



# **Rural Futures Programme**

**Business Plan 2012-2014**

**May 2012**

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## Executive Summary

Project title	Rural Futures Programme
Duration	36 months (2012- 2014)
Location	Africa
Executing agency	NEPAD planning and Coordination Agency (NPCA)
Collaborating Institutions	UNECA, WWF and others TBC
Stakeholders	African Union Commission (AUC), Governments, Regional Economic Communities (RECs), inter-governmental organisations, civil society, private sector, continental development organisations, development partners, rural development organisations, regional farmers bodies and academia
Funding requirement	USD12,028,850
<p>The vision of the Rural Futures Programme is one of people-centred rural transformation based on equity and inclusiveness where rural men and women can develop their potential and reach their aspirations including income security whilst securing environmental sustainability. Such rural transformation would be accompanied by appropriate governance, policies and practices.</p> <p>The goals of the Programme include i) accelerated and diversified economic growth in rural (including small towns in rural settings) areas including an expansion of employment and livelihood opportunities, ii) an enhanced pace of reduction in rural poverty and in inequality both between rural and urban areas (the cities) and between and within rural territories, and iii) enhanced environmental sustainability.</p> <p>The Programme has the following specific objectives: (i) building the knowledge base and broad consensus around a rural transformation agenda as an Africa-led strategy for economic growth and rural development; (ii) creating platforms for high-level policy dialogue on rural transformation, territorial coherence and integrated development; (iii) promoting innovative actions and launching strategic flagship interventions that serve as models for rural transformation; and (iv) building new partnerships and mechanisms for knowledge sharing on rural transformation and promoting collaboration at national, regional, continental and global levels.</p> <p>It is envisaged that implementation of the Programme will lead to: increased awareness, interest, and knowledge of African leaders, policy makers and other stakeholders (civil</p>	

society, private sector, academia), as well as development partners in rural transformation; enhanced coherence in the position of different stakeholders, at sub national [territorial], national, regional and continental levels on rural transformation; increased generation and sharing of innovative ideas; and enhanced partnership for rural transformation in Africa.

The programme will have different categories of activities aligned to the objectives, including knowledge generation and sharing, facilitating dialogue on policy and institutional innovations, investments in innovative projects, and building partnerships. Some key outputs/deliverables will include reports of case studies of best practices in rural transformation, a comprehensive report on rural transformation in Africa, partnership programmes at country level on rural transformation, and a Consensus Statement to be adopted at an African Continental Forum.

In the first instance, the Programme is planned to be executed over a period of 36 months between 2012 and 2014. The main strategy in its implementation will be through strategic partnerships. In this regard, various approaches will be used in engaging partners, including signing of Memoranda of Understanding (MoUs), developing multi-year programmes, and preparing joint projects.

# 1. Introduction

## 1.1. Africa's Rural Development Challenges

Several African countries have experienced high economic growth in recent years. However, this growth has not been accompanied by a comparable reduction in poverty, as it has not created enough decent jobs or a reduction in inequality. African countries therefore face the challenge of promoting broad-based and sustainable growth that leads to employment generation, poverty eradication and the reduction in inequality, especially in rural areas – where the vast majority of the poor live in relative isolation and deprived of investments and social safety nets.

The challenge of translating overall economic growth into structural transformation that leads to a reduction in the persistent inequalities between rural regions and the cities and between and within rural regions and where rural populations can better contribute to and be recognised for their contribution to national development and environmental sustainability remains great.

These challenges are further impacted by demographic change within Africa, and the impacts of globalisation on Africa including those associated with the recent food, energy and financial crises, and environmental sustainability including the impacts of climate change and of growing scarcity of land and fresh water. These are discussed below.

**Demography:** The population of Africa will double by 2050, reaching 2.2 billion. While the trend of increasing urbanisation is set to continue, the rural population will also continue to grow in absolute numbers. More significantly, the number of new entrants annually to the economically active population of sub-Saharan Africa is approximately 10 million today, and is expected to reach 18 million by 2020. Rural youth populations are set to continue to increase in absolute numbers in sub-Saharan Africa well into the mid 2030s although a steady decline will be seen in countries within the North Africa region. Given the current structure of African economies, as well as the slow growth in the quantity and quality of agricultural and non-agricultural rural and urban employment, the great majority of these new entrants in particular those in rural areas will face challenges in finding gainful employment, as well as better incomes and life prospects. While population growth can provide opportunities for economic progress through an expanding labour force and increase in domestic market, it can also create huge tensions if sufficient employment and market opportunities are not created (as recently reflected in Tunisia, Egypt and Libya).

**Globalisation:** One of the major consequences of globalisation is the progressive restructuring of the global agro-food markets, with the more developed countries taking a lead in agricultural productivity, raising new tensions among countries around productivity and competitiveness. The deep market restructuring has radically changed

the global agro-food system and presently, despite the fact that Africa's rural environment covers a quarter of the world's arable land, the continent produces only 10 percent of global output and its agricultural imports account for almost three-fifths of current market demand. On the one hand, this evolution comes with a growing disconnect of local farmers from their own national and regional markets, which can now be sourced globally. On the other hand, it allows for integration of some local producers into global chains and this provides new opportunities for growth. Understanding the consequences of new patterns in the supply chain is critical as agriculture is and will remain a major economic activity in Africa and a primary sector of employment.

***Environmental Sustainability:*** A healthy environment and equitable access to environmental goods and services are amongst the key factors underpinning sustainable development processes. Poor rural people are, much more than others, dependent on natural resources for their livelihoods: their activities are based on access to and use of natural resources and environmental goods and they also suffer more from environmental degradation and disasters. Demands for environmental services are now so great that trade-offs among services have become the rule. The problem posed by the growing demand for these services is compounded by increasingly serious degradation in the natural environment's ability to provide these services. This combination diminishes the prospects for development and sustainability. Environmental degradation tends to harm rural populations more directly than urban populations, and climate change effects, which are projected to be significant in Africa, will further aggravate economic and environmental outcomes. Further, the African economy which is dominated by agriculture is highly vulnerable to the detrimental effects of climate change. Climate related disasters – floods, droughts, landslides and extreme temperatures – have already caused enormous damage and a high economic cost to the region. Climate models predict that more intense and frequent extreme weather events will impact seriously on the region's natural and built environment in the coming decades, negatively affecting the livelihood of millions of people. Increased vulnerability to climate change may lead to several potentially negative consequences, including: (i) adverse effects on food security and agriculture; (ii) changes in water availability; (iii) decreases in energy supplies, (iv) damage to coastal zone areas; (v) damage to coral reefs, fish stocks, and associated ecosystem service; (vi) damage to build environment due to storms; (vii) biodiversity loss and loss of associated ecosystem services; and (viii) loss of vast areas of forests. These climate impacts are likely to affect disproportionately the most vulnerable groups, especially the poor, making climate change a serious development issue.

## **1.2. The Rural Futures Programme as a response to rural development challenges**

Tackling inequality and enabling rural men and women to reach their full potential require a step change in rural development and rural transformation, focussed on accelerated economic growth with environmental sustainability, and strengthening livelihood opportunities and employment creation for rural men and women and in

particular the youth. It is in response to these needs that the NEPAD Planning and Coordinating Agency (NPCA), United Nations Economic Commission for Africa (UNECA), and World Wildlife Fund (WWF) launched the Rural Futures Programme at the Seventh African Development Forum (ADF VII) in Addis Ababa, Ethiopia in October 2010.

The overarching purpose of the Rural Futures Programme is to facilitate new thinking and broad agreement with respect to the vision, strategies and plans for rural economic development and the reduction of rural poverty and inequality. The Programme is based on the understanding that the rural economy including agriculture is a vital and central component for structural change. It encompasses a broader understanding of the inter-relationships between economic, environmental and political factors for advancing rural transformation and takes into account the roles of different stakeholders working in a transparent and collective manner. It seeks to foster a multi-sectoral approach for advancing rural transformation across Africa.

The vision of the Programme is a people-centred rural transformation based on equity and inclusiveness where rural men and women can develop their potential and reach their aspirations including income security whilst securing environmental sustainability. Such rural transformation would be accompanied by appropriate governance, policies and practices.

The goals of the Rural Futures Programme include:

- accelerated and diversified economic growth in rural (including small towns in rural settings) areas including an expansion of employment and livelihood opportunities
- an enhanced pace of reduction in rural poverty and in inequality both between rural areas and the cities and between and within rural territories, and
- enhanced environmental sustainability

The Programme was launched to stimulate participation, consensus, and investment around rural transformation as a basis for long-term sustainable national development and pro-poor economic growth across the continent. It contemplates an ever-enlarging engagement of partners and stakeholders, thus the choice to launch the programme at ADF-VII, offered an ideal platform for such engagement.

It is expected that the Programme will result in greater awareness and knowledge of African stakeholders as well as the international community on key issues of rural transformation, the establishment of strong partnerships on rural transformation based on common understanding and interests, the emulation of best practices, and implementation of innovative approaches in rural transformation. The Programme is also expected to result in an African consensus on the role of the rural sector in the continent's economic and social transformation, increased alignment and harmonisation

of policy and practice, better understanding of synergies and trade-offs as well as an integrated view of development and the environment by all stakeholders. The Programme responds to the critical need for a step change in thinking, and in policy and intervention which goes beyond incremental increases in input against prevailing policy and sectoral support. It recognised that rural areas need to be seen through a new lens and that this may include doing business in the public and private sectors differently as well as increased investment.

