

# SITA

## Supporting Indian Trade and Investment for Africa



### WHY SITA?

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The growth of emerging countries such as India, along with the expansion of global value chains, is creating new opportunities in East African countries for trade and investment-led economic growth, job creation and poverty reduction.

In recent years, India has increased its efforts to strengthen South-South trade linkages by implementing its Duty Free Tariff Preference (DFTP) scheme that gives preferential rates on 98% of tariff lines originating from least developed countries (LDCs).

The United Kingdom of Great Britain and Northern Ireland's Department for International Development (DFID) mandated the International Trade Centre (ITC) to design and implement a project initially titled 'Supporting India's Trade Preferences for Africa', with the ultimate objective of creating income and employment opportunities in East Africa.

During the inception phase from March 2014 to March 2015, in which the project was designed, a series of consultations involving around 200 stakeholders led to a shift to broaden the scope of the project to now include an investment component.

SITA, which now stands for 'Supporting Indian Trade and Investment for Africa', is a South-South trade and investment project covering the following countries: India, Ethiopia, Kenya, Rwanda, Uganda and the United Republic of Tanzania.

The project responds to the challenges that the selected East African countries face in increasing and diversifying their trade and market linkages. It also addresses the trade and investment priorities of these countries to help them achieve sustainable development.

## SITA AT A GLANCE

**DONOR:** Government of the United Kingdom of Great Britain and Northern Ireland through the Department for International Development (DFID)

**TIME-FRAME:** 2014-2020



**COUNTRY COVERAGE:** India, Ethiopia, Kenya, Rwanda, Uganda and the United Republic of Tanzania

### BENEFICIARIES:

- East African businesses
- Indian companies importing from or investing in Africa
- National and regional trade support institutions (TSIs)

**OBJECTIVE:** Increased value of business transactions between India and selected East African countries by creating productive capacities and enhancing incomes.

**STRATEGY:** The objective will be achieved by enabling access to markets in India and other countries, and by facilitating partnerships including investment and transfer of knowledge, expertise and technology from India to East Africa by:

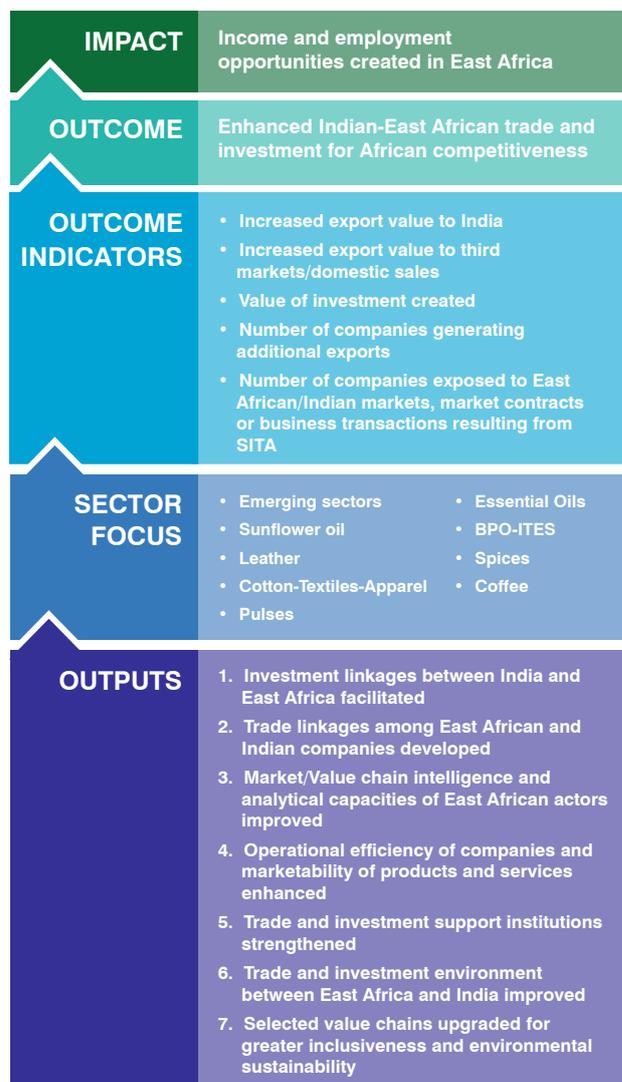
- Promoting public-private dialogue and partnerships;
- Improving capacities of East African companies and TSIs; and
- Creating business linkages.

