PROGRESS WITH THE MAIN PHASE OF PIGA

The Partnership for Investment and Growth in Africa (PIGA) is a partnership of the government of the United Kingdom Department for International Development (DFID), the China-Africa Development Fund (CADFund), the China Council for the Promotion of International Trade (CCPIT) and the International Trade Centre (ITC). PIGA's objective is to increase exports, jobs and local development through foreign investments and business partnerships in the agro-processing and light manufacturing sectors in Ethiopia, Kenya, Mozambique and Zambia. After a year of a Scoping and Design Phase (December 2015 to March 2017), PIGA Main Phase was launched in May 2017.

Find out more on the [PIGA website](#).
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PIGA B2B EVENT HANGZHOU, CHINA

PIGA seeks to assist selected companies in Africa to attract investment by Chinese companies as a way to promote national prosperity, economic growth, job creation and – perhaps most importantly of all – a significant rise in living standards. That’s why PIGA is committed to bringing Chinese investors and African companies together at its Business-to-Business (B2B) networking events.

The April 2018 B2B conference in Hangzhou, China matched up more than 70 African and 80 Chinese companies with complementary profiles and interests. In line with PIGA’s core commitment, the focus for the highly successful two-day event was exploring business and investment partnerships in the agro-processing and light manufacturing sectors. 475 one-on-one meetings took place. In addition to the 376 pre-arranged meetings, approximately 100 on-the-spot bilateral meetings were also arranged.
With both plenary and practical sessions on key themes, the conference was designed to foster exchange of knowledge and experiences, establish new business linkages and to expand professional networks on both sides. African business people learnt about Chinese investors’ interests and requirements, coming away with a better understanding of Chinese business culture. Technical support, in the form of helping African companies and Investment Promotion Agencies (IPAs) prepare for business negotiations with Chinese companies and pitch their business proposals, was provided by ITC technical experts ahead of the event.

As well as the one-on-one meetings, a dedicated pitching session showcased six large investment projects to Chinese investors. In plenary sessions, attendees learnt about the advantages and opportunities for investing in the four African countries and heard from Chinese companies that have already invested there.

Commenting on the Hangzhou event, Mr. Ashish Shah, Director, Division of Country Programmes ITC said: “Africa is a continent on the rise. Africa has grown tremendously and is now without doubt a place to do business. While many think they know enough already, only some realize the potential. Productivity is increasing, and markets are growing. At PIGA, still a new innovative partnership, we want to make this development sustainable and beneficial for all involved.” For more information about the Hangzhou conference, please see the event report.

Key results from the PIGA B2B Event in Hangzhou:

- More than 475 one-on-one meetings.
- On top of the 376 pre-arranged meetings, approximately 100 on the spot bilateral meetings.
- $235M of investment discussed between companies as reported by companies.
- Of that, 30% of businesses discussed an investment figure between $1M and $5M.
- A further 16% of businesses discussed an investment figure over $5M.
- 86% of participants indicated an interest in future PIGA B2B events.
- Three MoUs signed between CCPIT and the Kenya Investment Authority (KenInvest), the Zambia Development Agency (ZDA) and the Agency for the Promotion of Investment & Exports (APIEX) of Mozambique.

The PIGA B2B Event in Hangzhou gathered 400 participants from China and Africa, including:

- The Vice Mayor of Hangzhou city.
- 250 business people from 120 Chinese companies, 92 business people from 76 African companies, and 29 business people from 14 UK companies interested in business partnerships.

GENERATING INVESTMENT BY IMPROVING INVESTMENT PROPOSALS

The success of Hangzhou was based in large part on the highly specific training and preparation undertaken months before the event. ITC experts assisted the companies with their business and investment proposal and brochures. PIGA also organised two days of workshops in each of the PIGA countries to train future event participants about initiating investment partnerships with Chinese companies and the detailed requirements to make the business meetings a success. Training topics consisted of:

- How to select a business partner
- Understanding the managerial, financial, and legal implications of welcoming an investor into the company
- Understanding Chinese culture
- How to pitch an investment project

These preparatory workshops gathered at total of 113 representatives. With hands-on coaching followed by practice sessions, business managers presented their investment proposals and received invaluable feedback from ITC staff and investment experts. As well as finalising investment brochures for some Small and Medium-sized Enterprises (SMEs), the training fostered knowledge-sharing, discussion, and collaboration between businesses and local institutions. The training was welcomed by all participants, with calls for similar sessions in the future.

PIGA's work to encourage direct investment runs in parallel with another major focus: to attract investment by improving services to investors. The ITC experts therefore undertook assessments of the four IPAs in November 2017 which, by developing an improvement roadmap for each of them, will allow the four countries to better service investors.

PIGA then held a five-day regional training programme in March 2018 to cover common themes that had arisen from the assessments. Taking place in Maputo, the 23 participants on the programme were hand-picked to receive training in order to bring reform to the IPAs. The training centred around creating a customer-focused service across all phases of investment. It also sought to inculcate a high-performance culture, a healthy investment climate, and the basics of performance tracking. Crucially, it also had a special emphasis on the unique investment context of China.

