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**REPORT OF THE VALIDATION WORKSHOP IN PREPARATION OF
THE CONFERENCE OF MINISTERS RESPONSIBLE FOR RURAL
INFRASTRUCTURE AND MARKET ACCESS IN AFRICA**

PROCEEDINGS AND RECOMMENDATIONS

**25-27 JULY, 2011
NAIROBI, KENYA.**

VALIDATION WORKSHOP REPORT

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ACRONYMS AND ABBREVIATIONS

1. ACA-Africa Cashew Alliance
2. AfDB-Africa Development Bank
3. AIDS-Acquired Immune Deficiency Syndrome
4. AU-Africa Union
5. AUC-Africa Union Commission
6. CAADP-Comprehensive Africa Agricultural Development Programme
7. CMAOC-Conference of Ministers of Agriculture for West and Central Africa.
8. COMESA-Common Market for Eastern and Southern Africa
9. CSR-Corporate Social Responsibility
10. EAFF-East African Farmers Federation
11. ETF-Expert Task Force
12. FAO-United Nations Food And Agricultural Organizations
13. FARA-Forum For Agricultural Research in Africa
14. HIV-Human Immunodeficiency Syndrome
15. IBAR-Inter-African Bureau for Animal Resources
16. ICTs-Information and Communication Technologies
17. IRCM- Integrated Regional Coordination Mechanism
18. NAIPs-National Agricultural Investment Plans
19. NBF-NEPAD Business Foundation
20. NEPAD-New Partnership for Africa's Development
21. NGOs-Non Governmental Organizations
22. NPCA-NEPAD Planning and Coordinating Agency
23. PAFLIC-Pan African Forum for Livestock Exporting Countries
24. PAN SPSO-Participation of African Nations in Sanitary and Phytosanitary Standard-setting Organisations
25. PanAAC-Pan African Agribusiness and Agro-industry Consortium
26. PIDA-Programme for Infrastructure Development in Africa
27. PPPs-Public Private Partnerships
28. RDA-RegioDev Africa
29. REC-Regional Economic Communities
30. RtB-Removing the Barriers
31. SMES-Small and Medium Scale Enterprises
32. SPS-Sanitary and Phytosanitary Standards
33. STDF-Standards trade and Development Facility
34. TORs-Terms of Reference
35. ToT-Training of Trainers
36. VC-Value Chain
37. WTO-World Trade Organization

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I. INTRODUCTION:

1. The Validation Workshop in preparation of the Conference of Ministers responsible for Rural Infrastructure and Market Access in Africa took place in AU-IBAR office in Nairobi, Kenya from the 25-27 July 2011. The purpose was to discuss and review the draft Concept Note and Terms of Reference for the Steering Committee and the Expert Task Force to guide the implementation of the road map towards the Conference of Ministers responsible for Rural Infrastructure and Market Access in Africa scheduled for 21-24 November, 2011 in Kigali Rwanda. In particular, the validation workshop had the following objectives:
 - i) To discuss current issues related to rural infrastructure focusing on challenges and emerging trends;
 - ii) To nominate institutions on the Steering Committee and Experts to compose of a Task Force Group to steer the process towards the Ministerial Conference;
 - iii) To define the roles and responsibilities of the Steering Committee and the Expert Task Force Group;
 - iv) To agree on expected key outcomes and decisions from the Conference of Ministers responsible for Rural Infrastructure and Market Access in Africa in November 2011;
 - v) To review and propose a more focused, strategic and feasible roadmap towards the Conference of Ministers responsible for Rural Infrastructure and Market Access in Africa;

II. AGENDA AND WORK PROGRAMME OF THE VALIDATION WORKSHOP

2. The agenda and work programme is attached as **Annex I**. The agenda is summarized as follows:
 - i) Welcome and opening remarks
 - ii) Context/justification /background of the validation workshop
 - iii) Information about the ministerial conference:
Towards a Pan African Policy Framework on Rural Infrastructure: Overview of the Initiative.
 - iv) National and Regional initiatives
 - v) Draft concept note for the Ministerial Conference:
 - Presentation: Context, objectives and expected outcomes
 - Group discussions and reporting.
 - vi) TORs of the Expert Task Force Group and Steering Committee
 - Presentation
 - Working group discussion and reporting to the plenary. Definition of the roles and responsibilities of the Steering Committee and the Expert Task Force Group; Nomination of the representatives of the Steering Committee and Expert Task Force in preparation for the Ministerial Conference.
 - vii) Presentation of revised concept note and TORs

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- viii) Draft roadmap to the Ministerial Conference. Timeline for:
 - Recruitment of Consultants
 - Regional workshops
 - Identification of focal points for consultants
- ix) Any other business
- x) End of the validation workshop

III. WORKSHOP PARTICIPATION

3. The validation workshop had over 20 participants drawn from: AU Member States, Civil Society Organisations, Private Sector, Farmers' Organisations, Pan African bodies, Academic institutions including the African Union Commission, NEPAD Planning and Coordinating Agency (NPCA), NEPAD Business Foundation, FARA, Ministry of Agriculture and Animal Resources (Rwanda) University of KwaZulu Natal; Africa Cashewnut Alliance (ACA), CMAOC (CAADP Pillar II), University of Nairobi, RegioDev Africa (RDA), University of Pretoria, Pan-African Agribusiness Agro-Industry Consortium (PanAAC) and East African Farmers Federation (EAFF).

IV. OPENING SESSION

4. Dr. Janet Edeme, the Acting Head of Division for Rural Economy moderated the opening session.
5. The workshop was opened by Prof. Ahmed El-Sawalhy, the Director of the African Union Inter-African Bureau for Animal Resources (AU-IBAR). In an opening statement made on behalf of the Commissioner for Rural Economy and Agriculture of the African Union Commission, Prof. Ahmed El-Sawalhy welcomed all the participants to the workshop.
6. He underscored the role of rural infrastructure in reducing poverty, enhancing social capital and improving access to services. He decried development agendas that exclude agriculture-related processes in the definition of rural infrastructure which affects growth in trade, discourages investment, increases production costs and stiff competition for the majority of the farming population who are smallholder farmers. He urged participants of the workshop to look at infrastructure in a more holistic manner.
7. He concluded by reaffirming the commitment of the African Union Commission to maintain and consolidate the existing partnership and collaboration towards shared values and goals under common frameworks in a coordinated manner in order to build synergies and innovations. Furthermore, he commended the leadership, vision and concerted efforts of all the institutions represented in the workshop to address the challenges of food and nutrition security in Africa.

