EXECUTIVE SUMMARY REPORT

COMESA/LLPI Activities and Impacts

Introduction

At Summit that was held in DRC on 26-27 February 2014, COMESA/LLPI was directed to assist Member States to formulate National Leather Value Chain Strategies aligned with that at Regional level. The pricipal objective was to revitalise the regional leather sector by enhancing value addition at Member State level. To achieve this, LLPI adopted the Triple Helix Approach as mechanism of building strong and closer collaboration linkages that would faciliate a sustainable development of the leather valaue chain in the region.

The Triple Helix Approach interprets the shift from a dominating industry-government dyad in the Industrial Society to a growing triadic relationship between university-industry-government in the Knowledge Society. The approach asserts that the potential for innovation and economic development in a Knowledge Society lies in realms of universities (including specialized institutions) and in the hybridization of industrialization and development processes. Derived elements from such institutions, industry and government facilitate to generate new institutional and social formats for the production, transfer and application of knowledge. In 2014, COMESA/LLPI designed 8 strategies through a holistic participatory process of value chain stakeholders anchored on the Triple Helix Methodology. The Government, Private Sector and Academia participated in formulating these strategies as equal partners, and they are all expected to play important roles in the implementation at respective national levels. The three main institutions agreed to implement certain components of the strategy in a seamless and interractive way. The synergies generated through the collaborative approach would stimulate the attainment of tangible and sustainable results. In order to legitimise and give a formal meaning to these new relationships, COMESA/LLPI was proactive and signed MOUs with Chambers of Commerce, Universities and Leather Associations in pursuing the critical aspect of incubating technology transfers and sustained capacity building initiative. This was the recipe of innovation created through the triple helix with COMESA/LLPI playing a pivotal role in creation ambience in the process.

The Table summaries here-below depicts a summery of activities, outputs and impacts directly influenced by LLPI per country. It also lists the national institutions, which COMESA/LLPI is working with in the spirit of upholding the Triple Helix Philosophy. The execution of the work was funded directly by COMESA/LLPI and included activities such as one-to-one meetings with enterprises, specialiased institutions, Academia and Government line Ministries. This was then capped with two day Participatory Workshops, which were attended by Stakeholders drawn from all segmenents of the Value Chain, line Ministries and Academia. The unpacking of the strategies that are set to be implemented in 2015, would entail working with the three institutions in designing Responsibility Matrices, which allocates roles among

Government, Private Sector and Academia to ensure the attainment of the Vision of the strategies in line with the Triple Helix Approach.

Of the strategies mentioned, seven were national strategies for Burundi, Eritrea, Malawi, Kenya, Uganda, Rwanda and Sudan. The other strategy was for a major SME cluster in Ethiopia (EIFCCOS), with Membership of 1200 SMEs. Recorded and expected outlputs in the matrix expounds on some instances on the results of the inititial initatives of creating an innovative operational environment in some of the countries in COMESA.

The fourth column presents recorded and expected impact per country.One of the important entries in this column is intra trade statistics, that is trade between country X and the rest of the COMESA region.The source of these statistics is Trade Map, which is mainly derived from COMTRADE (A UN Trade Database)[1]. In addition some of the statistics were obtained from COMSTATS. Note some of the COMESA countries' trade data is lagging behind, hence their trade perfomance is not presented statistically in this report.

[1] This is one of the most realizable source of Trade Data Globally.

