



PIGA NEWSLETTER

PARTNERSHIP FOR INVESTMENT AND GROWTH IN AFRICA

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WHAT IS PIGA?

The Partnership for Investment and Growth in Africa (PIGA) is a new partnership of the Government of the United Kingdom of Great Britain and Northern Ireland's Department for International Development (DFID), China-Africa Development Fund (CADFund) and the International Trade Centre (ITC). Under this new partnership, DFID, CADFund and ITC will deliver a project to develop export-oriented manufacturing in Africa by helping companies overcome export constraints.

PIGA was launched on 22 October 2015 in London on the sidelines of Chinese President Xi Jinping's state visit to the United Kingdom. The goal of the project is to increase exports and sustainable incomes of people living in poverty in Africa, through increased investment and greater integration of small and medium-sized enterprises (SMEs) into global value chains in the manufacturing and agro-processing sectors.





PIGA – NEW PARTNERSHIP FOR GROWTH IN AFRICA

Messages from ITC, DFID and CADFund on a new partnership aimed at enhancing investment and job creation in Africa.

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ITC TO PLAY CENTRAL ROLE IN UK-CHINA INITIATIVE TO BOOST AFRICAN TRADE, INVESTMENT AND JOBS

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ITC TO SUPPORT JOINT CHINA AND UK EFFORT TO CREATE JOBS AND GROWTH IN AFRICA

ITC is joining efforts by China and the United Kingdom to reduce poverty through job creation and boost growth in Africa.

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PIGA SENSITIZATION MISSION TO AFRICA

ITC conducted sensitization missions in Ethiopia, Kenya, Mozambique and Zambia from 21 November to 4 December 2015. Stakeholders expressed their strong support for PIGA as a relevant and timely project.

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CHINESE FIRMS EXPLORE INVESTMENTS IN FOUR AFRICAN COUNTRIES AT ITC- ORGANIZED SEMINAR

ITC organized a seminar on investment promotion in Ethiopia, Kenya, Mozambique and Zambia in Tangshan, Hebei Province, China, on 25-26 February 2016, bringing together 90 Chinese companies interested in investing in these countries.

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WHAT'S NEXT?

ITC will organize the Forum on Chinese Investment for Sustainable Trade and Economic Growth in Africa, to be held in China on 31 May -1 June 2016.

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For more information, contact us at:
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PIGA – NEW PARTNERSHIP FOR GROWTH IN AFRICA

MESSAGE FROM ARANCHA GONZÁLEZ, EXECUTIVE DIRECTOR, ITC



In 2015, the governments of the United Kingdom (UK), China, Ethiopia, Kenya, Mozambique and Zambia launched the new Partnership for Growth in Africa (PIGA). PIGA is focused on building productive capacity, raising incomes and creating jobs through trade and business development.

I am pleased that the UK Department for International Development and the China-Africa Development Fund (CADFund) have chosen the International Trade Centre (ITC) to be their implementing partner for PIGA, as officially announced by the UK Secretary of State for Development, Justine Greening, and the China Development Bank Chairman, Hu Huaibang, during the formal signing event in London in November 2015. I thank the UK and China for this show of confidence.

PIGA will leverage ITC's more than fifty years of experience in delivering trade-related technical assistance, capacity building and trade and investment market intelligence to benefit small and medium-sized enterprises (SMEs), trade and investment support institutions (TISIs) and policymakers.

The UK and China are both major providers of assistance to Africa. And both agree that the private sector must ultimately drive growth. SMEs are the missing link for this growth to be inclusive. When SMEs are able to access new investments, build trade capacity and skills, and when they are empowered to become more competitive and connect to international markets — in a nutshell, when SMEs trade — they generate more and better jobs.

But there are barriers that often prevent SMEs from fulfilling their potential and PIGA will seek to address some of these challenges. ITC's approach will be market and business-driven, focusing on creating more and better jobs in Africa. We will work with African, Chinese and British entrepreneurs to increase sustainable investments in productive sectors with high potential for export promotion and job creation in Africa. ITC will develop export-oriented manufacturing in Africa by helping companies overcome constraints to export success and integrate into international value chains. Important aspects of this work will be to tackle constraints faced by exporting SMEs such as inadequate market information, weak supply-side capacity, regulatory barriers, and obtaining access to new foreign investment, with a particular focus on Chinese investment.

