

## PIGA VALIDATION WORKSHOP

### EVENT REPORT

Dates: 19 – 20 September 2016  
Organizer: ITC  
Sponsor: DFID  
Local Partner: Zambia Development Agency (ZDA)  
Venue: (Zambia) Golden Peacock Hotel, Lusaka, Zambia

### OBJECTIVE

The objective of the workshop was to discuss and validate the design of PIGA project main phase, which is planned to start in 2017. It presented an opportunity for key stakeholders from four African countries, China and the UK to agree on the objectives, expected impact and outcome as well as the main activities proposed for the PIGA project main phase.

*See Annex I for detailed event programme.*

### PARTICIPANTS

Validation workshop was attended by 48 participants from Africa, China and the United Kingdom (UK), including;

- Senior officials from the Ministry of Commerce, Trade and Industry of Zambia, the Zambia Development Agency (ZDA) and International Trade Centre (ITC);
- 34 representatives from 22 investment and export promotion organizations from Ethiopia, Kenya, Mozambique and Zambia;
- Representatives from the embassies of China in Zambia;
- Representatives from CADFund Zambia Representative office, DFID China and ITC.

### RESULTS

#### **Project logical framework for PIGA main phase endorsed by key stakeholders in Africa and China.**

- ✓ Key stakeholders from Africa and China validated and endorsed the project logical framework of PIGA main phase;
- ✓ All stakeholders expressed their strong support for PIGA and their willingness to contribute to the PIGA main phase;
- ✓ Prior to the validation workshop, key project partners in China (CCPIT and CADFund) also reviewed and endorsed the project logical framework.

## SUMMARY OF THE DISCUSSIONS

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### OPENING REMARKS

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1. **Mrs. Mando Mumbi Pasi, Acting Permanent Secretary (PS), Ministry of Commerce, Trade and Industry**, warmly welcomed participants to the validation workshop. Mrs. Pasi expressed her appreciation to DFID, CADFund, CCPIT and ITC for implementing PIGA. Mrs. Pasi shared various initiatives implemented by Zambian government to increase exports, including the establishment of Multi Facility Economic Zones, supporting value chain development through the Citizens Economic Empowerment Commission (CEEC) as well as various projects throughout the country which aim at scaling up and value addition of agro-processing sectors (i.e. processing of fish, rice, dairy, cotton, honey and forestry products). Mrs. Pasi promoted joint venture and public-private partnership arrangements in such sectors to further strengthen Zambia's international competitiveness.
2. **Mrs. Dorothy Tembo, Deputy Executive Director, International Trade Centre (ITC)**, emphasized the important role of foreign direct investment (FDI) to reduce poverty and achieve sustainable development. Mrs. Tembo observed that commodity trades still dominate the exports of many African countries, and African countries need a structural transformation which focuses on diversification and value addition. She emphasised the importance of building strategic partnerships to ensure the gains from FDI impact on the lives of the people in the communities. Mrs. Tembo highlighted that PIGA aims to bring investment-led inclusive growth and explained that this validation workshop represents a key milestone in PIGA design and scoping phase, which allows key stakeholders to jointly discuss and validate the proposed project logical framework for PIGA main phase and to foster the commitment of each stakeholder.
3. **Mr. Chai Zhijing, Economic and Commercial Counsellor of the Economic and Commercial Counsellor's Office of the Chinese Embassy** highlighted the close economic relationship between China and Zambia and welcomed PIGA as the initiative which could promote non-traditional exports from Zambia. Mr. Chai shared success stories of Chinese investment in Zambia, such as production of mushroom, honey and timber products, and explained the large potential of further economic cooperation with China. Mr. Chai highlighted the relevance and the timeliness of PIGA and committed the engagement of the Chinese embassy in Zambia to support the implementation of PIGA main phase.
4. **Mr. Shan Mitra, Senior Economic Advisor, DFID China**, welcomed PIGA as "a right initiative at the right time", which supports manufacturing and agro-processing sectors in Africa for local job creation. Mr. Mitra reiterated the need for structural transformation, diversification, growth in productivity and job creation in Africa. He highlighted the significant opportunities of Chinese investments. Mr. Mitra presented PIGA as an initiative to enhance collaboration and partnerships between Chinese and African firms and to promote technology transfer, while contributing to national development strategies in the partner countries in Africa.

