



الجمهورية الإسلامية للبجالة والصناعة والزراعة
Islamic Chamber of Commerce, Industry & Agriculture
La Chambre Islamique de Commerce, d'Industrie et d'Agriculture



Food and Agriculture
Organization (FAO)



Union of Chambers and Commodity
Exchanges of Turkey (TOBB)



The Perez-Guerrero Trust Fund
for South-South Cooperation (PGTF)

Report of the Workshop on Key Infrastructure Development for Rural Growth for OIC Countries

24-26 April 2017
Istanbul – Turkey



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Preamble

The Islamic Chamber of Commerce, Industry & Agriculture (ICCIA) is an affiliated Institution of the Organization of Islamic Cooperation (OIC) and represents the private sector of 57 Member Islamic Countries. It aims at strengthening closer collaboration in the field of trade, commerce, information technology, banking, promotion of investment opportunities and joint ventures in the Member countries.

The ICCIA has been undertaking activities in line with its objective by holding the various events in Member OIC Countries such as: Workshops, Training Programs on Capacity Building, Poverty Alleviation, Upgrading Marketing and Managing Skills, Value-addition, Food Security and Agriculture, Gender Development, Economic Empowerment of Women, Promotion & Development of Small & Medium Enterprises, Utilization of Micro-finance, Developing Entrepreneurship, particularly in Women and the Youth.

Economies of the majority of the OIC Countries are largely agro-based. But overall, the performance of agriculture sector in OIC countries is not very promising. While agricultural development has long been supply oriented, its future will be more market driven. Further the development pattern varies considerably from one region to the other. South Asian countries are more advanced in developing a competitive agriculture, whereas Africa and Central Asian Republics lack behind in modern day practices to develop a well-functioning supply chain for commodities that carry good comparative advantage.

Workshop on Key Infrastructure Development for Rural Growth for OIC Countries
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Agriculture is one of the top economic priority areas of the OIC 2025 Program of Action. Moreover, agriculture is also given utmost consideration as one of the Top Seven Areas of Cooperation that is pursued by COMCEC at level of the OIC Member states through a COMCEC Agriculture Working Group. In order to implement the activities coming within the priority areas of the OIC Program of Action, the OIC Institutions share their experiences and expertise to add more value to the activity. In this context, Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) have organized a Workshop on Key Infrastructure Development for Rural Growth for OIC Countries on 24-26 April 2017, in Istanbul - Turkey.

The said Workshop was organized in collaboration with the Perez-Guerrero Trust Fund for South-South Cooperation (PGTF), Union of Chambers and Commodity Exchanges of Turkey (TOBB) and Food & Agriculture Organization (FAO).

The Workshop was attended by 23 participants from 14 countries, representing all regions of the OIC, namely Arab, Africa, Central Asia and South-East Asia. The participating countries were from Afghanistan, Cote d'Ivoire, Indonesia, Iran, Jordan, Malaysia, Niger, Pakistan, Palestine, Sudan, Tajikistan, Tunisia, Uganda and Turkey. In addition, representatives of Union of Chambers and Commodity Exchanges of Turkey (TOBB), Food and Agriculture Organization (FAO) and Statistical, Economic & Social Research and Training Centre for Islamic Countries (SESRIC) also participated.

Objectives of the Workshop

The objective was to provide an overall review of problem, issues and strategic option in developing backbone and supporting infrastructure for rural development. The thrust of the workshop was on Cold Chain System and other related infrastructure in developing a competitive rural economy. The Workshop aimed to highlight the importance of development of clusters of profitable small-medium-and large-scale farms and associated agribusinesses in selected Corridors from OIC region. Building on existing operations and planned investments, the clusters will be centred in areas of particularly high agricultural potential.

In addition, another objective of the workshop was to transfer knowledge, share best practice and expertise from one member country to other OIC member countries. This workshop encouraged a more collaborative approach between participating countries, with each one concentrating on perfecting different but compatible products. The participants from these countries reached on mutually agreeable terms of understanding for further cooperation among themselves and organizations.