LEARNING TO DEVELOP A TAILORED APPROACH FOR CHINESE INVESTORS

Drawn from the discussions of the Maputo workshops, coaching and advice was provided in April 2018 on the lifecycle of working with a Chinese investor, from prospecting through to aftercare. The coaching highlighted ways in which Chinese investors take decisions differently to other investors. The coaching was based on the hands-on experience of the coaches and contained practical advice. These sessions included in-house coaching for APIEX, EIC, KenInvest and ZDA staff responsible for Chinese investors, as well as drawing up improvement workplans for integrating specific Chinese customised services for the four countries, developed by the IPAs. These sessions also allowed dedicated preparation for the Hangzhou conference a few weeks later.

FACILITATING INVESTMENT THROUGH TECHNOLOGY: ONLINE BUSINESS PLATFORMS

PIGA is also ensuring that technology can help attract greater investment. To that end, ITC experts have begun the work with dedicated IPA staff to establish online business platforms, as part of the existing IPAs websites. Tailored for a Chinese audience,
the platforms will showcase local business sectors and clusters attractive for foreign investment, provide key information on the investment opportunities and climate, make visible and easily available all information on conditions and procedures related to investing in the beneficiary countries, and increase the clarity and predictability on processes for investment. The coaching sessions were held for relevant technical IPA staff in November 2017 and May 2018. They served to define and validate the content for the portal and created a workplan for content generation of each website.

EVALUATING INVESTMENT POTENTIAL TO ADVISE INVESTORS

A five-day workshop was held in the capitals of each of the four countries in March and February 2018 to enhance capacities of IPAs and other trade and investment supporting institutions to advise Chinese investors on export and investment opportunities in the country. There were numerous exercises on potential investment indicators, market access and export mapping, as well as on product diversification in the existing value chain.

Participants worked in groups to evaluate the export and investment potential of a promising product for their country, and presented their work to all participants at the end of the week. Thanks to this hands-on approach, attendees from IPAs have reported that they are now better equipped to conduct their daily tasks, specifically with regards to preparing investment proposals and conducting supporting analysis.

PIGA followed up with the training participants after the workshop to ascertain to what extent and precisely how they were employing their new skills. According to the feedback received, the impact of the training differs in each country. In Ethiopia, participants are using their skills to evaluate investment gaps in textile and garment products and to identify opportunities and suppliers for local value chains. In Kenya, IPA participants from regional offices have reported using the ITC tools and approach to evaluate several investment proposals in their region. IPA staff in Zambia are using the tools in their advisory services to local SMEs. Mozambique reported using the tools and methodology in their daily assessment of investment potential of agricultural products such as sugar cane, rice, maize, potatoes as well as raising poultry.

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Developed jointly with the IPAs and local experts, PIGA produced three sector-focused national investment guides - for Kenya, Mozambique and Zambia - to promote, generate and facilitate investments. These guides, including the existing Ethiopian guide, have been translated into Chinese and were disseminated during the PIGA B2B Event in Hangzhou. The investment guides highlight favourable national policies, incentives and macroeconomic factors to showcase opportunities to investors in the light manufacturing and agro-processing sectors.

The guides include a detailed section on the step-by-step regulations and procedures that an investor needs to comply with, such as the procedures to start a business, register with tax authorities, arrange work permits, obtain construction permits, open a bank account and so on. For each step, there is detailed information on the agencies that are involved in the procedures, the requirements that need to be fulfilled, and the time and cost. This information is extremely important for investors not only when executing investment transactions but also while making investment decisions.

To promote and generate investments, the guides provide an overview of the country profile, trade and currency performance, investment opportunities, challenges, risks and major reasons to invest. They also contain strategic information such as
economic facts, the cost of operating a business (for instance, electricity and transport costs) typical wages paid to employees and relevant investment incentives to help in the investment decision in various business activities.

Sustainable and responsible investment practices are becoming increasingly important for adding value to products and connecting with international markets. To this end, PIGA staff undertook a sustainability survey in March 2018, meeting ten companies or organisations in each country, including Chinese and UK companies. The study identifies current sustainable investment practices and best practices as well as making several recommendations for increasing sustainable investment for relevant stakeholders.

While there were some differences in the responses between the countries, the overall approach to sustainability was very similar and the conclusions align across each country. The report provides a look into the sustainability aspect of business investment from China into Kenya, Ethiopia, Mozambique and Zambia. 58% of companies suggested they would welcome assistance with capacity-building, 38% with access to finance and 33% with government support. Companies were very keen to receive ‘more information and guidance to implement sustainability practices and ‘more coordination among government institutions.’

The findings will inform project interventions towards building awareness and capacity to incorporate sustainability into one of the most rapidly expanding and influential sources of economic development in Africa.