The Rural Futures Programme will support rural transformation through the following objectives: (i) building the knowledge base and broad consensus around a rural transformation agenda as an Africa-led strategy for economic growth and rural development; (ii) creating enabling policy and institutional conditions and processes that are necessary for advancing rural transformation and integrated development; (iii) promoting innovative actions and launching strategic flagship interventions that serve as models for rural transformation; and (iv) building new partnerships and mechanisms for knowledge sharing on rural transformation and promoting collaboration at national, regional, continental and global levels.

The expected results are envisaged to be achieved by undertaking activities aligned to the above four objectives. The logical framework of the Rural Futures Programme is presented in annex 1.

### **1.3. Progress in the Rural Futures Programme**

Considerable progress has already been made in establishing the Rural Futures Programme as a continental platform for promoting rural transformation. For instance, NPCA and the African Union Commission (AUC), in partnership with the Technical Centre for Agriculture and Rural Cooperation (CTA), ECA and WWF, convened a Strategic Briefing on the Rural Futures Initiative (Programme) in Addis Ababa, Ethiopia, from 25 to 26 May, 2011. The meeting helped to enhance the understanding of the Programme among key African stakeholders and development partners and to initiate a series on Development Briefings under the Initiative to discuss and raise awareness on issues of rural transformation in the context of Africa's socio-economic development. The meeting made key recommendations for the way forward. In particular, it called on NPCA and partners to launch strategic actions to mark the implementation of the Rural Futures Programme including the finalisation of the programme document - clearly indicating the roles of various stakeholders in its implementation. This document is a direct response to the above request.

The CTA, European Commission (EC), ACP Secretariat, Concord and various media; in partnership with NPCA, also organised a Briefing on *Major drivers for rural transformation in Africa: Job creation for rural growth* on 14 September 2011 in Brussels. The briefing helped to raise awareness on existing and emerging challenges to rural transformation and rural employment; promote the exchange of information and expertise from various parts of the world; and fed into the debate on policy options for

rural transformation in Africa. It built upon the outcomes of the Addis Ababa meeting of 25-26 May 2011, mentioned above.

Further to these Briefing sessions, the first Rural Futures Strategic Task Team meeting was organised by NPCA in Magaliesberg, South Africa, from 30 September to 1 October 2011. It constituted a gathering of selected representatives from principal organisations, disciplines and programmes to initiate and define the implementation strategy of the Rural Futures Programme. The main achievement of the meeting was the identification of the key drivers of rural transformation on which the activities of the Rural Futures Programme would be focused. These drivers are discussed in detail in Section 2 of this document. For each driver, the meeting also identified concrete activities to be undertaken under the different intervention areas (service lines) and proposed corresponding expected outputs and outcomes as well as implementation partner institutions. The second Strategic Task Team meeting was organised by NPCA, also in Magaliesberg, South Africa, from 7 to 8 May 2012. The meeting reviewed the first draft of this Business Plan and identified concrete activities to be implemented under the different intervention areas of the Rural Futures Programme. Efforts were also made to estimate the costs of the selected activities and to identify funding mechanisms, as well as potential partners to support implementation.

In essence, the present document is largely informed by the outcomes of the above meetings, in addition to other consultations with key stakeholders.

## **2. The drivers of rural transformation**

Common characteristics of rural people include poor health, high illiteracy rates, lower incomes than city dwellers, limited and insecure access to land, credit and technology, as well as limited access to government health and education services, and economic infrastructure. The most vulnerable of rural people include women, children, the aged, small landholders, nomadic groups and indigenous ethnic groups.

Rural transformation is generally aimed at promoting income generation in a sustainable manner, and thus addressing the above challenges. There is considerable literature on the drivers and enablers of rural economic transformation, especially in Asia. Generally, no country seems to have achieved inclusive rural development without high overall economic growth rates and without support to and growth in the agriculture sector. However, experience also suggests that economic growth alone is not sufficient for inclusive, equitable and sustainable rural development. A clear strategy is needed to harness the full human potential of rural men and women for inclusive rural development and for overall rural and national economic growth.

A new vision of rural transformation may be expressed through the key transformative elements as articulated in Box 1.

### Box 1 Moving towards a new focus on rural transformation

	From	To
Definition of rural	A definition of rural based on size of population and agriculture as main economic activity	A definition of integrated spaces, recognizing rural-urban linkages, defined by territorial typologies and population density criteria
Productive economic focus	Expanded agriculture and agrifood chains	An economy of diversified productive clusters and recognition of the importance of non-farm activities for economic diversification
Policy	Rural development policies geared at agriculture and vulnerable groups	Development policies for rural areas from an integrated perspective focusing on the multiple dimensions of territories (social, economic, natural and human)
	Policies centred on production targets and on attention to poverty in rural areas	Productive and social policies interlinked with other public affairs dimensions of governance, environment and culture
Policy type	Sectoral policies of economic and social nature	The articulation of policies across sectors and territorial land administrations
Institutions responsible for RD	Agriculture and Rural Development Ministries	Inter-ministerial structures, coordination and cross-sector linkages, supra-ministerial structures and mechanisms for coordination between national and regional (local) governments
Role of social actors	Recognition and participation in policy and project management	Negotiation and consensus-building for strategies and investments, improving their legitimacy with progress in participatory planning and monitoring models
Public investment emphasis	The financing of national sectoral programmes lacking recognition of spatial differentiation	The funding of strategic territorial projects incorporating multiple sectoral components and territorial public goods. Sectoral investments tested against a spatial lens
Planning model	Sectoral planning	Strategic territorial planning through linkages among government and social actors at rural territorial level in order to establish commitment and agreement

Source: Developed from García, 2009<sup>1</sup>

Factors which influence the nature and quality of rural transformation may be broadly clustered as follows:

**Natural capital including agrarian structure.** Natural capital determines the development options available in rural areas. The livelihood strategies of the majority of the population depend strongly on their access to these resources and to the services

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<sup>1</sup> Antonio Ruiz García 7th OECD Annual Rural Development Conference. Quebec, Canada, 13-15 October 2009

emanating from them. The manner in which natural capital and services derived from the same are managed have a direct effect on growth, social inclusion and environmental sustainability where greater equality of opportunities through equality of access to assets in particular land and water, favours economic growth and poverty reduction. Sustainability is particularly important in relation to the management of the natural resources base, including the management of land, forests, reefs, fresh water and waste, as well as the control and management of maritime economic zones. New demands are being placed in rural societies including the provision of environmental services and of clean and renewable energy, these too need to be factored into the productive structure including the impact of the food sector and sustainable resource management.

**Productive structure.** The productive structure is understood as the level of diversification of the economy, the existence of inter-sectoral linkages including between agriculture and non agriculture activity (industry including mining and manufacturing, services, tourism, etc), and the variety of types of enterprise including formal and informal small and medium scale enterprises (SMEs) and business (by size and by linkages). In general rural areas with a more diversified economic base, a greater density of inter-sectoral linkages, and a solid presence of small and medium-sized businesses in the economy, will have greater options for building the dynamics of growth with social inclusion.

The nature and type of agrarian structure including farming system adopted, the growth in agricultural productivity and the level of agricultural diversification and value addition (including processing) can play a key role in stimulating rural non-farm employment.

Infrastructure development is also known to be major driver of rural economic transformation together with the services that support economic activity such as rural financial services, the business environment.

**Dynamic markets.** The productive structure is influenced by the degree of access to and interaction with markets large enough to stimulate important levels of growth in a sustained manner, including labour markets and markets of goods and services. In general, these markets are external to a given rural territory and may be sub-national, national, regional or international. Exposure to dynamic markets also favours the acquisition of practical knowledge and skills for managing market relationships. Strengthening market linkages including building agricultural and indeed non agriculture value chains will help to drive this process. Where chain actors interact with market forces and trends, they have the potential to accumulate not only economic, social, cultural and political capital but also build stronger coalitions for rural transformation.

**Rural and urban linkages.** Small towns set within and linked to rural areas provide key goods, services and markets. Indeed the rural-urban relationship is one of mutual

interdependence between a town of a certain size and its rural surroundings. The urban environment facilitates access to more and better public services, opens up more diverse opportunities for employment for different groups, and is a condition for, and a result of, economic rural diversification. How urbanization is fostered and managed will therefore influence the quality and nature of rural transformation.

**The quality and type of public goods.** The manner in which public goods and services (infrastructure including roads, water, electrification, telecoms, health, education, etc) are provided and accessed by rural men and women, is critical to the quality and nature of rural transformation and rural outcomes. Differentiation in the provision between cities and rural (including small towns in rural settings) areas may be needed in order to meet specific requirements and for efficient and effective provision. Further, innovation on public sector service provision is required where there are missing markets and or where there is no or weak private sector provisioning.