Tabulations of Country Specific Activities towards Regional Leather Development

Country	Collaborating National Institutions (Triple Helix Approach)	Activities and Outputs	Recorded and Expected Impact
Burundi	• Ministry of Trade, Industry, Post and Tourism; • Department of Vocational Training; • National Association of SMEs; • Afritan	• A Leather Value Chain strategy has been formulated, with the participation of Government, Private Sector and Academia; wherein each pillar is expected to perform mutually, reinforcing activities, which would support the growth of the leather value chain, through formation of clusters; • 53 artisans have been trained in footwear making, out of which 25 have been employed by a new footwear factory and the other half are operating as a loose Cluster in Kamenge; • A curriculum for levels 1 to 3 and diploma, has been designed, which responds to the needs of the industry and also meets the minimum requirements as set by Government	• Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLLPI; • Enforcement of raw hides and skins export restriction has improved supplies of raw hides and skins in the domestic market, consequently pushing up tanning capacities to around 80% from 40%; • Regulatory policy reforms and enforcement have led to two new foreign investors currently constructing two tanneries; • 2014 also marked the production of finished leather in Burundi, with the opportunity of feeding the domestic market and also exporting to Rwanda, Uganda and other surrounding countries. • A full-fledged footwear manufacturing company was officially opened in 2014; targeting to attain 1000 pairs per day by mid-year 2015; • The Leather Value Chain Strategy and Curriculum, targeting skills development for youth, is scheduled to be launched in the first quarter of 2015; • ***Burundi exports of raw goat skins to the COMESA Region grew from US$ 0 to US$ 113,000 between 2012 and 2013;*** • ***Individual SMEs trained to improve on their shoe production and increasing their market orientation at national and regional levels;*** • ***20 out of those trained provided with working opportunities in the new footwear factory;*** • ***Potential linkage of SMEs with the operating footwear factory built to adapt to cluster approach;*** • ***New footwear design, which is 98% handmade revealed in Burundi. Innovation at its best.***

Country	Collaborating National Institutions (Triple Helix Approach)	Activities and Outputs	Recorded and Expected Impact
			
Eritrea	• Ministry of Trade and Industry • Eritrea Leather Industries Association • University of Asmara • Eritrea of Bureau of Standards	• A Leather Value Chain strategy has been formulated, with the participation of Government, Private Sector and Academia; each pillar is expected to performing mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters; • The Strategy was officially launched in September 2014, and has received media attention; • This has created a solid platform for collaboration among the three pillars namely Government, Private Sector and Academia.	• The Leather Value Chain strategy was validated with the full participation of the Private Sector, which was a ground breaking event; • There is improved collaboration between LLPI and the Eritrean Government, which is a positive development and would contribute to the improvement in the growth of the sector; • A South African company, through the facilitation of LLPI, is set to set up a tannery off cuts collection centre, which would assist in cleaning the environment of physical waste and also generate additional income to tanneries. The hides and skins off-cuts would be exported to South Africa and would be used in the production of gelatin, cosmetics etc; • Feasibility to construct a gelatin manufacturing unit in progress. The project has the potential to recycle and reduce tannery waste and also increase employment and wealth creating opportunities. • ***Eritrea exports of leather and leather products to the COMESA region declined from US$23, 000 to US$7,800 between 2011 and 2013.***
Ethiopia	• Ministry of Trade; • Ministry of Industry • EIFCCOS • Ethiopian Leather Industries	• A Leather Footwear Strategy was formulated through a participatory process for EIFCCOs Cluster, which has a Membership of 1200, employing approximately 3000 people; • Supported focal points;	• The Strategy is set to be launched in the first quarter of 2015, and is set to transform the operations of the Cluster in terms of volume and quality of footwear to be produced; • The Cluster clinched orders to export 60,000 pairs per month to Kenya in 2013/2014;