5. **Ms. Veronique Rondeau, PIGA Project Advisor, ITC**, presented the overview of PIGA scoping and design phase. Ms. Rondeau explained that PIGA's objective is to create jobs and promote inclusive and sustainable growth in Africa through increased Chinese investments and exports in manufacturing and agro-processing sectors. Ms. Rondeau highlighted that the strategy to achieve this objective is to establish strong business linkages between African firms and integrating them into global value chains and promoting public-private dialogue to address trade and investment barriers and build an enabling business environment. Ms. Rondeau also explained that PIGA will leverage existing development programs/policies in Ethiopia, Kenya, Mozambique and Zambia to ensure the efficiency of the project.
6. **Mr. Paul Baker, International Consultant, ITC**, presented the project logical framework of PIGA main phase. Mr. Baker explained that ITC, based on more than 110 consultations with key stakeholders in Africa, China and the UK, defined key priorities areas, gaps and challenges to be addressed during PIGA main phase. PIGA logical framework focuses on facilitating business and investment linkages between Chinese and African companies; strengthening capacities of investment and export promotion agencies; and promoting policy and strategic dialogues among Africa, China and the UK to achieve sustainable development through increased investment and trade.
7. Following the presentation of the project logical framework, the floor was open for participants to validate the project logical framework. Representatives from the four African countries posed questions and provided comments, and the panel consisted of ITC and DFID representatives answered the questions.
8. **Representatives of Zambia** made the following questions and comments:
  - It is appreciated that PIGA will support capacity building of investment promotion agencies (IPAs) in African countries to prepare bankable investment projects for foreign investors. (Panel responded that PIGA will optimize the investment proposals/business plan prepared by companies and IPAs. The project will use a "teaching-by-doing" approach to train IPAs on how to better advise the companies on investment project preparation.)
  - PIGA should include support to improve access to finance since many African companies lack capital and Chinese investors are often better-financed and in a stronger position to negotiate. (Panel responded that while recognizing that some imbalances exist, PIGA will try to capture the opportunities available. PIGA will work with other stakeholders to look into the financial issues);
  - It is necessary to have an effective coordination and communication mechanism across government institutions and other relevant stakeholders to prevent information asymmetry.
9. **Representatives of Ethiopia** made the following questions and comments:
  - PIGA logical framework is well-structured and compatible with the development plans and strategies in Ethiopia.
10. **Representatives of Mozambique** made the following questions and comments:

- Mozambique appreciates the participatory process to design PIGA project. Mozambique's policies regarding Chinese investments are well presented in the logical framework.
- There's a need for mutual learning between countries and investors. It is necessary for African institutions to learn about Chinese culture while Chinese investors also need to learn about African culture.
- There are few joint ventures between African and Chinese firms so far and limited best practices are available in this area, which need to be taken into consideration when implementing the project.
- Project needs to establish a mechanism which ensures the dialogue between the Government and the Chinese investors (Panel responded that such coordination mechanism is already in place in all 4 countries, and PIGA will leverage existing mechanisms).

**11. Representatives of Kenya** made the following questions and comments:

- Joint ventures are relatively new arrangement and it is necessary to build capacities of small and medium suppliers to eventually join the joint venture arrangement.
- While Special Economic Zones (SEZs) and Export Promotion Zones (EPZs) present large opportunities to attract FDI, it is also important to level the playing field and attract FDI beyond SEZs/EPZs. (Panel responded that the situation varies in each country and the project will promote investment in, but not limited to, SEZs/EPZs)
- After care activities for investors are essential to build partnership with investors.
- PIGA is a platform to connect businesses from four African countries to Chinese investors. While no one can directly influence the investment decision of Chinese investors or African businesses, PIGA could facilitate the discussion among two.