Social protection schemes including cash transfers, pensions, employment guarantees and subsidies for the most vulnerable are essential but should not be seen as an alternative to poverty eradication and inclusive rural development.

The process of rural transformation itself will create winners and losers, thus social protection schemes will remain critical into the future to secure the basic human dignity of every rural dweller.

**Governance, policy and institutions.** The quality and nature of formal and informal institutions and the quality of governance in rural areas impact of the manner in which change takes place or fails to take place. It also impacts on the distribution of opportunities, the costs and benefits of rural transformation and the effectiveness of public policy and intervention. Policy coordination across different sectors and agencies as well as between different levels of government (national, sub-national and local) is key. Participation and stakeholder engagement, social control and accountability and the emergence of broad-based social coalitions are central to effective rural transformation.

**The Rural Futures Programme will focus initially** on the following key entry points:

- Rural and territorial planning, policy and intervention
- Infrastructure for rural transformation
- Strengthening the productive sectors in rural areas, employment and job creation including
  - Non-farm economic activities
  - Enhancing agricultural productivity (arable, livestock, fisheries, forestry) and agricultural value chain development

- Equitable access to resources and services
- Sustainable natural resources management and climate change

### **2.1. Rural and territorial planning, policy and intervention**

Policy and intervention coordination across different sectors and agencies as well as between different levels of government (national, sub-national and local) is key to effective rural transformation. The Rural Futures Programme will seek to share lessons within Africa and to learn lessons from other countries in the developed and developing worlds where focussed efforts in support of rural transformation have been put in place including for example mechanisms for cross sectoral coordination at the different levels of government. Such coordination will aim to develop more effective and efficient means of rural service provision which meet the particular needs for rural (including small towns in rural settings) areas and seek to mitigate policies which impact negatively on rural development and transformation.

The Rural Future Programme will explore mechanisms for benchmarking national sectoral policies and interventions for their impact and fitness for purpose with rural transformation objectives.

The programme will also explore how and where territorially (local) based planning, policy and intervention can support rural transformation in Africa and how such processes can be mainstreamed into the national planning and investment process. Such a territorial approach includes the following elements:

- A focus on specific places and on their territorial scale
- An endogenous development strategy based on the territory's natural and socio-cultural assets and which aim to support the provision of public goods and services
- A multi-level system of governance ensuring co-ordination, coherence and networking both vertically (relations between the different sectors of government) and horizontally (relations between actors and stakeholders living and operating in the specific territory)

The Rural Futures Programme will seek to provide the tools, instruments and mechanisms to foster such a territorial approach to rural transformation.

### **2.2. Infrastructure for rural transformation**

Infrastructure development is one of the pillars of economic transformation. Sustainable economic growth often occurs in an environment where there is a meaningful infrastructure development, and there is evidence that it reduces inequality in the society. It is also clear that development of rural infrastructure (energy, transport, water, ICT, storage facilities, among others) generally contributes significantly to the

level and quality of rural development. Countries that have developed their rural infrastructure have recorded higher and better quality of rural development than those that have failed to do so. Better rural infrastructure allows people to participate in and share the benefits of wider economic growth. Indeed, infrastructure contributes to inclusive rural development in many ways and the overall impact of high quality rural infrastructure on the quality of life of the rural population can be substantial. For instance, rural infrastructure provides rural people with access to the markets and to basic services that they need. It also influences rural economic growth and employment opportunities and thereby incomes and social development. For example, good feeder roads can allow the supply of perishable goods to higher value urban markets, and the income generated can be invested in health and education and indeed into other agriculture and non agriculture productive activities to improve the overall well-being of rural men and women.

Despite the fact that the benefits of infrastructure development are well known, the quantity and quality of Africa's infrastructure generally remains inadequate, especially in rural areas, as illustrated by the following statistics<sup>2</sup>:

- Access to electricity for 30 percent of the population compared with 70-90 percent for Asia, Latin America and the Middle East;
- A telecommunications penetration rate of about 6 percent compared with an average of 40 percent for other regions of the world. Africa has the lowest Internet penetration – 3 percent;
- A road access rate of 34 percent compared with 55 percent on average for other regions, and some of the highest transport costs in the world; and
- Access to water and sanitation (65 percent urban and 38 percent rural) compared with water access rates of 80-90 percent for other regions.

The Rural Futures Programme will seek to identify and support initiatives that aim at improving the quality and quantity of rural infrastructure in Africa with the view to supporting the rural transformation agenda.

### **2.3. Strengthening the productive sectors in rural areas, employment and job creation**

#### ***Enhancing agricultural productivity (arable, livestock, fisheries, forestry) and value chain development.***

Agricultural productivity per unit land, labour and capital in Africa is the lowest in the world. Enhancing agricultural productivity in particular that of the small-scale farmer remains central to the agenda of rural transformation. This requires continued and

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<sup>2</sup> UNECA, Economic Report on Africa 2012, Unleashing Africa's Potential as a Pole of Global Growth

expanded efforts in support of enhancing productivity through increased use and uptake of irrigation, fertilizer, improved seed, veterinary services, etc; strengthening agricultural research, technology dissemination and uptake; securing of access to productive assets and an expansion of efforts in sustainable land and water management as well as stimulating input and output markets and strengthening the enabling environment for enhanced resilience of the small-scale farmer in the market whether local, regional or global.

African agricultural systems are primarily rain-fed and hence productivity is inherently vulnerable to climatic shocks. There is thus a significant return in improving the productive capacity of the soil system under current climate conditions as well as build resilience capacity for future climate change. Integrated Sustainable Land and Water Management (SLWM) practices can simultaneously address adaptation and mitigation objectives and are most effective when they are community owned. By being involved in the participatory SLWM development processes, local people acquire important skills and knowledge about land resources management and resource-based income generating activities including diversification of their livelihood strategies. In addition local resilience to shocks is enhanced.

As the agrarian structure and agricultural productivity are central to rural transformation, the Rural Futures programme will work in close coordination with the agenda set through CAADP and the engaged key stakeholders. The Programme will play a role in enabling the work of CAADP to be set within the wider framework of rural and national economic transformation. The programme will place particular emphasis on the building of rural resilience through in particular strengthening market linkages and *value chain development* as well as enabling equitable access to natural assets (see also 2.5) and sustainable land and water management.

### ***Stimulating rural non-farm employment and livelihoods***

Diversification of the rural economy beyond agriculture is seen as a key feature of rural transformation. Such diversification is influenced by the pace and nature of change within agricultural development as well as influenced by policies associated with the growth of other sectors including industry, manufacturing and services, and the quality and nature of urbanisation. The rural non-farm economy generates income to rural households, either through waged work or in self-employment and are important sources of local economic growth (tourism, mining, timber processing, among others). The rural non-farm economy (RNFE) is of great importance to the wider rural economy because of its production linkages and employment effects, while the income it provides to rural households represents a substantial and sometimes growing share of rural incomes. Often this share is particularly high for the rural poor. There is evidence

that these contributions are becoming increasingly significant for food security, poverty alleviation and farm-sector competitiveness and productivity (Davis, 2003<sup>3</sup>).

However, the reality in Africa is that with relatively low-productivity agriculture, there is limited local demand to drive growth in the rural non-farm economy, and the backward links from urban centres and industries remain weak except in a few well connected areas. Low population densities and inadequate rural infrastructure aggravate the situation. The rural non-farm economy in Africa is only about half as important as in Asia in terms of its income and employment shares, and is much less productive. It usually comprises of low productivity services undertaken by the poor to supplement inadequate livelihoods obtained through agriculture, which is in contrast with the higher paying opportunities available in much of Asia's rural non-farm economy (Hazell, 2011<sup>4</sup>).

Overall, Africa's rural non-farm economy needs a demand lifter to kick start growth. Some rural regions are endowed with special advantages like minerals or tourist potential, or have easy access to major urban centres, and these opportunities can offer an important alternative to agriculture. For most rural areas, however, agriculture will have to do the initial lifting, and investments in agricultural development are a necessary precursor to development of the rural non-farm economy. In all cases, governments need to ensure that there are adequate levels of rural infrastructure, especially roads, power and communication, both to drive the initial demand lifter – agriculture - and to leverage the growth of the non-farm economy (Hazel, 2011).

The Rural Futures Programme will support initiatives that promote non-farm development that allow rural people to move to new jobs - which offer alternative and greater income potential for the poor (especially women, small farmers, and landless workers) than agriculture. It will also seek to support small and medium size enterprises in rural areas that can facilitate change, generate employment and add value through post-harvest processing of agricultural products and facilitating transport and marketing. In addition, and in order to make the rural economy more dynamic, the Rural Futures Programme will support the integration of the agriculture and non agriculture sectors through strengthen market linkages with urban and global markets including value chain development. Beyond the farm gate, the agriculture sector through the development of the supply chain for inputs and output markets should be seen as a key employer and generator of alternative and supplementary livelihoods.

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<sup>3</sup> Junior R. Davis, The Rural Non-Farm Economy, livelihoods and their diversification: Issues and options, July 2003, NRI Report No: 2753, Rural Non-Farm Economy

<sup>4</sup> Peter Hazell, Non-Farm Economy Saves Rural Africa, Addis Fortune, Volume 12, Number 597, Published on October 09 2011.