Country	Collaborating National Institutions (Triple Helix Approach)	Activities and Outputs	Recorded and Expected Impact
	Association • Ethiopia Leather Development Institute	• The Strategy designed activities that are aimed at improving the performance of the Cluster, through support of Government, Academia, International Development Agencies and other technical institutions; • 98 artisans were trained in entrepreneurial skills: record keeping, costing and pricing.	• Enhanced the Leather Industries Development Institute (LIDI)'s profile as an emerging Centre of Excellence in capacity building and standardization in the regional market; • Improved business management would enhance the performance of the enterprises with regard to profitability and volume growth; • COMESA/LLPI recognized and received a certificate of appreciation from the EFFICOS Cluster Board of Directors; • UNCTAD has invited COMESA/LLPI as an important partner to collaborate in supporting the Ethiopian Government to formulate agro processing value chains; • Center for African Women Entrepreneurs of Ethiopia (CAWEE) working closer with LLPI to strengthen gender and youth empowerment in leather related SMEs; • 14 Country representatives and Regional SMEs exposed to Ethiopian market through All Africa Leather Fair and avail the same market to show case their products; • ***Exports of leather and leather products from Ethiopia to the COMESA region grew from US$ 672,000 to US$ 6,758,000 between 2012 and 2014.*** • ***Ethiopia imports of leather and leather products from the COMESA region grew from US$95,000 to US$210,000 between 2011 and 2013.***
Kenya	• Kenya Leather Development Council; • Dedan Kimathi University; • Kenya Footwear Association • Kenya Bureau of Standards	• A leather value chain strategy has been formulated, with the participation of Government, Private Sector and Academia; wherein, each pillar is expected to perform mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters; • The draft of the strategy was submitted to Kenya in October 2014; now waiting for their comments to enable us to finalize and launch it; • An MOU was signed with Dedan Kimathi University, which is aimed at strengthening the	• The Strategy is scheduled to be launched in the first quarter of 2015; • Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLLPI; • Kenya Foot Wear Manufactures to receive financial support from UNIDO in the form of a project, due to LLPI facilitation; • Earlier efforts in SME training has provided new direction in the footwear design in Thika, Nairobi and Eldoret; • ***Kenya exports of leather and leather products to the***

Country	Collaborating National Institutions (Triple Helix Approach)	Activities and Outputs	Recorded and Expected Impact
		University's support of enterprise development; • Curriculum development for Dedan Kimathi is underway, which responds to the needs of both the SMEs and large enterprises; • A Leather Value Chain Policy Framework was designed and submitted to Kenya in December 2014, upon request from the Kenya Leather Development Council Chairman; • LLPI to assist in the development of a National Leather Development Policy under the Ministry of Industry for purposes of mainstreaming the leather sector alongside other agro-based commodities; • Kenya Leather Development Council has been provided both national and regional presence in aspects of participation in Core Team, SME and specific trade related symposium; • Established collaboration with 'Landolakes' to address issues related to pastoral communities in enhancing quality of raw hides and skins production;	***COMESA region grew from US$27 million to US$50 million between 2011 and 2013;*** • ***Kenya's imports of leather and leather products from the COMESA region grew from US$9.5 million to US$13.3 million 2011 and 2013.***
Malawi	• Ministry of Trade and Industry • Malawi Chamber of Commerce; • Leather Association of Malawi	• A leather value chain strategy has been formulated, with the participation of Government, Private Sector and Academia; each pillar is expected to perform mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters; • The draft of the strategy was submitted to Malawi in October 2014; now waiting for their comments to enable us to finalize and launch it; • A total of 40 SMEs were trained in Footwear Making in Lilongwe and Blantyre; • Initiated the setting up of the SMEs Association.	• Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLLPI; • Enhanced participation of public and private sector players at both national and regional platform which has resulted in vibrancy of the sector in trade and product development; • Establishment of Leather Footwear Association after training of SMEs; • Opened trading links of SMEs to regional markets for leather and leather products; • ***Malawi exports of leather and leather products to the COMESA region grew from US$ 274,000 to US$ 495,000 between 2012 and 2013.*** • ***Malawi imports of leather and leather products from***