Opening Session

The Workshop opened with a recitation from the Holy Quran.

Mrs. Attiya Nawazish Ali, Assistant Secretary General of the Islamic Chamber of Commerce, Industry and Agriculture (ICCIA), in her welcome speech, thanked on behalf of the ICCIA President and all its members and the co-organizers, namely the Perez-Guerrero Trust Fund for South-South Cooperation (PGTF), Union of Chambers & Commodity Exchanges of Turkey (TOBB) and Food & Agriculture Organization (FAO) for their usual cooperation and kind support and for making it possible to hold this important workshop in the right time and place. She said that the rural growth is an immense need for the global sustainable socio-economic development and for the wellbeing of the developing countries at large and particularly those of the OIC. She highlighted the significance of providing and maintaining infrastructure as an essential element for the adequate and rapid growth of the rural areas and its population as well as for efficiently facing the increasing challenges of the migration to urban areas, which imbalances the demographic landscape of many countries worldwide. She also underscored the importance of cold chain as means for eliminating food loss. She appreciated the diversity of the participation as it covers the entire regions of the OIC including Africa, Arab States and Central & South East Asia. She concluded her speech by thanking the TOBB for their warm reception, excellent arrangements and generous hospitality extended to all participants.

In his Opening Statement **Mr. Bahri Can CALICIOGLU**, Advisor to the President of Union of Chambers and Commodity Exchanges of Turkey (TOBB) expressed his appreciation and thanks to all the participants for attending this important workshop. Firstly, he introduced the TOBB, as it is the highest legal entity in Turkey representing the private sector. Today, TOBB has 365 members in the form of local chambers of commerce, industry, commerce and industry, maritime commerce and commodity exchanges in 81 provinces of Turkey, comprising the 1.5 million companies. He further added, TOBB President H.E. Mustafa Rifat Hisarcıklıoğlu, who attended the General Assembly and the Board of Directors meetings of the Islamic Commerce, Industry and Agriculture Chamber held in Muscat, the capital of Oman, was re-elected as Vice Chairman of the Chamber on 14 April 2017, this is the 3rd time in a row our ICCIA's esteem Board Members elected him it is a great honour for us and Turkish business world. Lastly, he focused on the agricultural sector as the agriculture sector holds the same importance as the energy sector. These two main sectors determine global policy. We witnessed this first-hand during the tensions between some countries. Turkey has no energy resources; but, just as important, it is very rich in agricultural resources. We have made significant investments into modernization as the 113 commodity exchanges have greatly increased the number of active exchange laboratories, authorized classification agencies and exchanges with livestock fields as well as providing service to producers, traders and industrialists in trading halls. Licensed warehousing will play an important role in Turkey becoming a major player in the global agricultural market.

Technical Sessions:

The first technical presentation was made by **Mr. Mazhar Hussain**, Senior Researcher, SESRIC, on **State of Agricultural and Rural Development in OIC Member Countries**, he highlighted the demographic trends, population, access to electricity, sanitation and water, road network density and poverty and poverty gap of the rural areas of the OIC countries. He further underlined the economic active agriculture population, agricultural employment, share of agriculture in GDP, agricultural resources and their use, agricultural productivity, agro-production index and agricultural trade balance of these OIC countries and compared it with other developed and developing countries. Food insecurity trends were also discussed and since 1990 share of undernourished declined from 22.3% to 14.9%. Through interactive participation the agricultural resources and potentials for the OIC countries were discussed as 36 OIC countries (19 of them least-developed countries) enjoy high potential at least in terms of abundance of one of the agricultural resources (agricultural labour force, arable land and water resources). Potential remedies were proposed in following areas like Agricultural Productivity, Agricultural Investment, Agricultural Logistics, Agricultural Skills Development, Sectoral Regulation, Governance and International Frameworks, Emergency Situations.

