



Leather for Health, Wealth and Luxury!

Africa Leather and Leather Products Institute (ALLPI)

Proceedings Report

ALLPI ANNUAL REGIONAL CONSULTATIVE FORUM 2020
(Fouteenth Regional Leather Sector Consultative Forum)

Theme: *“Transitioning Africa’s SMEs to Digital Economy by Skills Portability, Technology Adoption and Diffusion!”*

16th -18th December 2020
Haile Resort
Hawassa, Ethiopia



January 2021

A Speech by His Excellency Mr. Yohannes Dinkayehu

State Minister of the Federal Democratic Republic of Ethiopia Ministry of Trade and Industry, on the official opening of ALLPI 14th Annual Regional Consultative Forum 2020

**Professor Mwinyikione Mwinyihija,
Distinguished Government and Non Government Officials,
Invited Guests,
Ladies and Gentlemen,**

On behalf of the Federal Democratic Republic of the Ethiopian Ministry of Trade and Industry, I would like to welcome you all to the Hawassa and to **ALLPI 14th Annual Regional Consultative Forum**. It is indeed an honor for me to give this opening remark at this fortunate occasion.

From the outset, I want to thank the official Sponsors and supporting partners of the 14th Annual Regional Consultative forum, with the theme “**Transitioning African’s SMEs to Digital Economy by skills Portability, Technology Adoption and Diffusion**”.

As it has been noted, the objective of this event is to bring together a unique mix of stakeholders drawn from the main pillars of policy, business, academia and research from the Africa and abroad. It is a platform for promoting technology transfer and intra and inter trade among various players in the leather value chain. The forum is generating value and trade opportunities among the participants. The 2020, forum promises to bring new practical interactions: technology transfer–tanning symposium, B2B meetings and showcasing of new products designs from the SMEs platform.

**Distinguished Guests,
Ladies and Gentlemen,**

The Ethiopian government has unveiled a new economic reform the so called Homegrown **Economic Reform**, with a major aspiration to unlock the country’s development potentials. Our initiative aims to propel Ethiopia into becoming the African icon of prosperity by 2030.

The newly introduced initiative, Homegrown Economic Reform, among other things, outlined macroeconomic, structural and sectoral reforms that are said to pave the way for job creation, poverty reduction, and inclusive growth.

Therefore, it is high time to strengthen the Economic and Trade Cooperation among African Countries, thereby fostering the use & benefit of our untapped resources to realize the AU Agenda 2063 “**Vision of an integrated, prosperous and peaceful Africa, driven by its own citizens, representing a dynamic force in the international arena**”.

**Distinguished Guests,
Ladies and Gentlemen,**

Ministry of Trade and Industry attaches' great importance to today's event as it will allow bringing together in one platform manufactures, sector specialist and policy makers to promote Africans leather industry development. This event is also expected to strengthening the existing sectors collaboration that our industry has and of course create new network, research & development and innovation in the leather sector.

I would also like to take this opportunity to thank all of you, who contributed in realizing this special event that will bring together more than 50 participants that include government officials, private sector enterprise, and academic institutions from Africa and the rest of the world.

Finally, on behalf of the Government of the Federal Democratic Republic of Ethiopia and on my own, I would like to assert our dedication to continue supporting the event and I wish you to have a successful and a pleasant and productive time in Hawassa.

Finally, I declare that ALLPI 14th Annual Regional Consultative Forumis officially opened.

I thank you!

Prof. Mwinyikione Mwinyihija, Executive Director, Message

We are very pleased to share with you the proceedings of our 14th Regional Leather Sector Stakeholder's Consultative Forum that was held from 16th to 18th December 2020 in Hawassa Ethiopia. The Forum with the **"Transitioning Africa's SMEs to Digital Economy by Skills portability, Technology Adoption and Diffusion"** has provided a good opportunity for participants for the promotion of technology transfer, sectors collaboration, networking, research & development, innovation and inter and intra trade in the leather sector.

The number of participants this year was, relatively, less than the previous years due to COVID 19Pandemics related restrictions in some countries.However, some ofthe forum stakeholders, who have not been able to travel, participated virtually.

These Proceedings provide the record of what transpired by the forum with respect to set scope of the forum which were to:

- Create opportunity to share the national and regional leather sector success stories (Promote cross fertilization of success models);
- Build consensus towards innovation, quality assurance and their importance for export readiness in reference to recent events;
- Share research undertakings by identified players at regional and global level;
- Identify the key challenges and interventions towards achieving sustainable regional leather sector development;
- Enhance the leather tanning industry sustainable production processes, consumption and eco-entrepreneurship;
- Design potential pathway to capacity building and technology transfer from national, regional and global perspectives.
- Discuss the new Strategic Direction of ALLPI being Knowledge based Institution.

We would like to thank once again allparticipantsfortheir valuable contributions to the Forum and to these Proceedings. Many thanks go as well to the MinistryofTrade and Industry and the people of Ethiopia fortheirexemplary hospitality and warm welcome, which allowed all foreign participants to feel more at home.

Finally, it is appropriate that we record our thanks to those who have served as Chairpersons and Members of the Secretariat. Without your support, theForumcouldnothave registered the success that we all have witnessed.