Now that the partnership has been officially launched, it is the time to start implementation. PIGA started in November 2015 with a one-year scoping and design phase. During this period, ITC will be conducting extensive consultations with key stakeholders including TISIs and the private sector in the four African partner countries, as well as with existing and potential investors from China.

ITC looks forward to this new partnership which will demonstrate the importance of South-South trade and investment and trilateral cooperation, and will contribute to inclusive and sustainable growth in the partner countries. We hope that this will be a successful model that we can scale up in the future.

MESSAGE FROM DAVID KENNEDY, DIRECTOR GENERAL FOR ECONOMIC DEVELOPMENT, DFID



Africa has experienced high and sustained growth in the past decade. Despite this positive trend, progress in reducing poverty and creating jobs, particularly for young people in Sub-Saharan Africa, has been limited. In order to achieve the transition to higher productivity and more inclusive growth, Africa needs manufacturing and agricultural investments anchored in export markets.

DFID is responding to this need by increasing substantially its focus on economic development, including through bilateral programmes in 18 African countries. This work aims to strengthen the enabling environment for private sector-led growth, catalyse investment and trade in frontier markets, engage with businesses to maximise the development benefits of their investments, and ensure that growth is inclusive and benefits poor people, women and girls.

China's own economic transformation offers a great opportunity for lower income countries, including Sub Saharan Africa, to transform their own economies through greater integration into China's industrial value chains. The process of relocation or "offshoring" of labour-intensive activities from China to Africa is still in its early stages however, and faces numerous barriers. The Chinese government for its part is actively seeking to promote increased FDI to Africa, with the China-Africa Development Fund playing a key role.

PIGA provides a strong platform for the UK and China to work together, in a complementary way, to more effectively pursue our shared goal of promoting investment and industrialisation in Africa and maximising local development benefits. It is a key initiative under the UK-China Partnership for Development Cooperation launched during President Xi Jinping's state visit to the UK in 2015. ITC will play a vital role in facilitating PIGA, contributing its experience and expertise in aid-for-trade and sustainable development.

I look forward to PIGA delivering tangible benefits for Ethiopia, Kenya, Mozambique and Zambia in terms of increased investment, job creation and exports. I believe it has great potential to produce long-term benefits for local economies and businesses through increased domestic value-addition, backward linkages, skills transfer and greater productivity. PIGA will also work to ensure that all investments adhere to high environmental, social and labour standards, including through the sharing of appropriate practices and capacity building.

Finally, I hope that PIGA will serve as a valuable model for trilateral cooperation in the economic development field, and contribute to deeper learning not only between the UK and China but internationally.

MESSAGE FROM CHI JIANXIN, CHAIRMAN, CADFUND



As China's first fund to focus on equity investment in Africa, China-Africa Development Fund (CADFund) was established nine years ago as a result of the China-Africa Cooperation Forum. Since then, CADFund has been working to achieve Africa's economic development and improve people's livelihood through promoting Chinese investment in Africa. So far, CADFund has committed 84 investment projects in 36 African countries and invested a total amount of nearly US\$ 3.2 billion and it is aiming to increase Chinese investment to US\$16 billion. Full implementation of these projects could contribute to the expansion of

African exports, increase of tax revenues, and creation of employment opportunities for more than a million people.

CADFund is pleased to launch this new partnership, PIGA, with DFID and ITC. Combined with the Chinese technology, production capacity and market connection with Africa, PIGA could be a platform to jointly promote the industrialisation process in Africa and reduce poverty.

African countries face urgent needs for industrialisation. Over the past nine years, CADFund has successfully promoted a number of Chinese enterprises to invest in Africa. Under PIGA, CADFund will continue to play its role as a bridge for China-Africa cooperation and contribute to the industrialisation in Africa.

The four pilot countries of PIGA, Ethiopia, Kenya, Mozambique and Zambia, are rich in natural resources and have a favourable investment environment. CADFund is willing to work together with more Chinese enterprises as well as with DFID, ITC and African governments to promote Chinese investment for sustainable growth in Africa.