Dr. Mahmood Ahmad, Lead Trainer of the workshop, International Expert on Agribusiness & Value and Water Policy and Advisor & Research Coordinator, Shahid Javed Burki Institute of Public Policy (BIPP) made a presentation on **“Developing Economic and Trade Corridors in OIC Region”**. Developing countries are increasingly using corridors to develop their economies at large and agricultural sectors in particular. He emphasized on the growing role of corridors and underlined the development stages of corridors which include transport, logistic, trade and economic growth. He explored the new initiative: One Belt One Road (OBOR), highlighting the fact that of approximately 43 countries under OBOR, 25 countries are from OIC region. Within OBOR, three important corridors are being planned and implemented which are China Pakistan Economic Corridor (CPEC), China-Central and West Asia Economic Corridor (CCWAEC) plus India supported corridor in Iran. CPEC has global trade implications for Pakistan and OIC region. Area of concern was examined that among others included that National and Regional Chamber of Commerce & industry have key role to play and there is need to create right policies. Dr. Mahmood also highlighted Kazakhstan as an important country on the “Silk Road Economic Belt” and they have an initiative termed as “Road to Brightness” with the objective to build infrastructure such as highways, railroads, airports and energy facilities. He also identified the priority regions for commodities to be expanded and concluded that OBOR will bring investment in backbone and supportive infrastructure that will spur rural growth in OIC region.

Ms. Jennifer Smolak, Professional Officer, FAO Regional Office for the Near East and North Africa (NENA) made presentation on **FAO’s Approach and Experience to Food Loss and Waste Reduction in the Near East and North Africa (NENA)**. FAO’s strategic framework

includes helping eliminate hunger, food insecurity and malnutrition. FAO's approach to Food Loss and Waste (FLW) reduction exhibits potential for more feasible, quicker and less expensive way to increase domestic food availability as compared to increasing production. Saving food is a huge complex task and the participation of all stakeholders, chain actors, support organizations needed meaningful results. Whereas, FLW nature causes, solutions differ per regions of the world, therefore Global Initiative with regional focus and national implementation is required. The pillars to save food includes raising awareness, collaboration and coordination of world-wide initiatives on food loss and waste reduction, research to policy, strategy and programme development for food loss and waste reduction and support to programmes and projects, implemented by private and public sectors. She also focused on the way forward for Near East and North Africa (NENA). Food Loss and Waste (FLW) reduction which comprises of:

- Country-led process
- Multi-stakeholder approach
- Resource mobilization
- Monitoring and assessment

The session on **Role of Small and Medium Size Enterprises (SMEs) in Rural Turkey** was presented by **Mr. Halil AGAH**, TOBB Advisor, and Executive Director of the Federation of Consultants from Islamic Countries (FCIC). He examined the agricultural development, rural development & rural transformation of the country as Turkey has a huge potential in the region. The main targets for Turkey are to be among the top 5 countries in the world in agricultural economy, have an agricultural GDP of USD 150 billion, keep sustainable agricultural growth and have an agricultural export over USD 60 billion. He reviewed the role of rural SMEs' in value chain and its effect on competition advantage. The main rural SMEs are food and beverage production, food packing, textile leather processing and final products, wood and handcraft production, organic and ecologic fertilizer production, agri-equipment and machineries production, seed and seedling production and tourism & Catering. Whereas main themes of rural SMEs development for Turkey are development of competition for rural industry improvement of hygiene, storage and cold Change for the rural food industry, modernization of the existing rural business, creating alternative financial resources, preparation of the standards for the main products/services, post-harvest management on fruit and vegetable and enterprises organization of the producers and services providers.