## 2.4. Sustainable natural resource management and climate change

Sustainability is particularly important in relation to the management of natural resources base, including the management of land, forests, reefs, fresh water and waste, as well as the control and management of maritime economic zones.

Poverty can force communities to exploit natural resources for short-term gain. Resource-poor areas are particularly vulnerable to the risks associated with climatic variation and to soil erosion, mining of soil fertility and reduced bio-diversity. Balancing income generation and resource sustainability are difficult tasks. The main challenge is to develop and implement policies that combine rural economic development with environmental sustainability.

Demands for environmental services are now so great that trade-off among services have become the rule. The problem posed by the growing demand for these services is compounded by increasingly serious degradation in natural environment's ability to provide these services. This combination diminishes the prospects for development and sustainability. Environmental degradation tends to harm rural, impoverished populations more directly than urban populations, and climate change effects will aggravate this situation.

As highlighted at the *International Conference on the Dynamics of Rural Transformation in Emerging Economies* that was held in New Delhi, India, in April 2010<sup>5</sup>, the provision of environmental services and of clean and renewable energy is growing and placing new demands on rural communities, especially in emerging and developing countries. Many hopes for new rural development options are placed on the continued growth of these service functions. Yet, there are also important questions raised about the impact of these nascent industries on food provision and food prices, as well as on the trade-off between poverty reduction and environmental conservation objectives.

The Rural Futures Programme will work to improve agriculture and related land use, forest and water management to deliver on increased productivity, reduced emissions, increased sequestration, environmental sustainability, improved health, better livelihoods and food security. In line with this, relevant available technologies and traditional replicable best practices and knowledge in climate resilient, low-emissions agriculture, forestry and watershed management will be demonstrated and their potential for scaling up highlighted. Innovative approaches to bring together private and public sector finance for investments in climate smart agricultural systems will also be a key component of this Programme.

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<sup>5</sup> [www.rimisp.org/dtr/conferenciaindia](http://www.rimisp.org/dtr/conferenciaindia)

## **2.5. Equitable access to resources and services**

The majority of the poor live in Africa's rural areas, and among them it is believed that poverty affects women more severely than men. Rural people, especially women, limited access to resources and services including health and educational services. This reduces their development potential, and limits economic and social participation, as well as the possibilities for them to be full development actors within their communities. Yet rural transformation cannot take place in a sustainable manner without the active participation of rural people themselves. Fostering rural transformation requires, among others, the emergence of vibrant rural communities, which in turn requires an increase in productivity, incomes, and access to essential infrastructure and services. Furthermore, it requires resources such as credit, land, fertilizers, energy, water, as well as control over these resources.

Access to resources and services needs to be equitable for the sustainability of rural transformation. Equity underscores the need to cater for the specific needs of the most vulnerable groups such as women and young people, whom, for some cultural reasons often see some of their rights confiscated by the society.

Young people are well suited and keen to contribute to national economic development but in most of African countries, the economic growth experience over the last decade was one of jobless growth in particular in rural areas. Young people continue to face challenges in finding decent employment or work in the informal sector with low wages, low job security and insufficient social protection. Hence there is a need to strengthen and expand young people's capacities, knowledge, and skills through education, training and increased social protection services for a greater job and livelihood security. One big threat is migration. Young people of rural areas, with poor development opportunities, are tempted to migrate to big cities, which reduces the workforce upon which rural transformation could rest and indeed may create ever increasing urban unemployment. Building viable livelihoods and employment opportunities in rural (including small towns in rural settings) areas through both the agriculture and non-agriculture sectors must inter-generationally be a central goal of the rural transformation agenda

The Rural Futures Programme will seek to address the issues of equitable access to resources and services and the building of local institutions and governance that ensures real stakeholder engagement, accountability and social control, with the view to contributing towards a sustainable rural transformation in Africa.

## **3. Planned Activities**

For the different entry points of rural transformation discussed in the previous section, activities will be undertaken under four service lines or intervention areas, namely:

- Knowledge Generation and Sharing (Policy Analysis and Outreach);
- Facilitating Dialogue in Policy and Institutional Innovations/Reforms;

- Investments in Innovative Projects; and
- Building Strategic Partnerships

These activities will form part of the MoUs, multi-year programmes, and/or joint projects/programmes between NPCA and its partners, discussed in section 4. The detailed activities and implementation plan are presented in Annex 2

### **3.1. Knowledge Generation and Sharing: Analysis and Outreach**

Analysis and outreach activities in the context of knowledge generation and sharing will aim at informing the development discussion especially in relation to rethinking rural transformation. This will entail the review of existing literature, analysis of current practices with the view to documenting the state-of-the art in rural transformation, and developing frameworks for sharing and replicating best practices. This process will include wide consultations and information sharing.

The outputs (deliverables) of these activities will include compilations of best practices and challenges in rural transformation; as well as reports, tailored briefs, and communication material based on the analysis of rural transformation experiences. Specifically, the following will be produced:

- Overarching framework paper on Rural Transformation;
- Inventory of national development planning strategies and the nature of their rural development components/approach;
- Inventory of key institutions active in research, policy or advisory work on rural transformation in Africa;
- Mapping on resources allocated to rural areas by sector (in selected countries)Inventory of key existing initiatives on rural transformation in Africa and Globally;
- Rural Futures Programme Website;
- Knowledge Platform/community of practice on rural transformation;
- Database on rural development variables; and
- Reports of case studies of best practices and challenges in rural transformation.

These outputs/deliverables will constitute a valuable body of knowledge, which will contribute in enhancing the awareness and knowledge of African leaders and stakeholders (civil society, private sector, among others) in particular and the international community in general on rural transformation. The outputs will also enhance the visibility and promote the Rural Futures Programme, thereby attracting the support of potential partners.

It is envisaged that these activities and outputs will sustain and inform the discourse on an African-led rural transformation strategy. The activities will also enable a constructive dialogue among African leaders and policy makers at the regional, national and local levels; as well as between African leaders and policy makers and their development partners on the continents rural development.

The knowledge generated will support a learning platform on rural transformation. This will require the development of an appropriate Rural Futures Data Management System. In this regard, the possibility of using existing knowledge management platforms will be explored.

### **3.2. Facilitating dialogue in Policy and Institutional Innovations/Reforms**

This intervention area is aimed at creating space for African leaders to engage in dialogue on rural transformation and to advance the rural transformation agenda. The proposed activities include continental stakeholders and experts meetings. The outputs for these activities will include meeting reports and communiques – with a focus on policy and practice recommendations to be implemented at regional and national levels; and dissemination of the knowledge generated, including from the various studies. It is also envisaged that a Consensus Statement that will constitute a framework document for rural transformation in Africa will be adopted at the level of Heads of States and Government. Specifically, the consultative process leading to the Consensus Statement and its adoption/endorsement by Ministers and Heads of State and Government will include:

- Continental Stakeholder meeting(s);
- Continental Forum on Rural Transformation/International Conference on Rural Development;
- Experts Group meeting;
- Ministerial meeting; and
- AU Summit.

Strategic meetings will also be held with Development Partners as well as the Private Sector. The African Partnership Forum (APF) and Brussels Briefings are examples of platforms that could promote dialogue on rural transformation in Africa. Opportunities for dialogue with partners are also offered by platforms such as the European Rural Development Forum and the OECD Rural Development Policy Conferences, among others. Potential private sector partners will be identified and engaged. In line with the growing importance of South-South cooperation and the opportunities to learn from successful practices in other developing regions, rural transformation will be included in dialogue with emerging countries.

These activities and outputs will inform the Rural Futures agenda; enhance the knowledge of African stakeholders and partners on issues related to rural transformation and raise their awareness of the Rural Futures Programme. They will also help to build a relationship between Africa and its partners based on the common understanding and interest established on rural transformation. In addition, constructive high-level dialogue will create political will among African leaders and policy makers on rural transformation and facilitate engagement on development practice between different stakeholders, including the academia, civil society organisations and development partners.

### **3.3. Investments in Innovative Projects**

Activities under this intervention area are aimed at supporting innovation with the potential to serve as future models for rural transformation; and increasing investment in rural transformation in Africa. In this regard, the following activities will be undertaken:

- Launching of flagship initiatives, such as strengthening national planning and implementation process;
- Promoting/up-scaling/replicating existing innovations; and
- Designing and implementing a competitive grants programme. The grants could be used in a variety of ways, including in documenting successful practices, funding research, providing fellowships to high-achieving youths with innovative ideas on rural transformation.

The criteria for assessing and selecting projects to be supported as flagship initiatives or to be provided with grants will be defined by a Technical Advisory Committee. Information and toolkits derived from the Knowledge Generation component of the Programme will be used in supporting flagship initiatives. Civil society organizations, the academic community, and government-led institutions that are working on rural transformation are eligible to apply for the competitive grants.

This intervention area will help in generating and implementing innovative approaches in rural transformation. It will also help to increase awareness at the local, national and regional levels of rural transformation and the Rural Futures Programme; and to enhance interest in rural transformation.

