate urban centres in rural and regional development and poverty reduction*. London: IIED.

UN-Habitat. 2015. *International Guidelines on International and Territorial Planning*. Nairobi: UN-Habitat.

Vos R. 2015. *Geography Matters for Food Security and Nutrition*. Regional Studies Association Conference, Piacenza, 27 May 2015 [PowerPoint slides]. Retrieved from: [http://www.regionalstudies.org/uploads/Rob\\_Vos\\_Piacenza\\_RSA\\_Conference\\_REV3.pdf](http://www.regionalstudies.org/uploads/Rob_Vos_Piacenza_RSA_Conference_REV3.pdf)

Vos R. Territorial Approach to Food Security and Nutrition (FSN) Policies: A joint FAO-OECD-UNCDF Initiative [PowerPoint slides], n.d. Retrieved from: [http://www.fao.org/fileadmin/user\\_upload/AGRO\\_Noticias/docs/Vos%20EXPO%2016%20OCT\\_Pub\\_Resized.pdf](http://www.fao.org/fileadmin/user_upload/AGRO_Noticias/docs/Vos%20EXPO%2016%20OCT_Pub_Resized.pdf)

# Annex 1: List of presenters

(In order of appearance)

**Mr Steven Were Omamo, Director, Global Engagement and Research, Strategy and Knowledge Department (SKD), IFAD**

Prior to joining IFAD, Omamo served as a Director at the World Food Programme. He was also Director of the Policy Programme at the Alliance for a Green Revolution in Africa (AGRA).

**Ms Josefina Stubbs, Associate Vice-President, SKD, IFAD**

Previous to her position as Vice-President of SKD, Stubbs was Director of IFAD's Latin America and the Caribbean Division. She has more than 30 years of experience in international development, and has worked for organizations like the World Bank and Oxfam.

**H.E. Serge Tomasi, Ambassador, Permanent Representative of the French Republic to the Rome-based United Nations Agencies**

Before his appointment as Ambassador in Rome, Tomasi was the OECD Deputy Director for development cooperation (2012-2014). He was the OECD head of delegation for G20 and G8 development meetings, and in charge of the dialogue with non-OECD members. He led the work of the directorate on agricultural development, sustainable development and green growth. From 2009 to 2011, Serge Tomasi was the Director for Global Economy and Development at the French Ministry of Foreign and European Affairs. He was chair of the G20 Development Working Group in 2011, which initiated several important initiatives dealing with excessive volatility of food prices such as AMIS, humanitarian food reserves and Platform for Agriculture Risk Management (PARM), hosted today by IFAD. Tomasi also worked in the Ministry of Finance, in the Treasury Directorate (2006/2009), as financial counsellor for Africa.

**Mr Gabriel Seghezzo, Director, FUNDAPAZ (Fundación para el Desarrollo en Justicia y Paz), council member of the International Land Coalition, Argentina**

Seghezzo has worked for 20 years in rural development programmes in the Chaco Región (Argentina-Bolivia-Paraguay) with peasant families and indigenous people, focusing on access to land, water, other resources, women's rights, resource management and processes of dialogue between communities and governments.

**Mr Grigori Lazarev, Independent Consultant, Rome**

Lazarev is an independent specialist on development in the Maghreb and Morocco. He is the author of four books on agrarian structures and policies, rural and social change in Morocco, and teacher-researcher attached to several university faculties in Morocco. Formerly, he was a staff member of the Food and Agriculture Organization of the United Nations, and an expert working for the *Haut Commissariat au Plan du Maroc*.

**Ms Stefania Amato, Project Manager, International Relations Department, Milan**

Amato is currently working at the Cabinet of the Mayor of Milan, focusing on both the Food Policy of Milan and the Urban Food Policy Pact. Previously, she was the WHO consultant for policy alignment and aid coordination of the health sector in Moldova (2011-2015) and Tajikistan (2006-2009). Amato has a PhD in Institutions and Policies at UCSC, Milan and an MSc in Political Economy of Late Development at LSE, London.

**Mr Ivan Cossio Cortez, Former IFAD Country Programme Manager, Latin America and the Caribbean/Head of Quality Assurance Group, IFAD**

Cossio, an economist, holds a Master's degree in Agricultural Economy. He joined IFAD in 2007 as Country Programme Manager for Brazil between 2007 and 2014, and for Mexico and Cuba between 2014 and 2015. He is currently Chief of the IFAD Quality Assurance Group. Prior to joining IFAD, from 2000 to 2007, Cossio worked for FAO in Mexico as Chief Technical Advisor, leading numerous works on public policy analyses and evaluations of agricultural and rural development programmes. Between 1993 and 1996, he was National Secretary of Rural Development of the Government of Bolivia. Cossio was also Director of the Food Security Support Programme co-funded by the European Union and the Government of Bolivia. He has worked for NGOs, research centres and as a consultant for numerous Bolivian and international rural development agencies, which gave him the opportunity to carry out extensive field work in different countries of Latin America.