V. WORKSHOP PRESENTATIONS

a) **Towards a Pan African Policy Framework on Rural Infrastructure: Overview of the Initiative by Mr. Abderrahmane Khecha, Policy Officer Rural Economy Division, AUC**

8. Mr. Khecha's presentation focused on the rationale for a Pan African Policy Framework Initiative in terms of facilitating efficient exploitation of natural resources as well as the management of social and economic environment. He also outlined the main functions of the framework including the basis for engagement of African countries and the international community for sustainable funding of rural infrastructure. Another function mentioned was the provision of the basis for elaboration and implementation of sustainable policies for rural infrastructure among AU Member States in order to achieve sustainable development.
9. He identified the different processes for the elaboration of the framework comprising of among others consultative workshops, regional consultations, engagement of African experts for the preparation of regional reports on rural infrastructure and elaboration of the draft continental policy framework. The presentation also looked at the operational mechanism in terms of establishment of a high level expert panel, a platform for coordination and mobilisation of resources for financing the policy framework.

b) **The Programme for Infrastructure Development in Africa (PIDA) by Mr. Zouli Bonkougou, Department of Infrastructure and Energy, AUC.**

10. Mr. Zouli highlighted the significant role of infrastructure services in achieving sustainable development objectives in Africa such as: encouraging new investment across the economy; underpinning various aspects of economic and social activity; facilitating the flow of goods and services; regional economic growth; social equity and poverty reduction in addition to increasing productivity.
11. The Programme for Infrastructure Development in Africa (PIDA), is a joint initiative of the AUC, the NEPAD Planning and Coordinating Agency and the African Development Bank (AfDB) aiming at responding to the challenges of infrastructure development. PIDA's overall objective is to optimise the efforts and use of resources in order to enable African stakeholders to speak with one voice based on a common agenda and a common vision for infrastructure development. The specific objectives of PIDA are to enable African decision-makers to:
 - Establish and implement a strategic framework for the development of regional and continental infrastructure based on a development vision, strategic objectives and sector policies,
 - Establish and implement an infrastructure development programme articulated around priorities and phases and
 - Prepare an implementation strategy and process including, in particular, a priority action plan.

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12. The PIDA project covers four sectors namely: Energy, Transport, Information & Communication Technology (ICT) and Trans-boundary Water which will be implemented in two major steps namely: undertaking a study and implementation of the study results. The expected results of the study include: the vision of Africa's infrastructure, strategic objectives, sector policies, regional and continental physical infrastructure projects, master plans, priority projects/measures/phases, rolling plan of priority actions, financing, monitoring and evaluation processes.

c) Eastern Africa Farmers Federation (EAFF) Intervention by Mr. Philip Kiriro

13. EAFF is working at the regional level to develop viable agri-business clusters around commodities through associations and cooperatives so that farmers can be able to link up with other chain actors. EAAFF's role has been undertaking training on value addition with technical backstopping provided by FAO. Under this arrangement, 140 technicians and farmers have successfully participated in Training of Trainers (ToT) workshops in the past two years.

14. EAFF is also currently implementing the COMESA regional inputs programme that targets to train over 3000 farmers in Eastern Africa on weather index insurance, inputs management and agriculture credit. A proposal on adoption of a regional policy framework on cooperatives to create autonomous enterprises of farmers has been made to COMESA. This proposal was informed by studies undertaken by EAFF on national cooperative policies and laws as well as consultations with experts on cooperative laws and policies. At national level, there are numerous initiatives around fertiliser distribution (Kenya); construction of markets and processing (Tanzania); value addition in staples (Rwanda); horticulture (Djibouti); participation in the rice value chain (Burundi).

15. There is need to develop the moveable infrastructure for farmers to be able to transform their products. EAFF proposed the setting up of an agro-processing fund to support the construction of ware houses, processing plants and purchase of machinery for value addition for agro-based organisations. It would then be necessary to strengthen the capacity of farmers to access and utilise the fund on business ventures that promote value chain development.

d) NEPAD Rural Futures Programme: presentation by Ms. Rudo Makunike (NPCA)

16. The Rural Futures Programme launched by the NEPAD Agency is an integrated development initiative to promote rural transformation as a pathway to: improved rural employment and livelihood opportunities; national economic development and sustainability from local to global scale. It is based on a solid understanding of the rural condition and its role in the development process, a shared vision for its future and an integrated framework for action in

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support of rural transformation as a key factor for national and regional development. It is broadly organised around four major pillars of action namely:

- i) Strengthening the institutional and policy architecture to advance rural transformation;
- ii) Investing in structural change by launching flagship initiatives and encouraging broad scale multiplication of best practices;
- iii) Mobilising actions, innovations and investments to support rural transformation
- iv) Building broad-based partnerships.

17. In terms of implementation progress following its launch at the seventh Africa Development Forum in October last year, a high level strategic briefing was held in May 2011 to enhance understanding of the programme among key stakeholders and development partners and initiate a series of Development Briefings to raise awareness on issues of rural transformation. Next steps towards implementation include further consultation to identify flagship programs, launching of strategic actions to mark implementation of the programme including finalization of the programme document and mobilization of African leadership.

e) **NEPAD Business Foundation: Programme on Removing-the-Barriers in African Agriculture by Mr. Henri Minnaar**

18. The NEPAD Business Foundation's Removing-the-Barriers (RtB) Programme is being implemented in Southern Africa with the support from the Hewlett Foundation and USAID over a three year period. The overall goal of the RtB is to significantly advance equitable and sustainable commercial and *transformative agriculture* along Africa's development corridors in ways that will measurably improve the performance, competitiveness and income of smallholder farmers, particularly women, by integrating them into commercial partnerships that are themselves part of a dynamic, internationally competitive food economy-leading to: increased food production, the development of competitive value-adding supply chains and greater overall food security in Africa.