A presentation on **Food losses and Its Impact on Food Security** was delivered by **Prof. Berte Kama**, Professor of Agricultural Economics, and National School of Agriculture. Food loss occurs when edible food products are lost, destroyed or discarded and degraded or consumed by pests at some stage during the food supply chain. He compared the causes of food loss for both developing and developed countries. By weight, fruit and vegetables have the highest levels of loss and waste globally at 44% of the total, followed by roots and tubers (20%). Meat, seafood and dairy have similar levels of loss, but due to their much lower levels of production, the overall loss is much lower than fruit and vegetables. Impact of food loss on economic, health and environment are

income reduction, less economic development & returns not maximized on the investment made in agricultural inputs, quarter of food crops contaminated with aflatoxins annually (FAO) & aflatoxins associated with a range of illnesses including liver cancer and cirrhosis, growth retardation and susceptibility to malaria and HIV/AIDS and burden on deforestation respectively. He also considered the application of the MAGNET model in Ghana in his presentation. Lastly, he identified the approaches for reducing food loss like small holder commercialization, better packaging, improving the cold chain, improving infrastructure, information technology, better data and forecasting, large retailer practices, financing, better regulations and education.

A joint presentation was given by **Ms. Yasmin Bali**, Head of Project (PT Mission-South West Bank, Action against Hunger|ACF) and **Dr. Mahmood Ahmad** on **Rural Development in Palestinian Territories-Food Security, Water & Market Nexus**. In Palestine, agricultural sector's contribution to GDP has been declining over the years. Agricultural land represents 15%-30% of the total area. The sector is an important source of employment, especially for women (13% of the Palestinian employees are women). Main challenges in Palestinian agricultural sector are the Israeli occupation, deteriorated status and inefficient use of water resources, contradictions and overlaps in authorities, weak institutional framework, and deteriorated status of the rangelands and biodiversity and weak mechanism. It was highlighted that most of the Palestinian products for domestic markets are not competitive in terms of quality compared to similar products coming from Israel and marketing strategies are still traditional. On food insecurity side, 1.6 million out of 3.8 Palestinians (27% of households) are food insecure; an additional 14% of the households are vulnerable to food insecurity. Dr. Ahmad emphasized the water related issues such as water pricing issues, low water productivity and declining springs as source of water. A case study on Value Chain Approach using Potato (Gaza strip) was discussed during the session. They concluded that agriculture/water/marketing nexus remains an important source of livelihood for the Palestinian people and in future agriculture has to produce more with less water "More crop per drop".

Ms. Jennifer Smolak made a presentation on **Infrastructure Issues in Value Chain Development: FAO Experience from the Near East and North Africa**. Sustainable food value chains paradigm starts from the premise that food insecurity is a symptom of poverty. A sustainable food value chain is profitable throughout (economic sustainability), has broad-based benefits for society (social sustainability) and shows a positive or neutral impact on the natural environment (environmental sustainability). She put into discussion the example of Value Chain development in Noubaria, Egypt a case of grapes and tomatoes. She also analyzed the market-based solution which is a commercially oriented solution that addresses business constraints in a sustainable manner and by creating organization of the producers and services providers. Innovative ways to link small farmers to markets may also need to adopt good practice, knowledge/experience exchange, share fair/study tour.

The session on **Development and implementation of e-trading and Agri-Financing, Marketing and Communication Strategy** was presented by **Ms. Zarmeen Hassan**, Strategic Projects Specialist, Pakistan Agricultural coalition (PAC). PAC is a non-profit incubator which

aims to transform Pakistan's agriculture. Pakistan's agriculture must become private sector-led, technology-driven, entrepreneurial, and globally competitive. Firstly, she discussed the e-Trading Platform - Preserving / Standardizing quality from farm to factory and the challenges faced by the farmers and the private sector. The case of 'Dandicut' red chilies was part of the session that highlighted the technology being promoted to make commodity to international requirement. She also proposed the pilot of trading platform for this. Trading platform will benefit farmers in many ways like higher quality & higher price, timely & secure payments to farmers, enabling them to sell from their location, connectivity to many farmers and potential for exports directly from production areas. Secondly, she discussed Agri-collateral manager service and its challenges for farmers and private sector. Broader benefits of scaling up modern agri-warehousing are reduction of wastage in storage, conduit for capital to enter rural economy and documentation of agricultural economy were also part of the session. The session was concluded that it is important to work with all levels within the organization and private sector champion is critical for success. There must be a presence of an eco-system for scale up.