### **3.4. Building Partnerships**

Building partnerships is a critical success factor for the Rural Futures Programme given the multiplicity of actors in the rural development arena. Thus, as discussed in Section 4, building partnerships is the main strategy in the implementation of this programme. NPCA will lead this task as it is the Secretariat of the programme. This will include creating necessary global platforms for constructive dialogue, especially as Africa could benefit from the experience of countries across the world that have transformed or are transforming their rural areas. Efforts will also be made to engage development

partners that promote rural development as part of their development assistance programmes. Annex 3 provides an indicative framework of potential partners for different activities and entry points of the Programme. This framework (matrix) will be updated as new partners are identified, engaged, and their commitment to the Programme are secured. The following institutions have expressed interest in building partnership with the Rural Futures Programme: ECA, WWF, *L'Agence Française de Développement* (AFD), International Fund for Agricultural Development (IFAD), Technical Centre for Agricultural and Rural Cooperation (CTA), International Labour Organisation (ILO), Food and Agriculture Organisation (FAO), GIZ, French Agricultural Research Centre for International Development (CIRAD), and International Development Research Centre (IDRC)/ Latin American Center for Rural Development (RIMISP). China and Brazil have also specifically expressed interest in South-South exchanges and learning.

The following specific activities to build partnerships with African stakeholders will be undertaken:

- Establishing relationships with networks such as those representing Municipalities and Farmers Organizations (e.g. Pan African Farmers Forum - PAFFO), among others;
- Establishing relationships with the Association of African Universities;
- Fostering African Centers of Excellence in rural transformation (including African Universities);
- Setting up African rural development forum;
- Identifying and engaging champions on rural development; and
- Establishing relationships and building capacities of actors and stakeholders at the level of rural communities.

In addition the Programme will seek to

- Putting Rural Transformation in the agenda of development partners (G8, G20, BRICS, APF, ADF, AEC, Regional Banks, World Economic Forum; among others);

### **3.5. Operations and Governance of Programme**

A Project Support Unit for the Rural Futures Programme will be set up in NPCA. This Unit will carry staff with the necessary skills and expertise to lead the Rural Futures Programme and to put in place and manage necessary partnership agreements. Details on the roles and responsibilities of the different components of the organizational and governance structure of the Programme are presented in Section 4.1. The Unit will have also responsibility for communication and advocacy as well as monitoring and evaluation (Section 4.3). The Unit will be supported by a Technical Advisory Committee as well as a Programme Steering Committee.

## **4. Delivery Strategy**

### ***Building a self-sustaining, African led and owned Programme***

African ownership and leadership are the key principles in delivering the Rural Futures Programme. The Programme therefore aims at harnessing indigenous capacity with the view to building self-sustaining mechanisms for rural transformation. In this regard, it will make maximum use of local human and financial resources. To this end, African expertise and research institutions including universities, will be engaged to deliver aspects of the Programme.

Major outputs of the Programme will also go through the necessary AU decision making processes to ensure endorsement by Ministers, as well as Heads of State and Government.

### ***Promoting a flexible multi-disciplinary approach: Variable entry points into countries***

The potential contribution of different factors such as natural capital including agrarian structure, productive structure, and rural and urban linkages, among others, to rural transformation varies across countries. Therefore, the entry point of the Rural Futures Programme into a country - in terms of sector, government department, or existing programmes, will depend on the relative importance of different factors to the successful transformation of rural areas in the concerned country. For instance, while effective management of mineral resources could provide the push to rural transformation in some countries, tourism may offer the best opportunity for transformation in others. In most contexts however rural transformation which delivers equitable growth and the reduction of poverty is likely to require a judicious mix of sectoral economic and social sector interventions. Development planning, especially territorial planning offers a starting point, as it could help in identifying the areas where governments should focus their attention and allocate appropriate resources. The Rural Futures Programme will therefore work closely with Ministries of Planning or Planning Authorities in African countries.

### ***Building strategic partnerships***

Overall, the broad scope of the Rural Futures Programme, comprising of several drivers of rural transformation as well as intervention areas - most of which require special competences, implies that several organisations should be involved in its implementation in order to optimise the efficiency and effectiveness of the process. Having several actors working towards achieving common objectives requires effective coordination to add value and to avoid duplication of efforts and waste of time and resources. Therefore building strategic partnerships will be the main strategy in the implementation of the Programme. In this regard, various approaches will be used including: signing of Memorandums of Understanding (MoUs); developing multi-year

programmes; and preparing joint projects. This Business Plan will be the basis for this coordination instruments.

Regarding the signing of MoUs, NPCA in its capacity as Secretariat of the Programme will identify and engage key institutions that have the required competences and experience in the various drivers of the Rural Futures Programme. For instance, in the case of infrastructure development, NPCA will seek to engage organisations involved in: improving rural roads to enhance accessibility of rural areas; providing access to safe water and basic sanitation; providing access to electricity; as well as those involved in improving telephone and internet penetration in rural areas. The Rural Futures Programme could be part of existing MoUs between NPCA and its partners, or where necessary a separate MoU could be signed specifically for the implementation of the Programme.

Multi-year programmes are increasingly being used by institutions, especially those that have adopted Results-Based Management (RBM), to ensure sustained implementation of activities over a period of time to achieve desired results. An advantage of this approach is that all the activities to be implemented in the duration of the programme are determined at the outset thereby reducing the need to request for support from partners on an ad-hoc basis. NPCA has already jointly developed a multi-year programme with ECA of which the Rural Futures Programme is an integral part. NPCA will seek to build on the success of this approach by developing multi-year programmes with other partners in areas where these partners enjoy comparative advantage. The Rural Futures Programme could be part of a comprehensive multi-year programme that involves other areas of cooperation between NPCA and a given partner - as is the case with ECA, or a separate multi-year programme specifically for the Rural Futures Programme could be developed.

Another approach is to develop joint projects with specialised institutions around the drivers of the Rural Futures Programme. This approach is already being explored and so far an 18 month joint NPCA-WWF programme has been developed. Concrete activities to be implemented as part of the programme include: conducting institutional and policy mapping and stocktaking assessments; organising meetings at regional and global levels; establishing a Development Innovation Fund (DIF) at NPCA, filling a technical position at NPCA, and supporting the development of a monitoring and evaluation system. This joint programme with WWF could ensure that several of the planned activities of the Rural Futures Programme are implemented.

### ***Mobilising Core Funding***

It is critical to put in place a mechanism to fund essential activities of the Programme. This, for example, could be in the form of a Trust Fund. It is recognised that, even within the framework of such a core fund, some partners may prefer their contributions to be used in funding certain aspects of the programme. Overall, the different financing mechanisms proposed for the Programme are not mutually exclusive and the flexibility

offered by applying all the different options is expected to attract a wide range of partners. It is recognised that having a variety of funding arrangements for a single programme calls for a strong monitoring and reporting capacity. In this regard, a mechanism will be put in place to coordinate and monitor activities of the programme that are funded through different arrangements and by different partners. This will ensure that all activities implemented within the framework of the Programme contribute to the achievement of its objectives. It will also facilitate the preparation of comprehensive reports of progress in the Programme, pulling together the inputs from different partners.

### ***Complementing existing initiatives***

The Rural Futures Programme will seek to be coherent and to complement existing rural development initiatives at the local and national levels – especially those that support the implementation of national development plans. The Programme will also seek to complement continental initiatives such the Comprehensive Africa Agriculture Development Programme (CAADP) and to use the networks already created by such initiatives. NPCA will work closely with all stakeholders, especially at the national level, to identify best practices in rural transformation.

### ***Targeting quick-wins: Building Consensus on Rural Transformation***

The Programme will have several outputs/deliverables, but the two main ones will be an African Consensus Statement on Rural Transformation, and a comprehensive report on Rural Transformation in Africa. Case studies on best practices and challenges in rural development will be undertaken in a selected number of countries. The results of these studies as well as regional meetings will feed into the Consensus Statement and the comprehensive report. The Consensus Statement will be adopted at an African Continental Forum on Rural Transformation and endorsed at the level of Ministers and Heads of State and Governments. A compendium of the proceedings of the Forum, including inputs to and the outcome of the event will be published. The main African continental development organisations – AUC, ECA, and AfDB, regularly organise high-level events where topical issues are discussed and that provide credible platforms for setting the continent's development agenda and policies. These events include the African Development Forum (ADF), the African Economic Conference, (AEC) and the Joint ECA-AUC Conference of African Ministers of Finance, Planning and Economic Development, among others. These organisations also publish flagship reports such as the Economic Report on African (ERA) and the African Economic Outlook (AEO). NPCA will explore the possibility of making Rural Transformation the theme of one of these events or publications. NPCA will also aim at organising side events on the Rural Futures Programme in the margins of these continental events.

Considerable efforts will be made to involve the broadest possible set of stakeholders in the Programme. This will include: governments, RECs, inter-governmental organisations, civil society, private sector, continental development organisations

(AUC, NPCA, AfDB, ECA), development partners (multilateral and bilateral – developed and emerging countries; UN system, World Bank, among others), Rural Development Organisations, Regional Farmers bodies, and the academia. The possibility of study tours to countries that have successfully transformed their rural areas, especially in Asia, will be also be explored.