ITC TO PLAY CENTRAL ROLE IN UK-CHINA INITIATIVE TO BOOST AFRICAN TRADE, INVESTMENT AND JOBS

Project seeks to boost export-oriented manufacturing and food processing in sub-Saharan Africa

(From: <http://www.intracen.org/news/ITC-to-play-central-role-in-UK-China-initiative-to-boost-African-trade-investment-and-jobs/#sthash.BktLq377.dpuf>)



The United Kingdom and China are joining hands to reduce poverty while promoting job creation and income growth in Africa. The International Trade Centre is set to be a key partner in these efforts, working to develop export-oriented manufacturing on the continent by helping companies overcome constraints on export success.

The Partnership for Investment and Growth in Africa (PIGA) initiative was officially launched on 22 October in London, on the sidelines of Chinese President Xi Jinping's state visit to the UK. The project seeks to increase exports and sustainable incomes for poor people in Africa through greater integration into international value chains in agro-processing and manufacturing. For China and the UK, the underlying idea is that enabling sub-Saharan African countries to capture more than their current sliver of global manufacturing would reduce poverty by creating productive jobs and stable growth. As a by-product of the project, the two governments hope to strengthen bilateral cooperation and generate useful learning on trade-related investment and development assistance, with a particular focus on small and medium-sized enterprises.

As the official implementing partner on the project, ITC will work with the UK Department for International Development (DFID) and the China-Africa Development Fund (CADFund), a Beijing-backed entity that seeks to stimulate investment in Africa by Chinese companies, to spur export-oriented manufacturing in promising African locations. Important aspects of this work will be to identify and tackle constraints facing would-be exporters such as inadequate market information, weak supply-side capacity, trouble overcoming regulatory barriers within the region and overseas, and obtaining access to finance, both for investment capital and to underwrite trade.

A preliminary 'scoping' phase of the project will focus on Ethiopia, Kenya, Mozambique and Zambia, for a year from November 2015. This work will serve to identify high-impact project activities that will subsequently be implemented and expanded across the rest of the region. Interventions will focus on SMEs in the four countries, with the aim of increasing employment and incomes through enhanced trade and investment. Project activities being considered include research into local development priorities, supply capacity, market opportunities, and policy barriers; developing links between African firms and investors as well as with UK and other EU retailers; building producer capacity and ability to meet market requirements including environmental standards; and facilitating equity investments from the CADFund and other investors. Where feasible, the project will seek to partner with existing programmes, such as DFID's work on SME capacity building, to avoid duplication. Also likely to feature in the project will be regular high-level dialogue between DFID and the CADFund to share experiences and cutting-edge analysis of economic trends in sub-Saharan Africa.

“DFID and CADFund have chosen ITC to implement the Partnership for Investment and Growth in Africa project,” said Ashish Shah, who directs ITC’s Division of Country Programmes. “ITC is very pleased to work jointly with African, Chinese and British entrepreneurs to increase suitable investments in productive sectors with high potential for export promotion and job creation in Africa.”

“The UK-China partnership will leverage on ITC’s more than fifty years’ experience in delivering trade related technical assistance, capacity building and trade and investment market intelligence to SMEs and to policy makers,” he added.

The project launch was part of a broader event on UK-China-Africa Collaboration for Investment and Growth, at which participants explored how the UK and Chinese governments, as well as each country’s financial and business sectors, could best combine forces to stimulate investment and inclusive growth in Africa. Prominent speakers at the event included Justine Greening, UK Secretary of State for DfID; Hu Huaibang, Chairman of the China Development Bank; Nkosazana Dlamini-Zuma, Chairperson of the African Union Commission; and Tedros Adhanom Ghebreyesus, Foreign Minister of Ethiopia.

ITC TO SUPPORT JOINT CHINA AND UK EFFORT TO CREATE JOBS AND GROWTH IN AFRICA

International Trade Centre signs agreement with China and the United Kingdom to implement the joint Partnership for Investment and Growth in Africa

(From: <http://www.intracen.org/news/ITC-to-support-joint-China-and-UK-effort-to-create-jobs-and-growth-in-Africa/#sthash.lkIYl0fw.dpuf>)



The International Trade Centre (ITC) is joining efforts by China and the United Kingdom to reduce poverty through job creation and boosting growth in Africa. Launched on the sidelines of Chinese President Xi Jinping's state visit to the UK in October, the Partnership for Investment and Growth in Africa (PIGA) aims at developing export-oriented manufacturing on the continent by helping companies overcome constraints on export success.