19. The RtB program will collect information and use feedback from markets, suppliers of inputs to farmers, small and commercial farmers, agro-processing enterprises (including SMEs) and other role players like farmer organizations, trade associations, and logistics companies among others. The information and insights gained will assist the RtB team identify and develop interventions to help remove policy-induced obstacles. This would include amongst other things barriers such as: infrastructure bottlenecks, under developed legal and regulatory systems, implementation of sanitary and phytosanitary (SPS) standards, financing

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constraints, capacity problems, multiple roadblocks and lack of proper customs procedures and systems. These and other inhibiting factors limit the growth and modernization of the small-scale farming sector and the emergence of *transformative* agri-businesses.

20. The RtB program will work with relevant local, national, regional and international policy making and advisory bodies to promote and accelerate the widespread adoption of *pro-transformative agriculture* policies and interventions across Southern Africa. This would be done in the context of promoting agricultural development in tandem with development corridors. The RtB team will also work in partnership with the private sector, NGOs and public organizations to bring agri-business expertise into the agricultural policy development and investment process in Southern Africa.
21. Finally, by concentrating on the creation of a regional-wide policy environment that is especially conducive to the self-financing, self-sustaining modernization of the small-scale farming sector, the RtB program will make a major contribution to improving regional food security.

f) Presentation of the Concept Note and the TORs of Steering Committee and Expert Task Force Group by Mr. Makane Guisse, Infrastructure Expert, CMAOC, Pillar II

22. The Draft Concept Note that had been prepared by CMAOC in collaboration with AUC was presented to the meeting. The presentation provided the contextual framework of rural infrastructure within the overall CAADP Agenda in contributing to agricultural and rural development in Africa. Challenges facing rural infrastructure were outlined and emerging opportunities to help Africa sustain rapid and long-term infrastructure development for agricultural value chain growth were mentioned.
23. Mr. Makane also made a presentation related to the anticipated roles and responsibilities of the Steering Committee and Expert Task Force Group. It is on the basis of the two presentations that groups were formed to discuss, improve and finalise the *draft concept note* in addition to reviewing the envisaged TORs. Furthermore, the discussion groups would suggest names of institutions on the Steering Committee and names of Experts to compose the Expert Task Force Group. The Commission would decide on the final nominees in accordance with AU policies and guidelines.

VI) PLENARY DISCUSSIONS AND WORKSHOP RECOMMENDATIONS

24. The discussions were heavily focused on improving the contents of the *concept note* and hence the expected outcomes of the Conference of Ministers responsible for Rural Infrastructure and Market Access in Africa. In summary, the participants discussed issues related to possible policy and regulatory actions, infrastructure development challenges, capacity development efforts, strategic partnerships and alliances to improve access to markets in order to reduce poverty, enhance food and nutrition security as well as improving access to essential services.

25. A wider definition of infrastructure was adopted to include capital-intensive forms such as roads and ports (addressed by PIDA) and category 2 rural infrastructure which consists of commercial and post-harvest infrastructure such as markets, storage, grading, packaging and processing that will be will addressed by the Conference of Ministers. Among others, the participants recommended that:

- a) A demand-driven infrastructure system that is responsive to the agricultural sector and the needs of the people living in the rural areas be adopted by AU Member States;
- b) Market-led reforms to enhance competitiveness and regional integration be initiated;
- c) A conducive policy environment that promotes structured Public-Private Partnerships (PPPs) for rural infrastructural development be created;
- d) Continental research institutions should undertake evidence-based infrastructure and trade-related market access research to support rural development in Africa;
- e) A scoping exercise on existing policies, regulatory, institutional and implementation frameworks be undertaken in respective countries.

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VII ANNEXES: 1-6

ANNEX1: WORKSHOP AGENDA AND WORK PROGRAMME

SESSION	ACTIVITIES	PRESENTER	TIME
Monday July 25, 2011			
OPENING SESSION			
Chair/Moderator: Dr. Janet Edeme			
	Arrival of Participants and Registration		8:30-9:30
	Welcome and Opening Remarks	Director AU-IBAR	9:30-9:40
	Self Introduction of participants		9:40-10:00
	Context/Justification /Background of the Validation Workshop	Janet Edeme	10:00-10:15
	<ul style="list-style-type: none"> ▪ Information about the Ministerial Conference ▪ <i>Towards a Pan African Policy Framework on Rural Infrastructure: Overview of the Initiative.</i> 	Abderrahmane Khecha	10:15-10:30
	<i>Coffee/Tea break</i>		<i>10:30-11:00</i>
	National/Regional Initiatives	Participants	11:00-12:00
	Presentation of The Draft Concept Note for the Ministerial Conference: Context, Objectives and Expected Outcomes	CMAOC	12:00-12:30
LUNCH: AUC			12 :30-14:00
	<i>Coffee/Tea Break</i>		15:30-16:00
	Reporting Back: Summary of Group Discussions		16:00-16:30
Chair/Moderator : AUC			
Tuesday July 26, 2011			
	Presentation of the TORs of Expert Task Force Group and Steering Committee and Discussions	Makane Guisse	09:00-10:00
	<i>Coffee/Tea Break</i>		10:00-10:30
	<ul style="list-style-type: none"> ▪ Working Group Discussion ▪ Definition of the roles and responsibilities of the Steering Committee and the Expert Task Force Group ▪ Nomination of Representatives of different committees for preparation of Ministerial Conference – Steering committee and Expert Task Force Group 		10:30-13:00
	Lunch		13:00-14:30
	Reporting back to plenary		14:30-15:30
Wednesday July 27, 2011			
	Draw the timeline for: <ul style="list-style-type: none"> ▪ Recruitment of Consultants; ▪ Regional workshops; ▪ Identification of focal points for consultants in RECs 	AUC/ Pillar II	09:00-10:00
	<i>Coffee/Tea break</i>		10:00-10:30
	<ul style="list-style-type: none"> ▪ Presentation of Revised Concept Note and TORs ▪ Draft Roadmap to the Ministerial Conference, discussion and confirmation of roadmap ▪ Any other business, wrap up and End of Meeting 	CMAOC Beatrice Egulu	10:30-12:30
	Trip to Village Market and Lunch		12:30-13:00