#### **4.1. Organisational and Governance Structure**

##### Secretariat/Project Support Unit

NPCA, as Secretariat, requires a Project Support Unit with requisite expertise (at least two P4s; 2P2s; 1P1; and 1 Personal Assistant) for the implementation of the Rural Futures Programme. The Agency's role in delivering the Programme includes the following:

- Leading the process of developing MoUs, multi-year programmes, and joint programmes with relevant partners;
- Working directly with member States in support of flagship projects and in sharing of experiences and best practices;
- Taking the lead in building leadership and stakeholder platforms in Africa, in cooperation with governments, civil society and private sector; and facilitating continental and regional stakeholder consultation processes, including the organisation of meetings;
- Monitoring, evaluation and reporting progress in the implementation of the Programme; and
- Brokering funding support (resource mobilisation) for countries.

##### Technical Advisory Committee

The Technical Advisory Committee will comprise of rural development experts and researchers as well as representatives of African countries and organizations. The primary role of the Technical Committee is to identify activities for the Rural Futures Programme and to provide intellectual and technical programme guidance.

##### Steering Committee

The Steering Committee will provide overall guidance to the implementation of the Programme. It will comprise of representatives of key stakeholders and major providers of resources, both financial and technical, for the implementation of the Programme. The Steering Committee will meet in the margins of all major regional meetings of the Programme. Members of the Steering Committee will also serve as facilitators of these regional meetings.

#### **4.2. Monitoring and Evaluation**

Monitoring and evaluation of the Rural Futures Programme will be based on the logical framework presented in Annex 1. Beyond tracking the implementation of planned activities, the exercise will focus on determining the extent to which the expected accomplishments/outcomes are achieved. Progress in this regard will be measured through the stated performance indicators. For instance, increased awareness, interest, and knowledge of African leaders, policy makers and other stakeholders (civil society, private sector, academic community) in rural transformation will be assessed through demand and supply of knowledge products on rural transformation as well as participation and contributions at rural futures events. Similarly, the number of partners supporting the Rural Futures Programme (signing of MoUs, funding projects, implementing or supporting projects) will provide an indication of the level to which development partners are aware of, and interested, in the Programme. Enhancing coherence in the position of different stakeholders, including African leaders, regional organisations, governments, civil society and the private sector, on rural transformation is one of the expected accomplishments of the Rural Futures Programme. The adoption of an African Consensus Statement on Rural Transformation by stakeholders will provide an indication that this has been achieved.

Reporting on progress in the implementation of the Rural Futures Programme will be done on a semi-annual basis. In that regard, the Secretariat will prepare and present reports at regional meetings. Such reports will also be posted on the website of the Programme, and sent by email to major stakeholders. An external evaluation will be undertaken at the end of the Programme.

### **4.3. Critical Success Factors**

#### Ownership and Leadership

Strong ownership and leadership of the Rural Futures Programme are essential for its successful implementation. It is critical for all stakeholders to recognise their potential benefits from the Programme, as this will motivate them to participate fully and voluntarily in the implementation process. It is well known that the multiplicity of actors and development programmes in Africa often lead to duplication of effort, waste of time, and scarce resources. Potential partners have to be assured that the Rural Futures Programme will complement, rather than duplicate, their on-going efforts by providing a platform for coordinated and integrated actions thereby building synergies and maximising the total impact of their individual interventions. The strong participation of stakeholders at the launch of the Programme, the Briefing on *Major drivers for rural transformation in Africa: Job creation for rural growth* held in Brussels in September 2011, and at the Strategic Task Team meetings held in Magaliesberg, South Africa, in September/October 2011 and May 2012, discussed in Section 1, all indicate that these stakeholders are willing to participate in the Programme. Sustaining their interest and active participation is necessary to strengthen stakeholder ownership and thus successful implementation of the Programme. To this

end, the Secretariat will constantly involve them in planning and implementing activities, and keep them updated with progress in the Programme.

NPCA recognises that strong leadership is indispensable for efficient and effective management of any programme. It will therefore continue to place appropriate attention to driving the implementation process. NPCA will lead by example, and in this regard, it will ensure that all activities assigned to the Secretariat of the Rural Futures Programme are delivered in a timely manner and that the process and related outputs are of high quality.

#### Active Participation of Partners

Motivating partners to support the Rural Futures Programme is the core of the implementation strategy. It is envisaged that partners could opt to directly implement selected activities from the logical framework or provide resources – human, financial, or both - to the Secretariat for implementation of such activities. It is therefore critical that existing partners continue to support the Programme by implementing activities in the logical framework, and that agreement is reached with new partners that are capable and willing to support the Programme.

The risk of depending on partners is that they may not fulfil their commitments. To avoid such disappointment, consultations are on-going with key partners who have demonstrated their commitment to the Programme by supporting the activities that have been undertaken so far. Most of these partners are indeed members of the Strategic Task Team. It is envisaged that NPCA could work with these core partners to implement the minimum level of activities required to credibly deliver the principal output of the Programme – at this initial stage, which is a Consensus Statement on Rural Transformation in Africa.

#### **V. Resource Requirements**

The total amount of US\$12,028,850 is required for implementing the Programme. This is an indicative amount, as partners have the option to implement directly certain activities rather than providing financial resources to NPCA for the entire programme.

## Annex 1A: Logical Framework

<b>Objective 1:</b> Building the knowledge base on a rural transformation agenda as an Africa-led strategy for economic growth and rural development		
<b>Service Line 1:</b> Knowledge Generation: Analysis and Outreach		
Activities	Outputs/Deliverables	Outcomes
<p>Compile, analyse and link theory and practice of rural transformation</p> <p>1.1. Review of existing literature; analysis of current practices</p> <p>1.2. Undertake case studies of best practices and challenges in rural transformation</p> <p>1.3. Conduct institutional and policy mapping and stocktaking assessments</p> <p>1.4. Develop a Website and Knowledge Platform/ Community of Practice</p> <p>1.5. Undertake study tours</p>	<p>Body of knowledge on rural transformation created</p> <p>i) Overarching framework paper on Rural Transformation</p> <p>ii) Reports of case studies of best practices and challenges of rural transformation</p> <p>iii) Mapping/ Inventory of institutions, policies, strategies, plans on rural development/transformation</p> <p>iv) Functional Website and Knowledge Platform/ Community of Practice</p> <p>(v) Comprehensive report on Rural Transformation in Africa</p>	<p>Increased awareness, interest, and knowledge of African leaders, policy makers and other stakeholders (civil society, private sector, academia) on rural transformation</p> <p><i>Performance Indicators</i></p> <p><i>Demand for knowledge products on rural transformation (number of downloads from Programme website)</i></p> <p><i>Participation at rural futures events (total number of participants, number of self-sponsored participants; ratio of funded to self-sponsored participants)</i></p>

<b>Objective 2:</b> Creating enabling policy and institutional conditions and processes necessary for advancing rural transformation and integrated development		
<b>Service Line 2:</b> Facilitating dialogue in Policy and Institutional Innovations/Reforms		
Activities	Outputs/Deliverables	Outcomes
<p>2.1. Organise Continental Stakeholder meeting</p> <p>2.2. Produce Consensus Paper/ framework for Rural Transformation in Africa</p>	<p>Reports of meetings/communiqués</p> <ul style="list-style-type: none"> <li>• Consensus Statement/framework on Rural Transformation</li> <li>• Innovative</li> </ul>	<p>Enhanced coherence in the position of different stakeholders, including African leaders, regional organisations, governments, civil society and the private sector, on</p>

<p>2.3. Organise Continental Forum on Rural Transformation</p> <p>2.4. Organise Experts Group Meeting</p> <p>2.5. Organise Ministerial Meeting</p> <p>2.6. Strategic Briefings with Development Partners</p>	<p>approaches and practices on rural transformation identified, compiled and disseminated</p> <ul style="list-style-type: none"> <li>• Recommendations generated for regional, continental and global policy and practice</li> <li>• Position papers, tailored briefs and communication material produced and disseminated</li> <li>• Compendium of papers from the Continental Forum on Rural Transformation</li> </ul>	<p>rural transformation</p> <p><u>Performance Indicator</u></p> <p><i>Consensus Statement on Rural Transformation in Africa adopted by stakeholders</i></p> <p>Increased awareness, interest, and knowledge of African leaders, policy makers and other stakeholders (civil society, private sector, academia) and development partners on rural transformation</p> <p><u>Performance Indicators</u></p> <p><i>Demand for knowledge products on rural transformation (number of downloads from Programme website)</i></p> <p><i>Participation at rural futures events (total number of participants, number of self-sponsored participants; ratio of funded to self-sponsored participants)</i></p> <p>Increased awareness and interest of development partners in the rural futures programme</p> <p><u>Performance Indicator</u></p> <p><i>No of partners supporting Rural Futures Programme (MoUs signed/funding provided/activity implemented or supported)</i></p>
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<b>Objective 3:</b> Promoting innovative actions and launching strategic flagship interventions that serve as models for rural transformation		
<b>Service Line 3:</b> Investments in innovative projects		
<b>Activities</b>	<b>Outputs/Deliverables</b>	<b>Outcomes</b>
Support innovation  3.1.Launch Flagship Initiatives 3.2.Promote/up-scale/replicate existing innovation  3.3.Design and implement a competitive grants programme.	<ul style="list-style-type: none"> <li>• Flagship initiatives identified, launched</li> <li>• Innovative ideas and best practices generated/identified</li> <li>• Existing innovations up-scaled/replicated</li> <li>• Grants awarded</li> </ul>	<p>Increased generation and sharing of innovative ideas on rural transformation</p> <p><i>Performance Indicator</i></p> <ul style="list-style-type: none"> <li>• <i>Number of projects submitted for consideration for the award of grants</i></li> </ul>