Mr. Ömer Serdağ TOKLU, General Secretary Consultant, TOBB, presented on the **Role of Information Technologies (IT) - Commodity Exchange in Production and Service Delivery**. Companies using IT efficiently and are having more advantages in sustaining, enlarging, diversifying their business. IT networks ease the life in many ways like improvement in overall business workflow, provide instant tracing & evaluation, decrease the operating cost and enables secure storing of data etc. Commodity Exchange should invest in IT to catch up the developments in business world. These investments should be in these specific areas that are hardware & networks systems and application software. The session was concluded with the outcomes of deploying IT Applications in Commodity exchanges. Country's production and sell database of commodities will be maintained by using such IT applications. Statistics produced from this database can be used as one of the main inputs in defining country-wise or regional agricultural and farming policies. It will help to develop fast and secure business workflows for CE's.

Mr. Najmuddin Tahiri, Regional Program Manager, Sustainable Economic Development and Employment Promotion (SEDEP), had session on **Economic Development through Value Chain Promotion in Afghanistan**. The session started with the brief introduction of Afghanistan. In Afghanistan opportunities for SMEs exist in following core sectors: Agribusiness-industry, textiles and garments, mining and construction. Sustainable Economic Development and Employment Promotion (SEDEP)'s objective is line with the objectives of the Afghan-German Country Strategy i.e. "Employment and incomes have risen in the economic sectors promoted in northern Afghanistan". He further emphasized on the working of the SEDEP and its achievements as of 2016. 1044 permanent jobs and 2977 seasonal jobs were created. Of the 16,700 trained enterprises 56% confirmed that SEDEP contributed to an income increase.

Ms. Tabeer Riaz, Research Associate, Shahid Javed Burki Institute of Public Policy, presented on **Rural Development: Key Role of Agriculture and Water in Pakistan**. It mainly covered the firstly the deep reforms and structural changes for Agricultural Sector, than addressing Agriculture Related Water Management Issues and finally the Agricultural Exports lead growth. A discussion was carried out on Incentive structure financing the farm sector as output price decreased, whereas the input cost increased two to three times. Key reform areas were proposed included Seed Policy Reform, Research and extension with climate change, Market reform and Right Prices and Policies. An Interactive discussion was carried out on Indus Basin irrigation system.

A presentation on **How to use Public-Private Dialogue Council (PPDC) – To improve Business Environment of Agricultural Industries in Iran** was given by **Mr. Mohsin Ameri**, Executive Manager, Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA). PPDC has established and became permanent from 2011 with these two laws: Law for the 5th development plan of Iran (2011) and Law for the Continuous Improvement for Business Environment of Iran (2012). Its duties and powers are as follows:

1. Dialogue between Government and Private Sector
2. Facilitate Business Activities for Private Sector
3. Identification and Troubleshooting of Barriers in Business Environment
4. Decision Taking, Regarding the Laws, Rules and Regulations
5. Suggest Effective Solutions to the governmental executive organizations

Some recent achievements by PPDC in the field of Agriculture are empowering Iranian producers of fertilizers and toxic pesticides to compete with foreign producers, especially Chinese, encouraging farmers to produce better quality products for the industries who need it and making government (Sanitation Ministry) to recruit veterinarians itself and pay their monthly salary.

Country Presentations

The participants from Pakistan, Sudan, Tunisia, Kyrgyzstan, Indonesia, Malaysia, Tajikistan, Jordan, Uganda and Niger also presented country cases to highlight issues/constraints within different segments of the Key Infrastructure Development for Rural Growth and provided suggestions to develop or upgrade the infrastructure and enhance growth.