(from left) Mrs Mando Mumbi Pasi, Acting Permanent Secretary, Ministry of Commerce, Trade and Industry; Mr. Chai Zhijing, Economic and Commercial Counsellor of the Chinese Embassy in Zambia, Ms Dorothy Tembo, Deputy Executive Director, ITC; Mr. Shan Mitra, Senior Economic Advisor, DFID China.



34 representatives from 22 investment and export promotion organizations from Ethiopia, Kenya, Mozambique and Zambia

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## CONCLUSION

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12. Representatives from ITC expressed their appreciation for the participants active engagement, and promised that all points will be considered when finalizing the logical framework.
13. With that note, the project logical framework was validated and unanimously approved by the participants, subject to the incorporation of some adjustments in the logframe narrative based on the discussion.



PIGA logical framework was validated by key stakeholders from 4 African countries.

Representative from the UK, China and ITC.

## COMPANY VISIT

14. After the validation workshop, representatives from TISIs visited the Jihai agriculture production and processing plant at the Zambia China Economic and Trade Cooperation Zone.
15. Mr. Yao Yunwu, Chairman of Jihai Agriculture Investment and Development Group, welcomed the delegation and introduced the company's activities in Zambia. Jihai group was established in 2011 and specializes in the agricultural investment overseas. In 2013, Jihai Agricultural Investment and Development Group established the mushroom production base and agricultural demonstration park in the Zambia-China Economic and Trade Cooperation Zone in Lusaka. Mushroom factory of Jihai employs 200 Zambian workers who lead the production, processing and packaging of mushrooms. Mushrooms are sold both in domestic and regional markets, creating new demand in the region.
16. After the visit of the mushroom plant, the delegation visited the agricultural trade centre developed by Jihai Group in Lusaka, which serves as a market for their agricultural products.



The representatives from TISIs of four African countries visited Jihai Agriculture Investment and Development Group in Lusaka.



Mr. Yao Yunwu, Chairman of Jihai Group, explains the operation of mushroom plant in Lusaka.



Jihai mushrooms are produced both for domestic and international market.

# VALIDATION WORKSHOP

## PIGA – Partnership for Investment and Growth in Africa

LUSAKA, ZAMBIA, 19-20 SEPTEMBER 2016  
Zambia Golden Peacock Hotel

### PROGRAMME

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#### MONDAY, 19 SEPTEMBER

**17:30-19:30**      **NETWORKING RECEPTION**  
Venue: Zambia Golden Peacock Hotel, Banquette Hall

#### TUESDAY, 20 SEPTEMBER

**08:30-09:00**      **Registration**  
Venue: Zambia Golden Peacock Hotel

**09:00-09:45**      **OPENING SESSION**  
Venue: Conference Room

**09:45-10:00**      **OVERVIEW OF PIGA**  
Ms. Véronique Rondeau, PIGA Project Advisor, ITC

**10:00-10:30**      **Coffee Break**

**10:30-11:00**      **PIGA OBJECTIVES, ACTIVITIES AND EXPECTED RESULTS**  
Mr. Paul Baker, International Consultant, ITC

**11:00-12:15**      **DISCUSSION – SESSION 1**

**12:30-13:30**      **Networking Lunch**  
Venue: Zambia Golden Peacock Hotel, Banquette Hall

**13:45-14:45**      **DISCUSSION – SESSION 2**

**14:45-15:00**      **CLOSING**

- Ms. Dorothy Ng'ambi Tembo, Deputy Executive Director ITC
- Mr. Shantanu Mitra, Senior Economic Adviser, DFID Beijing office

**15:15-17:45**      **COMPANY VISIT: JIHAI GROUP**  
The Jihai agriculture production and processing plant  
The Zambia China Economic and Trade Cooperation Zone

The Jihai wholesale market

**18:00-19:30**

**BUFFET DINNER - BBQ**

Venue: Jihai wholesale market

## **WEDNESDAY, 21 SEPTEMBER**

**9:30-11:00**

**BRIEFING ON BUSINESS PARTNERSHIP MEETING  
(B2B) IN CHINA**

Venue: Zambia Golden Peacock Hotel