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ANNEX 2: LIST OF PARTICIPANTS

	NAME	INSTITUTION	CONTACT INFORMATION
1.	Mr. Aschalew Kifle	African Union Commission (AUC)	P.O. Box 3243, Addis Ababa, Ethiopia. Email: AschalewK@africa-union.org Tel: +251-911 698 587
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12.	Mr. Elijah Agnew Mbwavi	REGIODEV AFRICA (RDA)	Espace Residence Apartment P.O. Box 712, Cite Asecna, Ouakam Email: regiodev.africa@gmail.com Email: elijah.mbwavi@gmail.com Tel: +221 338 607 718 Tel: +221 771 117 882
13.	Mr. Hendrik Andries	NEPAD BUSINESS	3rd Floor, Mott Macdonald House, 359 Rivonia

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15.	Mr. Emmanuel Tambi	FARA	PMB CT 173 Cantonments, Accra, Ghana. Email: etambi@fara-africa.org Tel: +233 302 772 823/779 421 Tel: +233 248 730 015
16.	Mr. Rudo Makunike	NEPAD Planning and Coordinating Agency (NPCA)	P.O. Box 1234, Halfway House, Midrand 1685, South Africa. Email: rudom@nepad.org Tel: +27 112 563 600/Tel: +27 718 517 466
17.	Mr. Philip M. Kiriro	EAST AFRICAN FARMERS' FEDERATION	Email: info@eaffa.org Tel: +254 204 451 691
18.	Ms. Lucy Muchoki	Pan-African Agri-business and Agro-Industry Consortium (PanAAC)	P.O. Box Email: lmuchoki@panaac.org Tel: +254 722 510 210
19.	Mr. Raphael Rurangwa	Ministry of Agriculture and Animal Resources	Email: rrurangwa@minagri.gov.rw Email: raphael.rurangwa@gmail.com Tel: +250 788 301 498
20.	Dr. Mary Mbithi	University of Nairobi	P.O. Box 6534, 00100, Nairobi, Kenya. Email: luciambithi@yahoo.com Tel: +254 722 716 957
21.	Prof. Ahmed El-Sawalhy	African Union-Inter-African Bureau for Animal Resources (AU-IBAR)	Kenindia Business Park Museum Hill, Westlands Road P.O. Box 30786 00100, Nairobi, Kenya Email: ahmed.elsawalhy@au-ibar.org

ANNEX 3: OPENING STATEMENT BY AU-IBAR DIRECTOR, PROF. AHMED EL-SAWALHY

**Distinguished Participants,
Ladies and Gentlemen,**

On behalf of Her Excellency the Commissioner of Rural Economy and Agriculture of the African Union Commission, I welcome you all to this validation workshop taking place in the AU-IBAR office.

Distinguished participants,

Today marks an important milestone in the preparations towards the Ministerial Conference scheduled for November 21-24 in Kigali, Rwanda under the theme “Improving rural infrastructure to raise competitiveness of Africa’s agricultural sector and to develop regional markets”.

I cannot think of a better theme to speak to the African Union Commission’s commitment to an integrated approach in addressing sustainable agricultural development, economic growth, food and nutrition security. By choosing such a theme, the Commission and the stakeholders here present continue to support the spirit and the letter of the Comprehensive African Agriculture Development Programme (CAADP) adopted by the AU Assembly in Maputo, 2003, which recognizes that increasing agricultural production alone will not necessarily ensure food and nutrition security. Therefore, the four pillars of CAADP need to be supported as a whole particularly Pillar II which addresses “Improving Rural Infrastructure and Trade-Related Capacities for Market Access”.

The provision of rural infrastructure including rural roads, water supply and sanitation, energy and telecommunications as well as agricultural processing is a vital ingredient in the reduction of poverty, enhancing social capital and improving access to services. However, most past and recent development agendas more often than not exclude agriculture-related processes from rural infrastructure. This affects growth in trade, discourages investment, increases production costs and stiff competition for the majority of the farming population who are smallholder farmers. Therefore, as you deliberate to validate the Concept Note and the best way forward, I would urge you to look at infrastructure in a more holistic manner.

In addressing rural infrastructure, there is need for focused attention from multiple stakeholders with multiple demands in order to promote a sense of ownership that contributes to sustainability. Though infrastructure is normally considered as a public good, a strong private-public sector partnership is a necessity rather than an exception in designing feasible and sustainable interventions.

Ladies and Gentlemen,

During this workshop, you will share valuable and varied experiences to make informed decisions in order to address challenges to market access among others. Since I might not stay around for the whole duration of the workshop, I wish to share with you some of my experiences in this regard.

The 8th Conference of Ministers Responsible for Animal Resources in Africa held in Entebbe, Uganda in May 2010 addressed a much related theme,” *“Improving access to markets for African animal resources to significantly contribute to economic growth and reduction of poverty”*. At the end of the Conference, the Ministers recommended that as far as access to markets is

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concerned, Member States should create and/or strengthen national and regional coordination mechanisms to harmonize Sanitary and Phyto-Sanitary related activities. In addition, African Union Commission, through AU-IBAR was to establish a dedicated desk in supporting intra African trade in animal products through information sharing and facilitation of contacts between commercial partners. This was endorsed by the Executive Council when it made a Decision on the Report of the Eighth Conference of Ministers of Animal Resources during the 16th Ordinary Session of the AU Assembly of Heads of State and Government at the January 2011 Summit in Addis Ababa, Ethiopia. In this regard I am happy to report to you:

- AU-IBAR already established the standard and trade secretariat and Pan African Forum for Livestock Exporting Countries (PAFLIC) it will be launched towards the end of 2011,
- We already established national SPS subcommittee under PAN SPSO
- Also AU-IBAR already established IRCM for prevention and control of trans-boundary animal diseases and zoonosis.