The participants discussed the concepts and potential of domestic and global value chains for OIC countries. They discussed the broad value chain types, their importance, rise, apparel value chain and its stages of upgrading. The success cases from OIC including Bangladesh, Turkey and Pakistan were highlighted.

Dr. Mahmood Ahmad mentioned the concepts and potential of domestic and global value chains for OIC countries. He discussed the broad value chain types, its importance, rise, apparel value chain and its stages of upgrading. He highlighted the three cases from OIC, highlighting good progress made by Bangladesh and presented Turkey as success story, whereas in Pakistan, very little has been done to be part of value chains.

The delegate from **Sudan, Dr. Mohamad Saad Ali Bayumi** highlighted the Natural resources of Sudan, its component of development, major sources of economic growth including Agriculture, Industry and services sector. He discussed the farming system and status of agriculture in detail.

He also talked about the rural development of Sudan, its strategies, structure, program, challenges and achievements.

The speaker from **Tunisia, Mr. Haouari Nabil** presented the rural development and natural resources of Tunisia, its goals and design, implementation and institutional issues. He also highlighted the promotion of sustainable agriculture and rural development and its challenges.

Ms. Lira Kasymbekova from **Kyrgyz Republic** highlighted the National strategy of Sustainable Development, the regions of Kyrgyzstan, economic indexes, progress in poverty reduction in rural and urban regions, policy of polarized development, infrastructure development and agriculture sector of Kyrgyzstan.

Mr. Aamer Ata Bajwa, Senior Vice President of the Federation of **Pakistan** Chambers of Commerce & Industry (FPCCI) presented the Infrastructure Development for Rural Economic Growth in Pakistan: Policies & Strategies. He highlighted the major socio-economic problems, emerging issues, suggested specific strategies and policy actions. He also proposed the potential and future prospects for sustainable development. He said that Rural economic growth is ideally suited to build on the strength of traditional skills and knowledge through infusion of technologies, timely provision of capital as well as innovative marketing practices.

The delegate from **Indonesia Ms. Irawati Hermawan** presented the progress made in Infrastructure development in Indonesia. She discussed the Targeted sector for National Development including midterm development plan, Indonesia strategy to boost targeted rural development. She also discussed the Government Strategic Approach including infrastructure investment needs, prioritization of projects, and reformation of infrastructure delivery ecosystem; prioritize sectors for rural development, promotion of Investment through PPP schemes.

The speaker from **Malaysia Mr. AG Ismadi AG Ismail** presented the Rural Development in Malaysia. He highlighted the transformation in agriculture for rural area under National Blue Ocean Strategy. Moreover, he discussed development at Sebobok Village, Bau, Sarawak, development at Gedong Village, Simunjan, Sarawak, development at Kampung Gajah, Parit, Perak and MARDI Agro Technology Park, Langkawi, Malaysia.

Mr. Muhamadi Muminov, Chairman of Managing Board and Executive Director, Non-Commercial Cooperative “SAROB” from **Tajikistan** discussed the development of private extension service. Their approach for the development was Individual Advisory Service. SAROB has developed an unprecedented network of active agronomists throughout the country enabling the organization to promote innovations for the benefit of greater number of farmers and achieve larger outreach within shorter time frame with low investment.

Mr. Sabrie Al-Dalae'n, Chairman of Karak Chamber of Commerce and Board Member of **Jordan** Chamber of Commerce said that Rural Development is part of the Comprehensive Development which includes Economic Development, Social Development, Agricultural Development, Rural Reform, Rural Community Development and Integrated Rural Development. He proposed several mechanisms for activating rural development, such as the public participation in financing Rural Development and local resources as well as supporting the role of NGOs in rural development and the role of women & youth. He also highlighted that the National Strategy for Agricultural Development in the Hashemite Kingdom of Jordan for the years 2016 and 2025 identified the most key features and practical plans for achieving development and growth in the agricultural sector and rural development.