Selected to implement the project, ITC will work with the UK Department for International Development (DFID) and the China-Africa Development Fund (CADFund), an independently operated fund that seeks to stimulate investment in Africa by Chinese companies, to spur export-oriented manufacturing.

Among ITC's key tasks will be to identify and tackle constraints facing exporters such as inadequate market information, weak supply-side capacity, trouble overcoming regulatory barriers within the region and overseas, and obtaining access to finance, both for investment capital and to underwrite trade.

Speaking at the Geneva launch of the PIGA project, ITC Executive Director Arancha González said: 'Africa is the new growth frontier. We have all said it. We all know it. We have to continue to ensure that growth delivers for the global good and for Africa itself.'

'Our approach will be market and business driven, focusing on creating more and better jobs in Africa. ITC will work with African, Chinese and British entrepreneurs to increase sustainable investments in productive sectors with high potential for export promotion and job creation in Africa,' She said.'

The PIGA project seeks to increase exports and sustainable incomes for people living in poverty in Africa through greater integration into international value chains in agro-processing and manufacturing. For China and the UK, the underlying idea is that enabling sub-Saharan African countries to capture more than their current sliver of global manufacturing would reduce poverty by creating productive jobs and stable growth. As a by-product of the project, the China and the UK hope to strengthen bilateral cooperation and generate useful learning on trade-related investment and development assistance, with a particular focus on SMEs.

Zhou Xiaoming, Deputy Permanent Representative and Minister Counsellor of the Permanent Mission of the People's Republic of China to the United Nations Office at Geneva and other international organizations, said: 'This is an important initiative in addressing some of the critical issues that African countries face. With ITC on board, it adds a new dimension to the joint efforts of China and the UK in helping African countries achieve substantial development.

Julian Braithwaite, Ambassador and Permanent Representative of the United Kingdom to the United Nations Office at Geneva and other international organizations, said: 'This new partnership demonstrates how two donors, the UK and China, can work together with efficient multilateral agencies such as ITC, as catalysts for economic growth and poverty reduction in Africa'.

A preliminary 'scoping' phase of the project will focus on Ethiopia, Kenya, Mozambique and Zambia, for a year from November 2015. This work will serve to identify high-impact project activities that will subsequently be implemented and expanded across the rest of the region. Interventions will focus on SMEs in the four countries, with the aim of increasing employment and incomes through enhanced trade and investment.

'The UK and China are both are major providers of foreign direct investment to Africa. And both agree that the private sector must ultimately drive growth. I know this is also the case for Ethiopia, Kenya, Mozambique and Zambia who have all placed SME growth at the heart of their development strategies,' González said.

PIGA SENSITIZATION MISSION TO AFRICA

ITC conducted sensitization missions in Ethiopia, Kenya, Mozambique and Zambia from 21 November to 4 December 2015. Stakeholders expressed their strong support for PIGA as a relevant and timely project.



ITC conducted sensitization missions in Ethiopia, Kenya, Zambia and Mozambique from 21 November to 4 December 2015 to introduce PIGA to key stakeholders in the four countries, including DFID field offices, CADFund representative offices, Government ministries, trade and investment support institutions (TISIs), private sector associations and Chinese investors.

All stakeholders met during the sensitization mission expressed their strong support for PIGA as a timely project and confirmed that promoting investment in light manufacturing and agro-processing, two focus sectors under PIGA, fully match the priorities set out in the national development strategies in the four countries.

TISIs in the four countries, namely the Ethiopian Investment Commission, the Kenya Investment Authority, the Investment Promotion Centre of Mozambique and the Zambia Development Agency, expressed their strong support to work with ITC and to promote foreign investments to their countries under PIGA project.

During the missions, stakeholders of the four countries emphasized the importance of PIGA to be an action oriented project contributing to the initiation of concrete investment and business deals that will generate more and better jobs for inclusive and sustainable growth. ITC will work closely with DFID and CADFund, as well as with stakeholders in these four African countries to meet this objective in the PIGA main phase.