As I conclude, I wish to reaffirm the commitment of the African Union Commission to maintain and consolidate this partnership and collaboration towards our shared values and goals. Let us continue to work together under common frameworks in a coordinated manner in order to build synergies and innovations , in addition, I wish to commend the continued leadership, vision and concerted efforts of all the institutions represented here in addressing the challenges of food and nutrition security in Africa.

I wish you productive deliberations over the next three days. I thank you all for your kind attention and I declare the workshop open.

ANNEX 4: VALIDATED CONCEPT NOTE

I. BACKGROUND

1. The Comprehensive Africa Agriculture Development Program (CAADP) is at the heart of efforts by African Governments under AU/NEPAD initiative to accelerate growth and eliminate poverty and hunger among African countries. The main objective is to help African countries achieve high economic growth through agriculture-led development. The NEPAD goal for the sector is agriculture-led development that eliminates hunger and reduces poverty and food insecurity, opening the way for export expansion.
2. CAADP defines four pillars and a companion document that addresses cross-cutting issues, including livestock, forestry, fisheries, gender and HIV/AIDS in order to accelerate agricultural growth, reduce poverty and achieve food and nutrition security in alignment with the key CAADP principles and targets.
3. The four CAADP pillars are:
 - **Pillar I:** Extending the area under sustainable land management and reliable water control systems.
 - **Pillar II:** improving rural infrastructure and trade-related capacities for market access.
 - **Pillar III:** Increasing food supply, reducing hunger, and improving responses to food emergency crises.
 - **Pillar IV:** Improving agricultural research and technology dissemination and adoption.
4. The development of adequate infrastructure is a key element in the fight against poverty as it increases access to markets for smallholders and small enterprises as well as inputs at competitive prices.
5. This *concept note*, is part of preparations for the Africa Ministerial Conference on Rural Infrastructure due in November 2011 in Kigali Rwanda. It explores possible areas to build on current initiatives that would ensure Africa's smallholder farmers have access to domestic, regional and international markets whilst building partnership for infrastructure development.
6. Five regional studies will be undertaken to provide input to the process. To ensure the regional studies capture the current infrastructure projects being implemented at national and regional level, the CAADP pillar institutions and the RECs will put in place a focal team to work with the consultants.
7. The Program for Infrastructure Development in Africa (PIDA), a joint initiative of the AUC, the NEPAD Planning and Coordinating Agency (NPCA) and the African Development Bank (AfDB) aims at responding to the infrastructure development challenge in Africa. PIDA covers infrastructure of four sectors notably Energy, Transport, Information & Communication Technologies (ICT) and Trans-boundary Water. It will contribute to reinforcing and developing rural infrastructure in Africa.

II. IMPROVING RURAL INFRASTRUCTURE AND TRADE-RELATED CAPACITIES FOR MARKET ACCESS

1. The objective of CAADP pillar II is to accelerate growth in the agricultural sector by raising the capacities of private entrepreneurs, including commercial and smallholder farmers, to meet the increasingly complex sanitary and phytosanitary requirements for accessing regional and international markets. The focus is on developing strategic value chains with the greatest potential to generate broad-based income growth and create wealth in both rural areas and the rest of the country.
2. Pillar II focuses on policy and regulatory actions, infrastructure development, capacity development efforts, partnerships and alliances that could facilitate small-holder development to stimulate sustainable poverty reducing growth across African countries.
3. Infrastructure, for purposes of the programme is defined as category 1 infrastructure which consists of capital-intensive forms such as roads and ports (addressed by PIDA) and category 2 rural infrastructure which consists of commercial and post-harvest infrastructure such as: markets, storage, grading, packaging and processing that the ministerial meeting will address.
4. The development of the first category of infrastructure seeks to generate complementarities with the second category in order to enhance smallholder integration into input and output markets and other segments of the value chain.
5. Several studies show that insufficient infrastructure generates exorbitant production costs. Some estimates indicate that with improved infrastructure, the growth rate could be at least 1% higher than it is today.
6. The slow development of efficient domestic and regional production and distribution networks notably transportation infrastructure has:
 - (i) Impeded growth in domestic, regional and international trade and is especially a major barrier for land-locked countries.
 - (ii) Created disincentives to domestic private sector and foreign direct investment in Africa.
 - (iii) Resulted in increased costs of production as private firms invest in alternative forms of infrastructure.
 - (iv) Encouraged the emergence of powerful groups of actors who control local agricultural markets and retard the integration of smallholder farmers into major value chains.
7. According to the AU/NEPAD, the deficit in infrastructure is one of the key factors that prevent Africa from achieving its full development potential for economic growth and competitiveness in world markets. Access to modern infrastructure remains a challenge to the rural poor who represent 60% of the population in Africa.
8. In many countries, the share of transport costs and insurance as a percentage of the value of exports is exorbitant. For example in Malawi it is 55.5%, 51.5% in Chad, 48.8% in Rwanda, 35.6% in Mali, 35.5% in Uganda and 32.8% in Central African Republic.

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9. It is important to note that:
 - The regional market demand is projected to growth from US\$50 to 150Billion by 2030.
 - The potential for increased agricultural raw materials exports to Europe is expected to grow from US\$ 8 to US\$10 billion by 2030, and
 - The export products from US\$ 3 to 10 billion.
 - This is an opportunity for income generation for smallholder farmers, a cumulative growth of \$4.5 billion in the case of export markets, compared with \$30 billion expected from local and “trans-border” markets.
10. But all this as has been noted, is linked to the existence of quality infrastructural network that can support broad-based agriculture development with attendant benefits. Infrastructure therefore remains a key determinant of trade competitiveness, growth and the development of agricultural value chain.

