

# PROJECT PARTNERS

## About ITC

ITC is the joint agency of the World Trade Organization and the United Nations. ITC assists small and medium-sized enterprises in developing and transition economies to become more competitive in global markets, thereby contributing to sustainable economic development within the frameworks of the Aid-for-Trade agenda and the Sustainable Development Goals.

ITC is the implementing agency of the PIGA project.

## About DFID

The Department for International Development (DFID) is the government ministry responsible for leading the UK's work to end extreme poverty. DFID works to end the need for aid by creating jobs, unlocking the potential of girls and women and helping to save lives when humanitarian emergencies hit.

DFID is the donor of the PIGA project.

## About CCPIT

China Council for the Promotion of International Trade (CCPIT) is a national foreign trade and investment promotion agency in China founded in 1952. The major responsibilities of the CCPIT include implementation of relevant major national development strategies, promotion of foreign trade, bilateral investment and economic and technological cooperation and carrying forward cooperation with overseas trade promotion counterparts.

## About CADFund

China-Africa Development Fund (CADFund) is an independently operated fund which primary objective is to support Chinese companies to develop cooperation with Africa. It was established as an outcome of the Beijing Summit of the Forum on China-Africa Cooperation in November 2006. CADFund aims to achieve mutually beneficial cooperation between China and Africa, filling the gaps between traditional aids and loans.

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# PIGA

## Partnership for Investment and Growth in Africa



# PIGA – NEW PARTNERSHIP FOR AFRICA

PIGA is a partnership of the Government of the United Kingdom (UK) of Great Britain and Northern Ireland's Department for International Development (DFID), the China Council for the Promotion of International Trade (CCPIT), the China-Africa Development Fund (CADFund) and the International Trade Centre (ITC). PIGA was officially launched on 22 October 2015 in London, on the side lines of Chinese President Xi Jinping's state visit to the UK.

Under this partnership, DFID, CCPIT, CADFund and ITC jointly aim to increase investment-led exports and local development in two productive sectors, agro-processing and light manufacturing, in Ethiopia, Kenya, Mozambique and Zambia.

PIGA is a component of Invest Africa, a large DFID programme linking private sector investors, buyers, financiers and governments in several African countries, to boost manufacturing and create jobs by increasing foreign direct investment (FDI).



Joy Hutcheon, DFID's Director General for Country Programmes, and Chi Jianxin, Chief Executive Officer of the CADFund, signed PIGA Memorandum of Understanding between their organisations in London on

## WHY PIGA?

Much of Africa has experienced sustained and high economic growth in the past decade. Yet there remains considerable potential and need for continued structural transformation from low to high productivity activities, and for increased value addition. In order to help African countries achieve the transition to higher productivity and more inclusive growth, PIGA aims to stimulate investments anchored in labour-intensive sectors and export markets.

Rising costs at home are pushing Chinese manufacturers to develop production facilities abroad. Unlike their counterparts in the extractive and construction sectors, Chinese investors in manufacturing and agro-processing have relatively little experience doing business in Africa and lack information and understanding about investment and trade opportunities and the broader business environment in Africa. For their part, African government institutions and SMEs lack information about Chinese investors' interests and requirements. The varying regulatory framework across different African countries can also dissuade potential investors. The cumulative result is that Chinese investments tend to focus on large projects in a limited number of sectors.

Maximizing the developmental and employment gains from foreign investment thus take more than simple market forces alone.

Under PIGA, DFID, CCPIT, CADFund and ITC work together to address these barriers and maximise local development benefits, including creation of more, better and inclusive jobs in Ethiopia, Kenya, Mozambique and Zambia.

*'China's overseas investment will continue to grow...This will provide more opportunities for China-UK cooperation. The Chinese and British companies may also engage in tripartite cooperation in developing countries'*

Xi Jinping,  
President of the People's Republic of China

*'This 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'*

Julian Braithwaite,  
Ambassador and Permanent Representative of the United Kingdom to the United Nations Office at Geneva and other international organizations

*'African small and medium size enterprises (SMEs) are the growth levers to ensure local value addition and job creation. Increased Chinese investment support for African SMEs in the light manufacturing and agro-processing sectors will unlock opportunities to increase exports to regional and global markets. This is what we aim to achieve through PIGA'*

# PIGA AT A GLANCE

## PROJECT GOAL

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

## BENEFICIARIES

- Direct beneficiaries: SMEs in Ethiopia, Kenya, Mozambique, Zambia - particularly in the agro-processing and light manufacturing sectors
- Final beneficiaries: men and women employed in related industries
- Partner and beneficiaries: public and private Trade and Investment Support Institutions (TISIs), Government Ministries, Investment Promotion Agencies, Chambers of Commerce, sector and specialized associations, policy makers

## EXPECTED RESULTS

### Outcome

Increased foreign investment and business partnerships in the agro-processing and light manufacturing sectors in the four countries

### Outputs

- Business and investment leads generated between Chinese and African companies in Ethiopia, Kenya, Mozambique, Zambia, within the two selected sectors
- Strengthened institutional capacity to deliver investor-related services in Ethiopia, Kenya, Mozambique, Zambia
- FDI enabling environment promoted and knowledge shared through high-level dialogue and business platforms

Particular attention will be given to maximising and monitoring the contribution of the project to reducing gender inequality. It is likely that the majority of jobs created, particularly in manufacturing, will be filled by women. Attention will also be given to helping women-owned or managed SMEs benefit from opportunities generated by the project.

## PIGA Scoping and Design Phase (December 2015 - March 2017)

Results achieved:

- ✓ 300 business-to-business meetings and a network of 790 Chinese and African companies established
- ✓ 19.5 million value of investment deals under discussion in the agro-processing and light manufacturing sectors
- ✓ 2 investment promotion events, 1 Business to Business (B2B) event, 1 validation workshop, 1 training workshops for African SMEs organized
- ✓ Main phase project developed
- ✓ 2 studies on investment opportunities and export potential conducted in the four PIGA countries

## PIGA Main Phase (May 2017 - April 2021)

Main activities:

**Facilitate and generate business partnerships between African and Chinese companies**  
Organize B2B events, investment awareness seminars and visits of Chinese investors to Africa  
Build capacities of African companies to receive FDI and technology transfer  
Promote linkages between investors and local suppliers

**Strengthen capacities to deliver investment services**  
Improve TISIs' investment promotion services  
Develop investment guides and online investment information platforms for foreign investors  
Improve TISIs' effectiveness in measuring and monitoring FDIs

**Overcome obstacles to FDI and enable knowledge sharing between Africa, China and the UK**  
Conduct public-private roundtables to address challenges faced by foreign investors  
Organize high-level investment business summits and workshops for experience and knowledge sharing