<b>Objective 4:</b> Building new partnerships, alliances and mechanisms for knowledge sharing on rural transformation and promoting collaboration at local, national, regional, continental and global levels		
<b>Service Line 4:</b> Building Strategic Partnerships & Alliances		
<b>Activities</b>	<b>Outputs/Deliverables</b>	<b>Outcomes</b>
4.1.Engage potential partners and sign partnership agreements -Establish Relations with networks  4.2.Forster African Centers of Excellence in rural transformation (including African Universities)  4.3.Support or create necessary global platforms for constructive dialogue  4.4. Identify and engage champions on rural development	<ul style="list-style-type: none"> <li>• Partnerships established and agreements signed</li> <li>• African Centres of Excellence more engaged in rural transformation</li> <li>• Global platform for constructive dialogue created</li> <li>• Champions on rural transformation engaged</li> </ul>	<p>Enhanced partnership for rural transformation in Africa</p> <p><i>Performance Indicators</i></p> <ul style="list-style-type: none"> <li>• <i>Number of partnership agreements reached</i></li> <li>• <i>Number of partners funding or participating in implementation of activities</i></li> <li>• <i>Number of joint activities</i></li> </ul>

<b>Objective 5:</b> Rural Futures recognised as a best practice in the delivery of a continental programme		
<b>Service Line 5: Operations &amp; Governance of Programme</b>		
<b>Activities</b>	<b>Outputs/Deliverables</b>	<b>Outcomes</b>
<p>Programme direction, administration, management and technical support</p> <p>3.4. Establish Steering Committee</p> <p>3.5. Establish Technical Advisory Committee</p> <p>3.6. Establish Project Support Unit</p> <p>3.7. Develop and Implement Advocacy and Communication Strategy</p> <p>3.8. Monitoring, Evaluation and Reporting</p>	<ul style="list-style-type: none"> <li>• Steering Committee established</li> <li>• Technical Advisory Committee established</li> <li>• Project Support Unit established</li> <li>• Advocacy and Communication Strategy developed and implemented</li> <li>• Monitoring, Evaluation and Reporting framework developed</li> </ul>	<p>Effective delivery of Rural Futures Programme</p> <p><i>Performance Indicator</i></p> <p><i>Percentage of planned activities of the Programme implemented</i></p> <p><i>Percentage of expected outputs of the programme delivered</i></p>

## **Annex1B: Detailed List of Outputs**

### ***1: Knowledge Generation: Analysis and Outreach***

#### *Review of Literature and Institutional and Policy Mapping*

- Overarching framework paper on Rural Transformation;
- Inventory of national development planning strategies (mapping of key national and regional institutions working on rural transformation - policy, research, advisory support; inventory of countries that have rural development strategies);
- Mapping on resource allocation to rural areas by sector - review of sectoral policies through a rural lens (case studies);
- Inventory of key existing initiatives on rural transformation in Africa and Globally;
- Documentation of lessons from developed countries and emerging Asian and Latin American countries – including tools used in rural transformation;
- Website and Knowledge Platform/ Community of Practice (to support learning networks); and
- Database on rural development.

#### *Case Studies*

- Wealth creation, retention and utilization/distribution in rural settings;
- National growth & distribution towards social equity in rural areas (disaggregated by socio-economic and demographic factors);
  - Innovative ways of delivering rural infrastructure e.g. Public Private Partnerships (PPPs)
  - Analysis of macro-economic policies that promote and or hinder growth in rural areas
  - Factors that affect/hinder rural development;
- Employment creation in rural areas
  - Agriculture-led; non agriculture-led domains;
- Risks Management (building rural resilience)
  - Natural resources, climate change, vulnerability due to market shocks
  - Social safety nets

- Political risks;
- Informal sector and rural development;
- Institutional studies related to capacities to implement rural transformation; and
- Other areas to be determined.
- Study Tours
- Study tours to emerging countries with successful experiences in rural transformation

## ***2: Facilitating dialogue in policy and institutional innovations/reforms***

- Drafting Consensus Statement;
- Continental Stakeholder meeting;
- African Forum on Rural Transformation;
- Experts meeting;
- Ministerial meeting;
- Strategic meetings with Development Partners and Private Sector Partners (Brussels briefing, APF, Global donor platform; European Rural Development Forum, OECD Rural Transformation meeting; Private Sector, etc.); and
- South-South meetings.

## ***3: Investments in Innovative projects***

- Launch flagship projects (for example, strengthening national planning and implementation processes) - 5 pilot countries;
- Promote/up-scale/replicate existing innovations;
- Design and implement competitive grants programme
  - Grants to document what works well; assist local innovations;
  - Technical Advisory Committee/Programme Governance Team to develop criteria for assessment and selection of projects and modalities for implementing grants programme;
  - Research funds to be explored;
  - Fellowships targeting high achieving youths in rural transformation;
  - Civil society organizations and government-led institutions working on rural transformation to benefit from grants; and

-Support of new village movements – Modernization that maintains essential local values

#### ***4: Building Strategic Partnerships & Alliances***

- Establish relationships with networks – Municipalities, Farmers organizations, among others;
  - Establish relationships with Association of African Universities;
  - Foster African Centers of Excellence in rural transformation (including African Universities);
  - Establish/participate in platforms for consultations and dialogues /Putting Rural Transformation in the agenda of Development Partners (G8, G20, BRICS, APF, ADF, AEC, Regional Banks, World Economic Forum);
- Production of position papers
- Set up African rural development forum;
  - Identify and engage champions on rural development
- Develop ToR for the champions; and
- Build capacities and Partnership with the actors and stakeholders at the rural communities (e.g. producer organisations)

#### ***5: Operations and Governance of Programme***

- Establish Technical Advisory Committee;
- Establish a Project Support Unit (2P4s; 2P2s; 1 P1; 1 Personal Assistant);
- Establish Rural Futures Program Steering Committee;
- Design and implement Communication & Advocacy strategy;
- Monitoring & Evaluation and Reporting ;
- Administrative supplies; and
- Brokering funding support/resource mobilization for countries.

## Annex 2: Detailed Activities and Implementation Plan

No	Service Line	Detail activities	Timeframe											
			2012				2013				2014			
			J-M	A-J	J-S	O-D	J-M	A-J	J-S	O-D	J-M	A-J	J-S	O-D
1	Knowledge Generation	1.1. Review of existing literature; analysis of current practices	X	X	X	X	X							
		1.2. Undertake case studies of best practices and challenges in rural transformation			X	X	X	X						
		1.3. Conduct institutional and policy mapping and stocktaking assessments			X	X								
		1.4. Development of Website and Knowledge Platform/Community of Practice			X	X	X	X	X	X	X	X	X	X
		1.5. Undertake study tours					X	X	X	X	X	X	X	X
2	Facilitating dialogue in Policy and Institutional Innovations/ Reforms	2.1. Organise Continental Stakeholder meeting						X						
		2.2. Prepare Consensus Paper/framework for Rural Transformation								X				
		2.3. Organise continental Forum on Rural Transformation									X			
		2.3.1. Compendium of papers										X	X	
		2.4. Organise Experts Meeting											X	
		2.5. Organise Ministerial Meeting											X	
		2.6. Strategic Briefings with Development Partners			X	X	X	X	X	X	X	X	X	
3	Investments in innovative projects	3.1. Launch Flagship Initiatives					X	X	X	X	X	X	X	
		3.2. Promote/up-scale/replicate existing innovation					X	X	X	X	X	X	X	

		3.3. Design and implement a competitive grants programme			X	X	X	X	X	X	X	X	X	X
4	Building Partnerships	4.1. Engage potential partners and sign partnership agreements -Establish relations with networks			X	X	X	X	X	X	X	X	X	X
		4.2. Forster African Centers of Excellence in rural transformation (including African Universities)			X	X	X	X	X	X	X	X	X	X
		4.3. Support or create necessary global platforms for constructive dialogue			X	X	X	X	X	X	X	X	X	X
		4.4. Identify and engage champions on rural development			X	X	X	X						
5.	Operations and Governance of Programme	5.1. Establish Steering Committee			X	X								
		5.2. Establish Technical Committee			X	X								
		5.3. Establish Project Support Unit			X	X								
		5.4. Develop and Implement Advocacy and Communication Strategy			X	X								
		5.5. Monitoring, Evaluation and Reporting			X	X	X	X	X	X	X	X	X	X