III. CHALLENGES FACING RURAL INFRASTRUCTURE DEVELOPMENT IN AFRICA

11. The challenges to rural infrastructure development and emerging trends relate to:
 - a) Poor connectivity between African countries when compared to other regions in the world.
 - b) Rapid urbanization. There is a shift in food demand from dispersed rural areas to urban centres. Rural infrastructure is required to link domestic food supplies to the growing urban consumption centres.
 - c) Huge amounts of resources are needed to build, operate and maintain quality infrastructure in rural areas
 - d) A strong need for pre and post-harvest financial, technical, mechanical and human infrastructure to help farmers organize themselves to bulk, add value to agricultural produce, extend the shelf life of their products, as well as access markets;
 - e) The poor status and maintenance of existing rural infrastructure—resulting in high cost of transport, poor quality products and a low final price in the market.
 - f) Scarcity or lack of other complementary social welfare infrastructures such as health and education.
 - g) An increasing competition for external global resources for infrastructure development from emerging markets.
 - h) An increasing consumer demands for safe and quality standard of products (from farm to table) in addition to demands for quantity, puts more pressure on existing infrastructure.
 - i) There is inadequate coordination of agribusiness actors along the value chain.

IV. EMERGING OPPORTUNITIES

12. A number of emerging opportunities and strengths could help Africa sustain rapid and long term infrastructure development for agricultural value chain growth. Some of the emerging opportunities for countries and the regions include:
 - a) Infrastructure for ICTs which reduces information asymmetries and opens new local, regional and international markets, particularly for high value and commodity products for which transaction costs are significant.

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- b) Regional approach to infrastructure development by RECs that creates the economies of scale necessary to lower costs of meeting rapidly expanding food demands.
 - c) Existing regional integration initiatives
 - d) Global population growth estimated at 9 billion demands a 70% agricultural growth by 2050.
 - e) Development of common approach for border inspection controls to reduce burdensome and costly barrier to trade procedures for agricultural products.
 - f) Focus on value chain (VC) development. Countries are increasingly moving towards agricultural VC development. Agribusiness development is attracting investments into rural infrastructure-as an embedded service.
 - g) Increasing use of Non-Tariff Barriers (legitimate, arbitrary or adhoc) acting as an incentive into investment in Infrastructure e.g. SPS compliant-regional laboratories for food items in order to have a competitive advantage on regional and global markets.
 - h) The Standards and Trade Development Facility (STDF) a multi-donor fund set up by United Nations Food and Agricultural Organization (FAO), World Trade Organization (WTO) and the World Bank to help countries access high value agricultural markets.
 - i) Increasing emphasis on integrated rural development (multi-sectoral approach to rural development).
 - j) Regional market demand that is projected at US\$50-150 billion in 20 years' time. Potential for increased raw material exports to Europe and that of export products presents an incentive for infrastructural investments.
 - k) Increasing demand for agricultural products in the Middle East and Europe. Only 30% of Africa's arable land is used for agriculture. Exploiting the remaining 70% with requisite infrastructural investments can give it a competitive advantage over other regions.
 - l) For Government's, investment in infrastructure is an opportunity of mass job creation especially for millions of youth.
 - m) MDG obligations can be used to leverage additional donor funding for infrastructure development in the quest to meet the goals by 2015.
 - n) Public Private Partnerships (PPP) arrangements. Private sector companies are increasingly interested to fund Infrastructure projects from their Corporate Social Responsibility (CSR) fund.
 - o) National agricultural investment plans (NAIPs). All the four CAADP pillars factored in national plans. Pillar 2 interventions should be packaged to attract the private sector investment.
 - p) Government's investment in social infrastructure should be linked to trade related infrastructure, e.g. rural markets should be strategically located near trunk or main roads.
 - q) The high food import bill for African countries necessitates effective policies for import substitution through rural agribusiness and agro-industry development.
 - r) Decentralized planning creates an opportunity for rural infrastructure development.
13. Given the importance of infrastructure in facilitating agricultural development and especially in the rural areas, it is expected that Ministers in charge of agriculture, Finance and other public organs linked to agriculture and rural development will agree to act on the following:

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- 1) Inventorise, harmonize, implement, coordinate and enforce multi-sectoral policies and strategies for rural infrastructural development;
- 2) Create an enabling environment for private sector involvement in infrastructure development, investment, delivery and management;
- 3) Identify and support the development of agricultural growth poles as the engine of economic growth;
- 4) Support and implement the infrastructure for growth initiatives with the objective of linking the current projects of corridor regional transport infrastructure to potential agricultural growth poles;
- 5) Governments to increase domestic public sector funding towards rural infrastructure development for increased value addition and market access at national, regional and international levels;
- 6) To support the development of harmonized infrastructure for Standards enforcing institutions, regional certification facilities for agricultural products and border inspections and controls.

14. Given the apparent failure of purely public sector based interventions in infrastructure development and management in the past, it is necessary to search for institutional innovations that would yield greater success in Africa.

There is growing pressure on countries to:

- a) Upgrade trade infrastructure such as airports, ports and roads
- b) Develop infrastructure corridors, in particular roads and rail networks corridors
- c) Adopt regional policies to better coordinate country infrastructure priorities and promote effective interconnection of national road and rail networks to facilitate regional trade and movement of people.

It is recommended that African governments should therefore:

1. Adopt a demand-driven infrastructure system that is responsive to the agricultural sector and the needs of the people living in the rural areas
2. Initiate market led reforms to enhance competitiveness and regional integration
3. Create a conducive environment that promotes structured Public-Private Partnerships (PPPs) for rural infrastructural development.
4. Call on continental research institutions to undertake evidence-based infrastructure and trade-related market access research to support rural development in Africa.
5. Undertake scoping exercise on existing policies and regulatory, institutional and implementation frameworks.

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ANNEX 5: ROAD MAP TOWARDS THE CONFERENCE OF MINISTERS RESPONSIBLE FOR RURAL INFRASTRUCTURE AND MARKET ACCESS IN AFRICA.