Country	Collaborating National Institutions (Triple Helix Approach)	Activities and Outputs	Recorded and Expected Impact
			the COMESA region declined from US$1.1 million to US$1.0 million between 2011 and 2013.
Rwanda	• Ministry of Trad • e and Industry; • Masaka Incubation Centre; • Association of SMEs • Rwanda Development Board	• A Leather Value Chain strategy has been formulated, with the participation of Government, Private Sector and Academia; each pillar is expected to perform mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters; • The draft of the strategy was submitted to Malawi in July 2014; now waiting for their comments to enable us to finalize and launch it; • 52 artisans were trained at Masaka Incubation Center and Kigali; (21 in Footwear Making and 31 in Cluster Management).	• Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLLPI; • Strategic linkages with Ethiopian exporters of finished leather and Kenyan upper shoe manufacturers of Kariokor with Rwandese SMEs facilitated; • Facilitation by LLPI hosting various stakeholder groups to explore the Ethiopian Market at their request has developed closer trade integration amongst players in both countries; • ***Rwanda imports of leather and leather products imports from the COMESA region grew from US$ 6,483,000 to US$ 6,500,000 between 2012 and 2013;*** • ***Raw hides and skins exports from Rwanda to the COMESA region has grown from US$ 3,660,000 to US$ 4,329,000 between 2012 and 2013.***
Sudan	• Federal Ministry of Trade; • Federal Ministry of Industry; • Khartoum State Ministry of Human Resource Development; • Khartoum State Ministry of Investment • Kerari Vocational Training Centre; • Khartoum Chamber of Industry and Commerce (Leather Chapter) • Khartoum University of Technology	• A Curriculum, which responds to the needs of the leather industry and also meets the requirements of Government was designed and launched in September 2014. Work is in progress to put down modalities of implementing it; • A Leather Value Chain Strategy was submitted to Sudan in November 2014; now waiting for their comments to enable us to finalize and launch it; • 20 artisans were trained by LLPI.	• Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLLPI; • Export restrictions on the export of raw hides to West Africa for human consumption is now in force; it is reported that this has led to a reduction in the price of raw bovine hides and also availability; thus rechanneling 60% of the US$ 43 million worth of hides back into the leather value chain; • The Strategy is scheduled to be launched in the first quarter of 2015; • Through KERARI, youth development to support artisanal

Country	Collaborating National Institutions (Triple Helix Approach)	Activities and Outputs	Recorded and Expected Impact
			level training has been achieved; • The University of Science and Technology of Sudan has endorsed its partnership with LLPI to fast track on innovation, capacity building and SME support to revitalize the leather sector; • Out of 20 trainees trained in footwear 10 are in the pipeline of receiving funding support from the State of Khartoum, while the remaining 10 are already engaging themselves in footwear manufacturing at individual level after direct discussion with the Governor and State Ministers of Khartoum; • The Private Sector has agreed to establish a Fund to support the improvement in the production of quality raw hides and skins. • ***Sudan imports of leather and leather products from the COMESA region grew from US$1.0 million to US$1.4 million between 2011 and 2013;*** • ***Sudan imports of leather and leather products declined from US$974,000 to US$214,000 between 2011 and 2013.***
Swaziland	• SMEs Cluster; • Ministry of Trade and Industry	• Initiated and facilitated the participation of the Private and Public Sectors in the regional SMEs Committee; • Facilitated the participation of both the Private and Public Sectors in Triple Helix Meeting, in order to generate their interest in working together; • Working toward a community-based enterprise in product development and trade	• Dialogue is now being developed between the Public and Private Sectors; • Areas of cooperation and support already identified by LLPI awaiting Government approval to proceed; • Through the private sector the potential of Swaziland in addressing poverty, youth educational and widow support has been established through fora organized by LLPI.
Uganda	• Ministry of Trade, Industry and Cooperatives; • Makerere University Business School; • Footwear and Leather goods Manufacturers and Exporters Association;	• A leather value chain strategy has been formulated, with the participation of Government, Private Sector and Academia; each pillar is expected to perform mutually reinforcing activities, which would support the growth of the leather value chain, through formation of clusters; • The draft of the strategy was submitted to	• Improved collaboration and networking between Government and the Value Chain Stakeholders, which was not in existence prior to the intervention by COMESA/LLLPI; • The above has led to the formation of the Uganda Leather Development Council (ULDC), which will spearhead the implementation of the Strategy; • Tannery and Abattoir waste reduction, recycling and