### Annex 3: Partnership Framework (To be further developed)

Entry Points  ACTIVITIES	Rural and Territorial Planning	Infrastructure for Rural Transformation	Non-Farm Economic Activities	Enhancing Agricultural Productivity and value chain development	Equitable Access to Resources and Services	Sustainable natural resources management and climate change	
<b>1. Knowledge Generation and Sharing: Analysis and Outreach</b>							
1.1. Review of existing literature; analysis of current practices	EU-CTA, WWF MAE/AFD	AUC IFRTD	AfDB IRF	CIRAD/AFD GIZ USAID IFAD	CIRAD/AFD GIZ USAID IFAD	WWF, CTA, ACPC, UNDP, UNEP	
1.2. Undertake case studies of best practices and challenges in rural transformation	EU-CTA, WWF MAE/AFD	AUC IFRTD	AfDB IRF				
1.3. Conduct institutional and policy mapping and stocktaking assessments	EU-CTA, WWF MAE/AFD	AUC IFRTD	AfDB IRF	CIRAD/AFD GIZ USAID IFAD	CIRAD/AFD GIZ USAID IFAD		
1.4. Development of Website and Knowledge Platform/Community of Practice							
1.5. Undertake study tours							
<b>2. Facilitating dialogue in Policy and Institutional Innovations/Reforms</b>							
2.1. Organise Continental Stakeholder meeting							
2.2. Produce Consensus Paper/ framework for Rural Transformation in Africa							
2.3. Organise Continental Forum on Rural Transformation							
2.4. Organise Experts Group Meeting							
2.5. Organise Ministerial Meeting							
2.6. Strategic Briefings with Development Partners							

<b>3. Investments in innovative projects</b>							
3.1.Launch Flagship Initiatives							
3.2.Promote/up-scale/replicate existing innovation							
3.3.Design and implement a competitive grants programme							
<b>4.Building Partnerships</b>							
4.1.Engage potential partners and sign partnership agreements							
4.2.Foster African Centers of Excellence in rural transformation (including African Universities)							
4.3.Support or create necessary global platforms for constructive dialogue	EU-CTA, WWF MAE/AFD	China Cooperation AUC AfDB IFRTD IRF	CIRAD/AFD GIZ USAID IFAD	CIRAD/AFD GIZ USAID IFAD	ATPC	WWF, CTA, ACPC, UNDP, UNEP	
4.4.Identify and engage champions on rural development							
<b>5. Operations and Governance of Programme</b>							
5.1. Establish Steering Committee							
5.2. Establish Technical Advisory Committee							
5.3. Establish Project Support Unit							
5.4. Develop and Implement Advocacy and Communication Strategy							
5.5. Monitoring, Evaluation, and Reporting							

## Annex 4: Results Based Budget (Core funding requirement)

Service Line / Expected Accomplishment	Main Activities	Amount (USD)	
<p><u>1. Knowledge Generation and Sharing</u></p> <p><b>EA1:</b> Increased awareness, interest, and knowledge of African leaders, policy makers and other stakeholders (civil society, private sector, academia) on rural transformation</p>	<ul style="list-style-type: none"> <li>Overarching framework paper on Rural Transformation (1 Consultant for 2 months)</li> </ul>	25,000	
	<ul style="list-style-type: none"> <li>Inventory of national development planning strategies: (2 consultants – for 6 months)</li> </ul>	130,000	
	<ul style="list-style-type: none"> <li>Mapping on sectoral resources to rural areas; review of sectoral policies through a rural lens (case study: 5 countries/one per region - 1 consultant per country for 2 months per consultant)</li> </ul>	100,000	
	<ul style="list-style-type: none"> <li>Inventory of key existing initiatives on rural transformation in Africa and Globally. (2 consultants for 1 month each for Africa and Global)</li> </ul>	20,000	
	<ul style="list-style-type: none"> <li>Develop Website and Knowledge Platform/ community of practice (1 Consultant working for 2 months)</li> </ul>	50,000	
	<ul style="list-style-type: none"> <li>Establish and or support current learning networks/Build a community of practice (To be undertaken by P2 staff for the project)</li> </ul>		
	<ul style="list-style-type: none"> <li>Develop a data base containing information on the above variables so as to help inform policy and resource allocation. (To be undertaken by P2 staff for the project)</li> </ul>		
	<p><u>Case Studies</u></p>		
	<ul style="list-style-type: none"> <li>Wealth creation, retention and utilization/distribution in rural settings (1 consultant for 3 months)</li> </ul>	35,000	
	<ul style="list-style-type: none"> <li>National growth &amp; distribution towards <u>social equity</u> in rural areas (disaggregated by socio-economics and demographics) (2 Consultants for 2 months)</li> </ul>	70,000	
	<ul style="list-style-type: none"> <li>Employment creation in rural areas (1 Consultant for 3 months) <ul style="list-style-type: none"> <li>– Agriculture-led; non agriculture-led domains;</li> </ul> </li> </ul>	35,000	
	<ul style="list-style-type: none"> <li>Risks Management (building rural resiliency) (1</li> </ul>	35,000	

	<p>Consultant for 3 months)</p> <ul style="list-style-type: none"> <li>• Informal sector and rural development (1 Consultant for 3 months);</li> <li>• Institutional studies related to capacities to implement rural transformation (1 Consultant for 3 months); and</li> <li>• Other areas to be determined</li> <li>• Comprehensive report on Rural Transformation in Africa</li> </ul> <p><u>Study Tours</u></p> <ul style="list-style-type: none"> <li>• Undertake study tours</li> </ul>	<p>35,000</p> <p>35,000</p> <p>200,000</p> <p>250,000</p> <p>250,000</p> <p><b>1,270,000</b></p>
<p><u>2. Facilitating dialogue</u></p> <p><b>EA2:</b> Increased awareness and interest of development partners in the rural futures programme</p> <p><b>EA3:</b> Enhanced coherence in the position of different stakeholders, including African leaders, regional organisations, governments, civil society and the private sector, on rural transformation</p>	<ul style="list-style-type: none"> <li>• Draft Consensus Paper. 1 consultant for 2 months</li> <li>• Continental Stakeholders' meeting</li> <li>• African Forum on Rural Transformation</li> <li>• Compendium of papers from Forum</li> <li>• Experts meeting</li> <li>• Ministerial meeting</li> <li>• Strategic meetings with Development Partners and Private Sector Partners (spread over 3 years)</li> <li>• South-South meetings (spread over 3 years)</li> </ul>	<p>20,000</p> <p>250,000</p> <p>500,000</p> <p>50,000</p> <p>250,000</p> <p>250,000</p> <p>250,000</p> <p>150,000</p> <p><b>1,720,000</b></p>

<p><u>3. Investments in innovative projects</u></p> <p><b>EA4:</b> Increased generation and sharing of innovative ideas on rural transformation</p>	<ul style="list-style-type: none"> <li>• Launch flagship projects (e.g. Strengthening National planning &amp; implementation processes) - 5 pilot countries</li> <li>• Promote/Up-Scaling/replicating of available innovations. 5 pilot countries</li> <li>• Design and implement competitive grants programme</li> </ul>	<p>1,000,000</p> <p>1,000,000</p> <p>1,500,000</p> <p><b>3,500,000</b></p>
<p><u>4. Building Partnerships</u></p> <p><b>EA:5</b> Enhanced partnership for rural transformation in Africa</p>	<ul style="list-style-type: none"> <li>• Establish relationships with networks – municipalities, Farmers organizations, etc.</li> <li>• Establish relationships with Association of African Universities</li> <li>• Foster African Centers of Excellence in rural transformation (including African Universities)</li> <li>• Putting Rural Transformation in the agenda of Development Partners (G8, G20, BRICS, APF, ADF, AEC, Regional Banks, World Economic Forum) - Production of position papers &amp; travels</li> <li>• Identify champions on rural development - Develop ToR and champions</li> <li>• Building capacities &amp; Partnership with the actors and stakeholders at the rural communities (e.g. PAFO, ROPPA, and other producer organizations (Already budgeted in travel of staff)</li> </ul>	<p>100,000</p> <p>50,000</p> <p>500,000</p> <p>150,000</p> <p>100,000</p> <p><b>900,000</b></p>

<u>5. Operating Costs</u>  <b>EA:6</b> Effective delivery of Rural Futures Programme	<ul style="list-style-type: none"> <li>• Establish Technical Advisory Committee USD 150,000</li> <li>• Establish a Project Support Unit (2P4; 2P2; 1 P1; Personal Assistant) <ul style="list-style-type: none"> <li>- Salary 1,695,000</li> <li>- Travel costs 560,000</li> <li>- Equipment and office space - NPCA</li> </ul> </li> <li>• Establish Rural Futures Programme Steering Committee 150,000</li> <li>• Design and implement Communication &amp; Advocacy strategy 500,000</li> <li>• Monitoring &amp; Evaluation + Reporting 200,000</li> <li>• Administrative supplies</li> </ul> <p style="text-align: right;"><b>3,255,000</b></p>	
<b>Programme Total</b>		<b>10,645,000</b>
<b>Programme Support Cost/Miscellaneous (13%)</b>		<b>1,383,850</b>
<b>Grand Total</b>		<b>12,028,850</b>