- "谢谢ITC给我们提供的平台，让我们更多了解非洲国家和企业，也希望我们的活动能够得到你们的帮助 Thanks to the platform provided by ITC, we learned more about African countries and enterprises." - CCPIT Zhejiang Sub Council.
- "I would like to take the opportunity to say thank you to ITC. We had a great meeting, please keep us informed, to join hand in hand to create a " longer BELT and wider ROAD." Once again, thank you to the organizers, participants, volunteers, and hope to see you all again. Good luck, good health, best wishes to you all, dear friends." - Unitex Industry Ltd.
- "感谢ITC 感谢贸促会 感谢杭州投促局 感谢piga各国使馆和相关机构 感谢各位嘉宾分享。收益颇多会议效果很好. Thank you ITC, thanking the Hangzhou Investment Promotion Bureau, thanking the African Embassies and related institutions. Thanks for distinct speakers for their sharing. A lot of benefits, the outcome of the meeting is very good." - Tianjin Bene-Kind Tech Co. Ltd.
- "Thanks to all the facilitators of the event for the successful coordination you have done. It was really very good opportunity to participate in such event. I hope our connections will be changed to fruitful concrete business partnerships and soon we will see the outcome of this event. I wish you all the best until we meet in a similar event." - Damtachew
Biazen from Ethiopia.

- "This is a good communication platform. We hope that we can achieve more cooperation projects through this platform.” - Weifang Zhulian Tianxia Co. Ltd.

- "We met many Chinese corporates including small enterprises and large group who are doing or willing to develop business in Africa, some of them know us well and are discussing on the cooperation details, especially some companies who may have bidding in Africa, we are talking on the bid bond, as one stop guarantee is our strong point based on our strong network.” - Standard Chartered Bank.

- "We much appreciate the organizer for the excellent event and excited to participate in, and hope to see more such similar activities.” - Jiawang Plastic Co. Ltd.

- "I should first congratulate you for organising such a successful event, as well as thank you for partnering with CBBC on this.” - China-Britain Business Council.

E-LEARNING COURSE
After a successful face-to-face training on “Chinese Business Culture” that was delivered by ITC’s experts to African business owners seeking investments, the training will be transferred into an online e-learning course, in order to be disseminated to more businesses and institutions in the four PIGA countries. It will reach more actors in the private sector, and also be used for and by local institutions. It will consist of both theoretical courses and practical knowledge sharing in the form of case studies and exercises, and will cover topics such as “Chinese business etiquette”, “Do’s and Don't’s within Chinese business culture”, “Meeting a Chinese business for the first time”, “Preparing to receive visits from Chinese businessmen”, and many others. The private sector and local institutions in the four PIGA countries will come away with a better understanding of Chinese business culture, and will dramatically increase their chances of attracting investments.

LARGE PROJECTS PREPARATION
In order to generate investments in the four PIGA countries, the project will increase its focus on attracting more investments through green field projects. ITC will work together with local institutions and large investment project promoters in the four countries to identify, select and prepare investment greenfield projects. The work will entail a transfer of skills to local institutions and large investment project promoters to select most suitable and attractive projects, to prepare professional feasibility studies and solid business plans, as well as preparing necessary marketing materials targeted at specific groups of investors. The final step consisting of a training in negotiating and presenting projects to potential investors. Meetings between investors and the promoters will take place during PIGA side-events and B2B meetings, with a view to presenting and negotiating the prepared projects.

MISSIONS OF CHINESE BUSINESS DELEGATION TO ETHIOPIA AND KENYA IN AUGUST 2018
15 potential Chinese investors will visit Ethiopia and Kenya during the last week of August. Led by the China Chamber of Commerce for Import and Export of Textile and Apparel (CCCT), the investment mission will allow the investors to explore the
business environment and textile production capacities in Ethiopia and Kenya. Another delegation of 30 Chinese investors will visit Kenya under the lead of the China Chamber of Commerce for Import & Export of Medicines & Health Products (CCCMHPIE). PIGA will support these investment missions by facilitating face-to-face discussions with senior government officials, including IPAs, sectors and industry associations. Field visit to factories and meetings with local companies will also be arranged.

INVESTMENT PROMOTION MISSION TO CHINA
The PIGA Investment mission in China will be undertaken from 4 to 8 September 2018. It will provide to IPAs of Ethiopia, Kenya, Mozambique and Zambia the opportunity to promote investment in their countries during the PIGA side-events organised on the side-line of three majors investment events in China: the FOCAC Beijing Summit, the “Jing-Jin-Ji International Investment and Trade Fair 2018” and the China International Fair for Investment and Trade (CIFIT). The PIGA side events will aim at promoting the four countries for Chinese investment and facilitating networking between investment promotion agencies from those countries and Chinese counterparts.

FOLLOW-UP ON INVESTMENT LEADS
The PIGA events have enabled Chinese and African companies and institutions to discuss potential investment partnerships. The leads generated, especially through the B2B events, are monitored through follow-up communication with Chinese and African companies. PIGA provides tailored advisory support to the companies involved for pursuing and materialising the leads.