Ms. Namiro Namagembe Haawa, Exports and Marketing Officer from **Uganda** gave an overview of the country and the rural development and concluded that despite the tremendous work done towards rural development, Government does realize the need for more work especially in relation to infrastructural development. Government continues to prioritize programmes aimed at rural development programmes – such agricultural development (eg. Operation Wealth Creation).

Mr. Boureima Wankoye, Representative of the Chamber of Commerce & Industry of **Niger** gave an overview of the country and Biocarbon Initiative Planting Project. He explained that the objective of the project was to manage gum sell, agroforestry products and carbon credit, fruit belong to village clusters. He highlighted the achievement made through this project is that the restoration of 2787.87 ha of land and planting of about 7.6 million trees and production of gum: 1021 kg in 2016. Another achievement is creation of temporary employments for 71,487 youth & women.

Closing Session

At the end of the workshop a closing session was held, in which all the resource persons gave a summary of their presentations. The participants gave their views on the proposed recommendations and various issues were discussed. At the end of the session certificates were distributed to the participants.

Conclusions and Recommendations

The workshop called upon the ICCIA to submit the Report of this Workshop and its recommendations to the General Secretariat of the OIC and the COMCEC to take note of the recommendations and to request for onward submission to relevant Ministerial entities for their consideration.

Conclusions:

1. The workshop was able to invite a group of participants with enormous experience on the topics covered in the workshop and overwhelming interest in the subject. If we look at the profile of the trainees and deliberation of the workshop it very well covered the hardware part that covered the back bone and supporting and software part of the rural infrastructure that included institutional reforms and improved governance.
2. The workshop also provided clear flow of information and knowledge among countries of OIC region. The participation of FAO, SESCRI and TOBB made our workshop technically sounder in addressing the issues at regional and OIC levels.
3. The workshop noted relatively a better progress within OIC countries in developing hardware infrastructure, but highlighted that considerable work still needed to be done in institutional reforms and improving the governance using new innovative ideas.
4. A number participant reemphasized that by improving both soft and hard infrastructure in the entire commodity markets would key to reduce food loss, transaction cost, strengthen rural-urban linkages, and building capability is a key of any strategy in OIC countries.
5. Majority of OIC members' countries discussed at length, the positive and negative role of middleman as he carries considerable market power for both producers and traders. The session highlighted that small farmers are caught in a vicious cycle of low appetite for investment due to inherent risk in agriculture, resulting in low productivity and market orientation. The result being that there is hardly any value addition and brings low returns. Further, small farmers depend on middleman for access to critical services (extension and financing), in the absence of alternative options, as he is providing a service linking farmers to the markets.
6. The various business model of linking farmer/farmer group exist that include: domestic trader (with or without external catalyst); Wholesaler; Retailer (direct or through wholesaler or agent) Exporter (with external catalyst or developed by participants themselves) and Agro-processor (initiated by the processor, with an external catalyst or facilitator or initiated by the government). But very few countries have been successful in scaling up and showing an impact.
7. Uganda experience pointed to a case where linking farmers directly to the exporter has resulted in minimizing his role. On the other hand, participant from Cote d'Ivoire believed ground realities are different in many countries and middleman still carries a dominant role and will continue to do so till a more feasible option are promoted that can be scaled up.
8. FAO supported by other participants suggested a market-based option - a commercially oriented solution that addresses business constraints in a sustainable manner and by creating organization of the producers and services providers. Innovative ways to link small farmers to markets may also need to adopt good practice, knowledge/experience exchange, share fair/study tour.
9. The workshop noted that IT based support to link farmers with the markets is lacking and be promoted. The use of mobile phones in the rural areas is growing and opens up the possibility to disseminating information on adopting good agriculture practices and on input and output prices.