**Mr Luca Fratini, Minister Counsellor, Deputy Head of Mission, Italian Permanent Mission to the United Nations Organizations, Italy**

Fratini was Chair of the Open-Ended Working Group on the CFS Multi-Year Programme of Work (MYPOW) in 2014.

**Mr Rob Vos, Director, Agricultural Development Economics, FAO**

Prior to taking up his position as Director, Vos was FAO's Strategic Coordinator for Rural Poverty Reduction and Director of Social Protection. He is co-author of a recent book on Alternative Development Strategies for the Post-2015 Era. Formerly, he was Director of the Policy Analysis and Development Division, UN-DESA. Before joining the United Nations system in 2005, he was Professor of Finance and Development at the Institute of Social Studies, The Hague, and Professor of Development Economics at the Free University Amsterdam.

**Mr David Jackson, Director of Local Development Finance Practice, the United Nations Capital Development Fund (UNCDF)**

In May 2013, Jackson was appointed Director of the Local Development Finance Practice Area at headquarters in New York. He leads the unit's strategy to strengthen public finance for local development. Before coming to New York, he was leading and representing UNCDF in Asia and the Pacific as Head of the Regional Office. Jackson joined UNCDF as Regional Local Development Advisor in 2009.

**Ms Makiko Taguchi, Co-secretary of the FAO Food for the Cities Initiative, FAO (speaking on behalf of Mr Paul Munro-Faure, Chair of the Food for the Cities Initiative, FAO)**

Taguchi is an Agronomist, Co-secretary of the FAO Food for the Cities Initiative, and a working group member for the Global Initiative on Food Loss and Waste Reduction (Save Food).

**Mr Jackson Kago, Regional and Metropolitan Planning Unit, UN-Habitat (Nairobi)**

Specialist in Urban and Regional Planning conducting research and policy analysis on urban and rural linkages in the context of Habitat III.

**Ms Cecilia Tacoli, Principal Researcher/Team Leader rural-urban, IIED, United Kingdom**

Tacoli is Principal Researcher in the Human Settlements Group of the UK IIED. She is also Team Leader on rural-urban issues. Her current work focuses on the links between rural and urban development, with special attention to the role of small urban centres in the development of their surrounding region, migration and mobility, livelihood diversification and rural non-farm employment, and transformations in peri-urban areas. Tacoli is working on an IFAD cofinanced research and knowledge programme on rural-urban linkages and food systems.

**Mr David Edwards, Assistant Director, HRH The Prince of Wales' International Sustainability Unit (ISU), United Kingdom**

Edwards oversees the ISU's natural capital risks team and heads the unit's work on food security. This work seeks to help build consensus on the need for transformations in food systems and to accelerate international action on this agenda. The ISU is playing a particular role in engaging the investment community to leverage governments to improve enabling conditions for more sustainable investment in agriculture and food systems, and in creating linkages for the global discussions on climate change, food security and the post-2015 development framework.

**Mr Auxtin Ortiz Etxeberria, Director, World Rural Forum, Spain**

The World Rural Forum (WRF) is a plural network that works in favour of family farming and sustainable rural development. It is composed of farmers' federations, rural organizations and agricultural research centres from five continents. National and regional farmers' organizations, rural associations and research centres around the world participate in the WRF as institutional partners.

**Mr Scott Ronchini, Deputy Chief, Asset Creation and Livelihoods Unit, WFP**

Prior to working in the Asset Creation and Livelihoods Unit, Ronchini was with the Vulnerability Analysis and Mapping Unit, WFP.

**Mr Fabrizio Bresciani, Regional Economist, Asia and the Pacific Division, IFAD**

Bresciani is currently working in IFAD as the Regional Economist for the Asia and the Pacific Division. His main areas of interest include rural development, food security and land policy. With the World Bank, he previously served as the Senior Agricultural Economist in Indonesia (2011-2014) and as the Rural Development Economist in the Philippines (2007-2011). Before joining the World Bank, he was at the Agricultural Development Economics Division of FAO (2001-2007) and at the World Bank's Development Economics Research Group (1998-2001).