ACTIVITY	DATE	INSTITUTION	REMARKS
Finalisation of Concept Note, TORs of Steering Committee and Expert Task Force	25-27 July 2011	Validation workshop	Done
Nomination of Steering Committee and Expert Task Force Group	25-27 July 2011	Validation workshop	Done
Recruitment of Consultancy firm	Week 3 of August 2011	AUC	Expression of interest advertised on AUC website and journals
Conduct 5 Regional Studies	September 2011	Consultancy firm	Expert Group to backstop the process
One continental Workshop to validate reports of regional studies and consolidating the reports into one	October 2011	AUC to convene workshop	
Validation of consolidated report	October 2011	Stakeholder Workshop	AUC to organise
Independent review of the consolidated report	October 2011	Independent reviewers	
Drafting and review of working document for Ministerial Conference	October 2011	Core Drafting Team	Nominated from Experts
Translation of working document for Ministerial Conference into AU languages		AUC	
Dissemination of working document for Ministerial Conference	First week of November	AUC	
First Conference of Ministers responsible for Rural Infrastructure and Market Access	21-24 November, 2011		To be hosted by, Rwanda government
Drafting, translating and adoption of the report of proceedings and recommendations for the Ministerial Conference	21-24 November 2011	AUC	Standard procedure
Submission of Draft Report to Secretary General to the Commission	December 2011	AUC	Standard procedure
Discussion of Conference Report by PRC	December 2011	AUC	Standard procedure
Drafting Decisions for the AU Summit	January 2012	AUC	Standard procedure
AU Assembly	End of Jan-Feb 2012	AUC	To be held in Addis Ababa, Ethiopia
Dissemination of AU Assembly Decisions	February 2012	AUC	On AU website and to Member States
Follow up and reporting on Assembly Decisions of rural infrastructure	From April 2012	AUC/partners	

ANNEX 6: TERMS OF REFERENCE FOR THE STEERING COMMITTEE IN PREPARATION FOR THE CONFERENCE OF MINISTERS RESPONSIBLE FOR RURAL INFRASTRUCTURE AND MARKET ACCESS IN AFRICA.

1. Introduction

The inadequacy of rural infrastructure continues to be an obstacle to rural development and economic growth in most regions on the continent. This raises the need to mobilize investments to rehabilitate infrastructure and where appropriate try to build new ones. Although some countries have this capability to some measure, this should be strengthened through enhancing partnerships between public and private sectors. The development of adequate infrastructure is key element in the fight against poverty, as it increases access to markets for smallholders and small enterprises and to obtain inputs at competitive prices.

In many countries, the share of transport costs and insurance as a percentage of the value of exports is exorbitant. For example in Malawi it is 55.5%, 51.5% in Chad, 48.8% in Rwanda, 35.6% in Mali, 35.5% in Uganda and 32.8% in Central African Republic.

- The regional market demand for agricultural products is projected to grow from US\$50 to 150 billion by 2030.
- The potential for increased agricultural raw materials exports to Europe is expected to grow from US\$ 8 to US\$10 billion by 2030, and
- The export products from US\$3 to 10 billion.
- This is an opportunity for income generation for smallholder farmers, a cumulative growth of US\$4.5 billion in the case of export markets, compared with US\$30 billion expected from local and “trans-border” markets.

But all this as has been noted, all this is linked to the existence of quality infrastructural network that can support broad-based agriculture development with attendant benefits. Infrastructure therefore remains a key determinant of trade competitiveness, growth and the development of value chain.

It is in this context that the infrastructural needs as estimated by NEPAD are some US\$94 billion for rural infrastructure and other activities to facilitate market access.

The objective of CAADP pillar II is to accelerate growth in the agricultural sector by raising the capacities of private entrepreneurs, including commercial and smallholder farmers, to meet the increasingly complex sanitary and phytosanitary requirements for accessing regional and international markets. The focus is on developing strategic value chains with the greatest potential to generate broad-based income growth and create wealth in both rural areas and the rest of the economy.

The agenda focuses on policy and regulatory actions, infrastructure development, capacity development efforts, partnerships and alliances that could facilitate small-holder development to stimulate sustainable poverty reducing growth across African countries.

2. Need for the study

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Several studies show that insufficient infrastructure generates exorbitant production costs for farmers. Some estimates indicate that with improved infrastructure, the growth rate could be at least 1% higher than it is today.

The slow development of efficient domestic and regional production and distribution networks including transportation infrastructure has in addition:

- i) Impeded growth in domestic, regional and international trade and is especially a major barrier for land-locked countries.
- ii) Created disincentives to domestic private sector and foreign direct investment in Africa.
- iii) Resulted in increased costs of production as private firms invest in alternative forms of infrastructure.
- iv) Encouraged the emergence of powerful groups of actors who control local agricultural markets and retard the integration of smallholder farmers into major value chains.

According to the AU/NEPAD, the deficit in infrastructure is one of the key factors that prevent Africa from achieving its full development potential for economic growth and competitiveness in world markets. Access to modern infrastructure remains a challenge to the rural poor who represent 60% of the population in Africa.

For purposes of the programme Infrastructure is classified as:

- *Category 1* infrastructure which consists of capital-intensive forms such as roads and ports (addressed by PIDA) and
- *Category 2* rural infrastructure which consists of commercial and post-harvest infrastructure such as markets, storage, grading, packaging and processing that the ministerial meeting will address.

The development of the first category of infrastructure seeks to generate complementarities with the second category in order to enhance smallholder integration into input and output markets and other segments of the value chain.

3. Objectives

There is a growing need to implement a strategy for rural infrastructure development for revitalizing rural areas, alleviating poverty and stabilizing rural incomes through the improvement of rural employment. This study will provide an opportunity to gather country data and information in all the regions and to help develop an effective response to infrastructures issues.

As part of preparations for the ministerial meeting, a group of consultants will be hired to do analytical work in the out different regions. These Consultants will be accompanied by an expert group and supervised by a Steering Committee.

4. Scope of the Assignment of the Steering Committee

- (i) Propose the draft Agenda for the preparation of the ministerial meeting
- (ii) Approve the TORs for Consultancy Firm and the Experts Task Force

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- (iii) Explore the possibilities of liaising with AUC Human Resources department to shortlist and Approve selection the consultancy firm
- (iv) Oversee and ensure the smooth running of the processes (pre and post ministerial meetings)
- (v) In consultation with the Expert Task Force, monitor and validate the task of the Consultancy firm
- (vi) Supervise the organization of the regional stakeholder validation workshop
- (vii) Review and supervise the finalization of the consolidated document in consultation with the Experts Task Force
- (viii) Approve the final documents to be submitted to the ministerial meeting
- (ix) Provide necessary support for the organization of the ministerial meeting
- (x) Develop strategies for operationalizing and implementation the Ministerial Conference Decisions and Declarations

5. The structure of the Steering Committee

- AUC
- NPCA
- CAADP Pillar Institutions
- RECs
- Private Sector
- Pan African Farmers' Organization

6. Deliverables:

The panel will make regular reports (every two weeks) to progress studies to the Steering Committee

7. Operational and Working Modalities:

The Steering Committee will be supervised directly by AUC.