10. A proposal came from the participants that as rural development issues varies from region to region, a subregional approach be adopted to assess what has been done, what needs to be done to make a business model inclusive and scaleable. Turkey experience presented a good model as a guideline for future work at national and subregional levels.
11. It was also suggested to set up an OIC market intelligence body to deliver market/export trends and enable the players in the agricultural sector to export to key countries. This body should also help connect
 - To buyers
 - Package products
 - Enable agricultural sector to export
12. Uganda noted that the share of agriculture GDP is declining in most OIC countries, reflected a less than desirable importance being given to the agriculture sector. However, it was pointed out experience of developed countries show as economies grow, agriculture sector share declines while share of industry and service sectors are expected to grow. The important point is to improve factor productivity of agriculture over time.
13. An observation and suggestion from Pakistan was made that corridors in Africa and Asia are becoming a platform for boosting trade flows, because of the growth and strengthening of regional institutions, and the development of shared experiences and sense of community that increases trust, as well as their ability to deliver jointly regional public goods and services. The OIC countries are less responsive to these opportunities. OIC countries can increasingly develop energy and agro corridors to develop their economy at large and agricultural sectors in particular. These corridors promote inclusive agribusiness growth, building on a linear agglomeration of people and activities along existing transportation infrastructure.
14. The workshop again brought attention to the water issues in OIC countries. Agriculture uses a major share of water in the region, wastes the most, and pays the least. With climate change and demand from other competing use on the rise, most viable and cost effective approach would be to rationalize water use in agriculture. This would require improving productive (more crop per drop) and allocative efficiency (more value per drop) of water use.
15. For OIC region ground water is an excellent water bank/storage for rural areas for agriculture and domestic supply but has been misused as groundwater use exceeds sustainable recharge in most OIC countries resulting in overexploitation and aquifer depletion affecting agriculture sustainability.
16. Several OIC countries lack data on agriculture and rural infrastructure, which hinders an accurate analysis of the challenges and opportunities in this sector. In this regard, MCS must benefit from the various capacity building programs offered by various OIC institutions like SESRIC, IDB and others.
17. The potential eco and agriculture tourism was highlighted. It was suggested to promote off-farm activities and employment generation in agro tourism, industrial and services sector. Agro-tourism, ecotourism, “Muslim Friendly” tourism; creating value in tourism through the rural experience

18. The Palestine participant suggested keeping interaction of communication between OIC members in the term the progress that will achieve in building sustainable rural development for example; each OIC member to send annual update about the current projects and programs.
19. It was agreed to create a virtual working group, to keep in touch for follow-up, share related information, expertise and to also look into the possibility to define a topic and to discuss on a regular basis.

Recommendations

The Workshop focused on the hardware infrastructure (Roads, Irrigation, cold chain development etc.) to software infrastructure (institutional and governance reform) in rural growth and the issues that are being encountered by the various components of the rural corridors being planned and implemented in the OIC region. Based on the presentations and the discussions, the following recommendations were adopted:

1. Through further interaction with the participants of this and previous two workshops, develop an action plan to implement with the support of appropriate donors, where clear need for action at national and regional levels has been identified. For example, enact policies to rationalize water use in agriculture.
2. Where further deliberations are needed on the issues that came under discussions, organize sub regional workshops (in four regions of OIC), support under taking studies/ pilots (Pakistan, Afghanistan and others) to assess their implementation and scalability. For example most appropriate business model for creating market linkages for progressive and small farmers taking the case of Turkey as good model.
3. Initiate cooperative action to promote regional corridors development in OIC countries. It is important and timely to assess as to how agriculture and rural economies can benefit from huge investment envisaged by Chinese and other donors.
4. To raise awareness on the potential of eco and agriculture tourism in selected countries of OIC region. With Economic corridor being planned and implemented it is envisaged that better access to rural area should tap the huge agriculture and water sites that can generate enormous revenues through tourism, the Kohorakrum Highway being upgraded in Pakistan has the potential to be eighth wonder of the world.