Country	Collaborating National Institutions (Triple Helix Approach)	Activities and Outputs	Recorded and Expected Impact
	• Training and Common Facility Centre	Uganda in July 2014; now waiting for their comments to enable us to finalize and launch it; • A total of 20 SMEs have been trained in footwear making; • Initiated a capacity building program with the Makerere Business School; • Knowledge sharing activities have also been undertaken, scaled at International level opening links with Canadian and Scottish Universities in entrepreneurship.	reuse in place toward gelatin production through the private sector; • Interceding by LLPI for the SMEs has resulted in the Government providing a building, -free of charge, to the association. This will provide accommodation, strengthen its administrative and capacity building capability; • Makerere University has initiated work related to entrepreneurship in conjunction with LLPI, targeted towards the SMEs; • ***Uganda imports of leather and leather products from the COMESA region has grown from US$ 7,656,000 to US$ 10,675,000 between 2011 to 2013;*** • ***Uganda exports of leather and leather products grew from US$6.9 million to US$7.2 million between 2011 and 2013.*** •
Zambia	• Ministry of Trade and Industry • Zambia Development Board; • Copperstone University • Kitwe SMEs Cluster; • Leather Industries Association of Zambia	• MOU was signed with Copperstone University; • A cluster of SMEs, is being nurtured under the University; • Support to SMEs in capacity building and clusters; • Participation of Public and Private Sectors in regional activities; • Benchmarking engagements; • Support of SMEs to participate in the Ethiopian markets has been extended annually for the last four years; • LLPI is progressing fast to spearhead a cluster formation and product development for national and regional markets.	• A new Private Sector Association has been reconstituted and registered in Kitwe; • In January 2015 Zambia has made an official request to be assisted in formulating its own National Leather Strategy; • Through LLPI and ITC – ZamBeef established an agreement for their leather to be certified by CLRI India (during benchmarking tour) which provided market entries globally that were not earlier available to them; • A consultative group of value chain players have been formed to pursue a harmonized approach towards leather development in Zambia. The intention is to further formalize its operation to enhance a focused approach to the sector; • ***Zambia imports of leather and leather products from COMESA grew from US$ 1,819,000 to US$ 2,753,000 between 2011 and 2012;*** • ***Zambia exports of leather and leather products to COMESA grew by US$ 1,705,000 to US$ 2,462,000 between 2011 and 2012.***

Country	Collaborating National Institutions (Triple Helix Approach)	Activities and Outputs	Recorded and Expected Impact
Zimbabwe	• Leather Institute of Zimbabwe; • Zimbabwe Leather Development Council • Ministry of Industry and Commerce	• A total of 45 SMEs representatives have been trained in footwear making; • A Leather Development Council has been established, which brings together Government, Private and Academia Sectors; in line with the Strategy document; • Support of SMEs capacity and logistical support; • Mainstreaming value addition; • LLPI is pursuing strengthening leather trade by working closely with ZIMTRADE, awaiting the signing of the MoU to unlock the potential; • Selected SMEs from the region have been exposed to the Market in Zimbabwe and results are encouraging, providing leather footwear market ranging from US$ 30 to 80 per pair higher than markets in Europe and Asia.	• The Zimbabwe Leather Development Council was established and it will spearhead the implementation of the Strategy in partnership with Government; • Support by LLPI in training of SMEs together with Zimbabwe Leather Institute has had very positive results. The formal grouping of the SMEs in Bulawayo is heading towards self-sustenance as they manage a fund generated and administered by themselves; • Strengthened, through the Ministry of Industry and Trade, the governance of Zimbabwe Leather Institute which currently is concerting the efforts of SMEs; • Local Zimbabweans are in the process of acquiring a tannery to start leather processing. This is an effort towards indigenization of the sector; • ***Zimbabwe exports of leather and leather products to the COMESA region grew from US$ 661,000 to US$ 1,384,000 between 2011 and 2012;*** • ***Zimbabwe imports of leather and leather products from the COMESA region grew from US$ 1,544,000 to US$ 2,250,000 between 2011 and 2012.***

Trade Data Source: ITC Trade Map and COMSTATS
Notes: Leather and Leather Products – entails articles of chapters 41 and 64.

Challenges

Moving forward to implement these activities would require resources; however, with our limited financial and human resource base, we are continuing to engage potential funding partners and offering technical and human resource training to SMEs and supporting them to strengthen their relationship with Government, Academia and established businesses.

Way forward

The focus in 2015 is to unpack the National Strategies developed for the Member States and translate them to tangible results for the SMEs at national and regional markets. The unpacking process would further entrench the Triple Helix Approach, by designing responsibility matrices that allocates roles and accountability to Government, Private Sector and Academia.