CHINESE FIRMS EXPLORE INVESTMENTS IN FOUR AFRICAN COUNTRIES AT ITC-ORGANISED SEMINAR

PIGA project aims to spur African job creation, income growth through increased Chinese trade and investment

(From: <http://www.intracen.org/news/Chinese-firms-explore-investments-in-four-African-countries-at-ITC-organised-seminar/>)



Representatives from 90 Chinese companies last week expressed strong interest in investing in Africa, following a seminar on promoting investment in Ethiopia, Kenya, Mozambique, and Zambia. More than 190 businesspeople joined government officials from China and the four African countries at the 25-26 February event in Tangshan, Hebei Province, China.

Organized by ITC, the China-Africa Development Fund (CADFund) and the China Council for the Promotion of International Trade (CCPIT), the seminar was held under the Partnership for Investment and Growth in Africa (PIGA), which aims to promote growth and job creation in Africa by deepening trade and investment ties with China. Funded by the United Kingdom's Department for International Development (DFID), PIGA seeks to sustainably boost incomes for people living in poverty in Africa through greater integration of small and medium-sized enterprises into global value chains.

The seminar aimed to increase Chinese investors' awareness about opportunities in the four African countries, and initiate discussions on potential investment projects.

In his remarks to the seminar, Xuejun Jiang, chief of ITC's Office for Asia and the Pacific, argued that trade and investment with China offered a major opportunity to support Africa's structural shift from low- to high-productivity activities. "In order to achieve this transition and inclusive growth, Africa needs manufacturing and agricultural investments anchored in export markets," he said. "This seminar will provide information on investment opportunities in manufacturing and agro-processing sectors in four African countries which will be useful for Chinese companies to make investment decisions in the future."

Investment promotion officers from the Ethiopia Investment Commission, the Kenya Investment Authority, the Mozambique Investment Promotion Centre (CPI) and the Zambia Development Agency presented opportunities in their countries' light-manufacturing and agro-processing sectors. Senior government officials from the four countries had earlier sketched out their national investment

climates, complemented by presentations from four Chinese companies on their experiences investing in those countries.

Participants from China and the four African countries said the seminar was useful both to build awareness and to establish direct contacts with each other.

Seyoum Mesfin, Ethiopia's former foreign minister and current ambassador to China, said that "with political commitment on the part of state actors and expert support from such organizations as ITC, DFID, CADFund, as well as CCPIT, this noble initiative of PIGA has the potential to truly assist [Africa] to become the next growth pole for the global economy."

"Under PIGA's cooperation framework, CADFund, ITC and DFID will jointly promote the industrialization process in Africa and contribute to the poverty reduction," added Li Dongwei, who heads CADFund's Representative Office in Ethiopia

After the seminar, the investment promotion officers and officials from the four African countries visited one of the largest steel companies in Tangshan, Tangsteel, and discussed potential investments in Africa.

PIGA was officially launched on 22 October 2015 in London. PIGA is a partnership among DFID, CADFund and ITC. Its goal is to leverage Chinese trade and investment ties to develop export-oriented manufacturing in Africa, contributing to growth and poverty reduction. Ethiopia, Kenya, Mozambique and Zambia are the pilot countries for the project's one-year introductory scoping and design phase. The seminar in Tangshan was sponsored by DFID, the Tangshan Municipal People's Government, and the CCPIT Hebei Provincial Committee.

WHAT'S NEXT

FORUM ON CHINESE INVESTMENT FOR SUSTAINABLE TRADE AND ECONOMIC GROWTH IN AFRICA

China, 31 May-1 June 2016

The Forum on Chinese Investment for Sustainable Trade and Economic Growth in Africa will be held in China on 31 May -1 June 2016. It will look at the opportunities and needs for catalysing sustainable Chinese investment in productive sectors in Africa, as a means to drive export development, economic growth and job creation. Discussions will focus particularly on Ethiopia, Kenya, Mozambique and Zambia. Representatives of businesses, Government, trade and investment support institutions and academia from Ethiopia, Kenya, Mozambique, Zambia, China and the UK are expected to attend.