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Event organizers and contacts for further information

**Karim Hussein, Policy and Research Adviser, Global Engagement and Research Division, Strategy and Knowledge Department, IFAD: [k.hussein@ifad.org](mailto:k.hussein@ifad.org)**

**David Suttie, Policy Analyst, Global Engagement and Research Division, Strategy and Knowledge Department, IFAD: [d.suttie@ifad.org](mailto:d.suttie@ifad.org)**

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## Annex 2: Meeting programme

This event seeks to foster an evidence-based exchange from different perspectives on the question below:

In the context of the 2030 Agenda for Sustainable Development and the forthcoming Habitat III global conference, **how can territorial approaches to agricultural and rural development be designed and used to ensure that smallholders, rural women and rural young people are empowered to influence relevant decision-making processes?**

Friday, 11 December, Italian Conference Room, IFAD HQ: 10.00-13.00	
09.30	<b>COFFEE/REFRESHMENTS</b> (level minus 1, IFAD, in front of the Italian Conference Room)
<b>WELCOME AND OPENING</b>	
10.00-10.15	<b>Overview and introduction: Mr Steven Were Omamo, Director, Global Engagement and Research Division, Strategy and Knowledge Department, IFAD</b>  <b>Welcoming remarks: Ms Josefina Stubbs, Associate Vice-President/Chief Development Strategist, Strategy and Knowledge Department, IFAD</b>
<b>PART 1: GLOBAL POLICY ENGAGEMENT FORUM</b> Territorial Approaches, Rural-Urban Linkages and Inclusive Rural Transformation: Ensuring that rural people have a voice in national development in the context of the SDGs  KEY ISSUES  MODERATOR: Mr Steven Were Omamo, Director, Global Engagement and Research Division, SKD, IFAD	
10.15-10.25	<b>H.E. Serge Tomasi</b> , Ambassador, Permanent Representative of the French Republic to the Rome-based United Nations agencies
10.25-10.35	<b>Mr Gabriel Seghezzo</b> , Director, Plataforma Semiáridos de América Latina ILC ALC, <b>FUNDAPAZ</b>
10.35-10.45	<b>Mr Grigori Lazarev</b> , Independent Consultant, territorial and rural development in the Maghreb and Morocco
10.45-10.55	<b>Ms Stefania Amato</b> , Project Manager, Food Policy and MUFPP, Milan
10.55-11.00	<b>Discussant: Mr Ivan Cossio Cortez</b> , Former IFAD Country Programme Manager, Latin America and the Caribbean (now Head of Quality Assurance Group), <b>IFAD</b>
11.00-11.25	<b>Speaker from the floor (3-5 minutes): Mr Luca Fratini</b> , Minister Counsellor, Deputy Head of Mission, Italian Permanent Mission to the UN Organizations, Italy  <b>Open discussion</b>
11.25-11.30	<b>Wrap-up – Key issues from the SKD Global Policy Engagement Forum</b> <b>Mr Steven Were Omamo</b>

<b>PART 2: TECHNICAL MEETING</b> Practical experiences of applying territorial approaches to agricultural and rural development that foster inclusive rural transformation in a context of urbanization MODERATOR: H.E. Serge Tomasi, Ambassador, Permanent Representative of the French Republic to the Rome-based United Nations Agencies	
11.30-11.45	<b>An overview on territorial approaches – drawing from a study by FAO, the OECD and UNCDF on “Adopting a territorial approach to food security and nutrition policy” (5 minutes each)</b> <ul style="list-style-type: none"> <li>• <b>Mr Rob Vos, Director, Agricultural Development Economics Division (ESA), FAO</b></li> <li>• <b>Mr David Jackson, Director of the Local Development Finance Practice Area, United Nations Capital Development Fund</b></li> </ul>
11.45-12.05	<b>Urban-rural linkages, food systems and rural transformation (5 minutes each)</b> <ul style="list-style-type: none"> <li>• <b>Mr Paul Munro-Faure, Chairperson, Food for the Cities Initiative, FAO</b></li> <li>• <b>Mr Jackson Kago, Regional and Metropolitan Planning Unit UN-Habitat (Nairobi)</b></li> <li>• <b>Ms Cecilia Tacoli, Principal Researcher/Team Leader rural-urban, IIED</b></li> </ul>
12.05-12.25	<b>Speakers from the floor (3-5 minutes each)</b> <ul style="list-style-type: none"> <li>• <b>Mr David Edwards, Assistant Director, HRH The Prince of Wales’ International Sustainability Unit</b></li> <li>• <b>Mr Auxtin Ortiz Etxeberria, Director, World Rural Forum</b></li> <li>• <b>Mr Scott Ronchini, Deputy Chief, Asset Creation and Livelihoods Unit (OSZPR), WFP</b></li> <li>• <b>Mr Fabrizio Bresciani, Regional Economist, Asia and the Pacific Region, IFAD</b></li> </ul>
12.25-12.50	<b>Discussion</b>
12.50-13.00	<b>Wrap up, lessons and ways forward</b> <ul style="list-style-type: none"> <li>• <b>H.E. Serge Tomasi</b></li> <li>• <b>Mr Steven Were Omamo</b></li> </ul>
13.00	<b>END OF THE EVENT</b>