ANNEX 7: TERMS OF REFERENCE FOR EXPERTS TASK FORCE GROUP (ETFG)

1. Introduction

The inadequacy of rural infrastructure continues to be an obstacle to rural development and economic growth in most regions on the continent. This raises the need to mobilize investments to rehabilitate infrastructure and where appropriate try to build new ones.

Although some countries have this capability to some measure, this should be strengthened through enhancing partnerships between public and private sectors. The development of adequate infrastructure is key element in the fight against poverty, as it increases access to markets for smallholders and small enterprises and to obtain inputs at competitive prices.

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In many countries, the share of transport costs and insurance as a percentage of the value of exports is exorbitant. For example in Malawi it is 55.5%, 51.5% in Chad, 48.8% in Rwanda, 35.6% in Mali, 35.5% in Uganda and 32.8% in Central African Republic.

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But all this as has been noted, all this is linked to the existence of quality infrastructural network that can support broad-based agriculture development with attendant benefits. Infrastructure therefore remains a key determinant of trade competitiveness, growth and the development of value chain.

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The agenda focuses on policy and regulatory actions, infrastructure development, capacity development efforts, partnerships and alliances that could facilitate small-holder development to stimulate sustainable poverty reducing growth across African countries.

2. Need for the study

Several studies show that insufficient infrastructure generates exorbitant production costs for farmers. Some estimates indicate that with improved infrastructure, the growth rate could be at least 1% higher than it is today.

The slow development of efficient domestic and regional production and distribution networks including transportation infrastructure has in addition:

- i) Impeded growth in domestic, regional and international trade and is especially a major barrier for land-locked countries.
- ii) Created disincentives to domestic private sector and foreign direct investment in Africa.
- iii) Resulted in increased costs of production as private firms invest in alternative forms of infrastructure.
- iv) Encouraged the emergence of powerful groups of actors who control local agricultural markets and retard the integration of smallholder farmers into major value chains.

According to the AU/NEPAD, the deficit in infrastructure is one of the key factors that prevent Africa from achieving its full development potential for economic growth and competitiveness in world markets. Access to modern infrastructure remains a challenge to the rural poor who represent 60% of the population in Africa.

For purposes of the programme Infrastructure classified as:

- *Category 1* infrastructure which consists of capital-intensive forms such as roads and ports (addressed by PIDA) and
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The development of the first category of infrastructure seeks to generate complementarities with the second category in order to enhance smallholder integration into input and output markets and other segments of the value chain.

3. Objectives

There is a growing need to implement a strategy for rural infrastructure development for revitalizing rural areas, alleviating poverty and stabilizing rural incomes through the improvement of rural employment. This study will provide an opportunity to gather country data and information in all the regions and to help develop an effective response to infrastructures issues.

As part of preparations for the ministerial meeting, a group of consultants will be hired to do analytical work in the out different regions. These consultants will be accompanied by an expert group and supervised by a Steering Committee.

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4. Scope of the Assignment of the Experts Task Force Group (ETFG)

1. AU to arrange involvement of ETF in the appointment of a credible consultancy firm to undertake the regional studies
2. AU to organise meeting of ETF and consultants to finalise TOR, detailed work plan and detailed prescribed report structure (format/template)
3. ETF to receive and evaluate progress reports from consultants (via AU)
4. ETF to participate in regular teleconferences (translation services and telecom facilities to be arranged by AU)
5. Review and evaluate regional reports (submitted to AU by consultants)
6. Review and evaluate updated regional reports (submitted to AU by consultants)
7. Facilitate one continental workshop to discuss five translated regional reports (organised by AU and RECs). To be attended by RECs, ETF, AU and consultants.

Proposed agenda for continental workshop:

- 1) Plenary (introductions, object, workshop methodology, expected outcomes, etc.)
- 2) 5 working groups: each to discuss regional report concerned – outcome:
 - Comments
 - Gaps
 - Main findings (generic and area- specific)
 - Recommendations(generic and area- specific)
- 3) Plenary (report back from 5 working groups, next steps (road map))
 - a) Review and evaluate incorporation of inputs received during above named continental workshop into the five regional reports(submitted to AU by consultants)
 - b) Oversee and approve consolidated report (to be drafted at joint session between ETF and consultants)
 - c) Submit, via AU, a consolidated report in English to Steering Committee (AU to arrange translation in other languages, with the five translated regional reports appended as annexures).
 - d) Draft and submit, via AU, close-out report with lessons learned and recommendations to Steering Committee

5. Deliverables:

- i) Submit, via AU, progress reports every two weeks to Steering Committee
- ii) Deliverables related to activities in the scope of the assignment of the Experts Task Force (ETF) above.

6. Operational and Working Modalities:

The Experts Task force will be supervised directly by Mr. Makane Guisse, Infrastructural Expert, CMAOC and Dr. Janet Edeme, AUC in liaison with the Steering Committee.

Proposed Composition of the ETFG

1. One Representative of Continental Farmer Organization (Philip Kiriro).
2. One agri-business/Private Sector Representative (John Purchase/Lucy Muchoki).

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3. One African financial institution (African Development Bank: Ulrich Boysen).
4. One NPCA representative (John Dambe/Adama Deen).
5. Two CMA representatives (Makane Guisse and Nicholas Sabwa).
6. Mr. Elijah Mbwavi Muhati (Director, Regional Development Solutions).
7. Two experts per each of the five regions. The NEPAD secretariat to identify experts from transport and infrastructure summit and experts in rural economy and experts on rural development policy and governance+ experts in other disciplines.