### EXPECTED RESULTS:

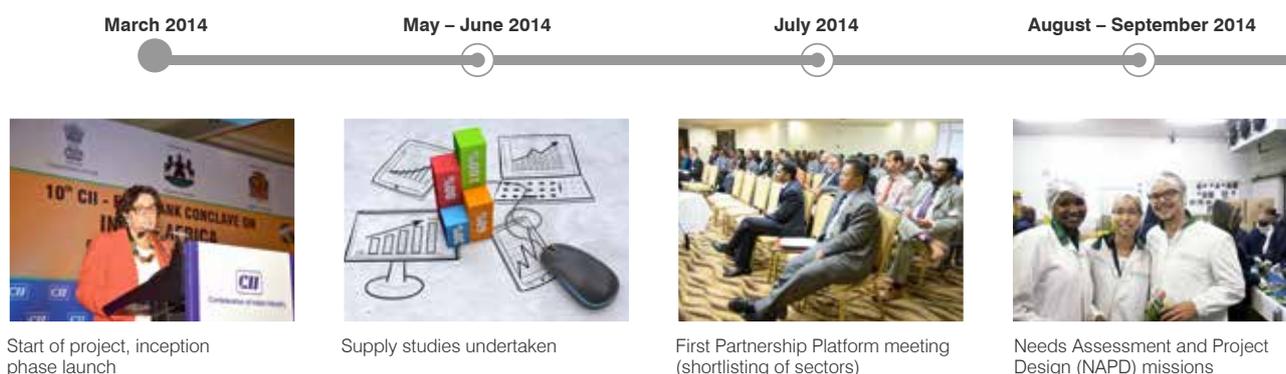
- Greater export flows from East Africa to international markets
- Enhanced competitiveness of East African businesses
- Increased investments, knowledge and technology transfer from India to East Africa
- Improved business-development services provided by regional and national TSIs
- Improved business environment fostered through public-private dialogue and partnerships

## THE ROAD AHEAD

The project's intervention approach is built on seven outputs that will lead to enhanced Indian–East African trade and investment which in turn will contribute to the creation of productive capacities in East Africa.



## INCEPTION PHASE MILESTONES



## SITA'S PARTNERSHIP PLATFORM

The Partnership Platform acts as a forum for evidence-based policy recommendations and as a vehicle for mobilizing well-informed public-private sector discussions in the countries in which SITA will provide trade and investment-related technical assistance.

The Partnership Platform provides a setting in which SITA's stakeholders come together to solve problems, with each side learning about the needs, constraints and obstacles that need to be addressed to achieve export competitiveness.

During the project's inception phase, the Partnership Platform:

- Informed the design of SITA by serving as a forum for interaction and discussion between stakeholders on project approach and intervention logic; and
- Gathered 200 project stakeholders who met on three occasions to validate the sectors and areas of intervention, the implementation phase work plans and how to make better use of India's Duty Free Tariff Preference scheme.

The Platform's approach is to focus on addressing sector-specific and cross-cutting issues through consensus building among project stakeholders to bring about reform along value chains and enhance sector competitiveness.

During the implementation phase, SITA's Partnership Platform will contribute to identifying policy options and solutions to improve the business and investment climate; reducing impediments to trade; and improving investment flows between India and the five East African countries.



September 2014



December 2014



February 2015



March 2015



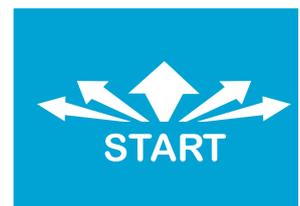
Second Partnership Platform meeting (validation of NAPD findings)



Third Partnership Platform meeting (presentation of project plan to stakeholders)



Approval of project plan for implementation



Fourth Partnership Platform and Implementation Partners Meeting

### The International Trade Centre (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 Millennium Development Goals.

### The Department for International Development (DFID)

The Department for International Development (DFID) leads the Government of the United Kingdom's efforts to fight global poverty.

DFID operates under the International Development Act, which came into force in 2002 and establishes the legal basis for United Kingdom development assistance. DFID's overall aim is to reduce poverty by achieving the Millennium Development Goals.

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*'An Indian-African partnership underpinned by "jugaad\*" will result in opportunities arising from adversity: the ability to do more with less; to think and act flexibly to find simple solutions for increasingly complex problems; and most of all, practicability that helps eliminate complexity.'*

**Aranca González**, Executive Director, International Trade Centre

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*Address delivered on 9 March 2014 at the 10th CII-EXIM Bank Conclave on India-Africa Project Partnership, New Delhi, India*

*\*Jugaad is a colloquial Hindi word that roughly translates as 'an innovative fix ; an improvised solution born from ingenuity and cleverness', according to the book Jugaad Innovation by Navi Radjou, Jaideep Prabhu and Simone Ahuja.*



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