The continuing success of this annual forum means that planning can now proceed with confidence for the next event to be held in December 2021 in a country and venue to be communicated soon.

We are looking forward to meet you again at the Fifteenth Regional Consultative Forum.

Acknowledgments

ALLPI extends its appreciation to the Federal Democratic Republic of Ethiopia, Ministry of Trade and Industry and the Sidama Region in particular for accepting to host the 14th Annual Regional Leather Sector Stakeholders Consultative Forum.

ALLPI is also very grateful for the continued support and participation of Member States, Private and Academia Sectors, without which this Regional Workshop could not have been successfully held.

ALLPI also wants to extend its deep appreciation and thanks to the Guest of Honour, HE, Mr. Yohannes Dinkayehu, State Minister, Ministry of Trade and Industry and Mr. Bekele Tunsisa Vice President of the Sidama Region, for contributing their invaluable time to grace the official opening of the 14th Regional Leather Stakeholders Consultative Forum.

Table of Contents

| | |
|--|----|
| A Speech by His Excellency Mr. Yohannes Dinkayehu | 2 |
| Prof. Mwinyikione Mwinyihija, Executive Director, Message | 4 |
| Acknowledgments..... | 6 |
| Introduction | 8 |
| Theme and Objectives of the Workshop..... | 8 |
| Welcome message by the Executive Director of ALLPI, Prof. MwinyikioneMwinyihija . | 9 |
| Remarks by the Vice President of Sidama Region | 9 |
| Welcome Address and Official Opening by Host Country | 9 |
| Chapter I..... | 11 |
| Identifying Key Challenges and Interventions towards Achieving Sustainable Regional Leather Sector Development | 11 |
| Chapter II | 19 |
| Creating Opportunity to Share the National and Regional Leather Sector Success Stories..... | 19 |
| Chapter III | 37 |
| Building Consensus towards Innovation, Quality Assurance and their Importance..... | 37 |
| Chapter IV | 46 |
| Enhancing the Leather Tanning Industry Sustainable Production Processes, Consumption and Eco-Entrepreneurship..... | 46 |
| Chapter V | 47 |
| Designing Potential Pathway to Capacity Building and Technology Transfer | 47 |
| Chapter VI..... | 49 |
| Sharing Research Undertakings by Identified Players at Regional and Global Levels | 49 |
| Chapter VII..... | 53 |
| RECOMMENDATIONS..... | 53 |
| Annexes | 54 |

Introduction

1. The 14th Regional Leather Sector stakeholders Consultative Forum was held from 16th – 18th December, 2020 at Haile Resort, Hawassa, Ethiopia.
2. The forum was attended by the Regional Leather Sector Core Team Members, SMEs Technical Committee Members, the Representatives Official Ministries, Academia, Private Sector. The list of participants is attached as Annex I.
3. The Forum was officially opened by Honorable Yohannes Dinkayenu, State Minister of the Federal Democratic Republic of Ethiopia Ministry of Trade and Industry.

Theme and Objectives of the Workshop

4. The Theme of the Workshop was “Transitioning Africa’s SMEs to Digital Economy by Skills portability, Technology Adoption and Diffusion”. The following objectives guided the attainment of the referred to theme:
 - Create opportunity to share the national and regional leather sector success stories (Promote cross fertilization of success models);
 - Build consensus towards innovation, quality assurance and their importance for export readiness in reference to recent events;
 - Share research undertakings by identified players at regional and global level
 - Identify the key challenges and interventions towards achieving sustainable regional leather sector development
 - Enhance the leather tanning industry sustainable production processes, consumption and eco-entrepreneurship
 - Design potential pathway to capacity building and technology transfer from national, regional and global perspectives.
 - Discuss the new Strategic Direction of ALLPI being Knowledge based Institution
5. The regional leather sector forum was attended by more than 50 participants representing National, Regional stakeholders in the leather sector from 10 Eastern and Southern Africa Countries, (Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe).
6. The forum was graced by the presence of His Excellency Mr. Yohannes Dinkayehu, State Minister, Ministry of Trade and Industry, Mr. Bekele Tunsis a the Vice President of the Sidama Region, ALLPI Board of Directors, namely Mr. Dagnachew Shiferaw-Ethiopia, Mr. Semere Petros-Eritrea, Mr. Silas Sindi-Malawi and Mr. Abdul Hakiim Sekandi-Uganda.

Welcome message by the Executive Director of ALLPI, Prof. MwinyikioneMwinyihija

1. The Executive Director for ALLPI Prof. Mwinyikione Mwinyihija expressed his delight for His Excellency Mr. Yohannes Dinkayehu, State Minister, Ministry of Trade and Industry and Mr. Bekele Tunsisa the Vice President of the Sidama Region for accepting to come and grace the ALLPI 14th Regional Leather Sector Consultative forum.
2. Prof. Mwinyihija commended the Government of Ethiopia for putting in place good policies which have enhanced the development of the leather sector including enabling ALLPI as an institution to operate smoothly. He stated that Ethiopia is model for the Leather sector development in Africa.
3. He pointed out that due to COVID 19 pandemic related restrictions in some countries, not all invited stakeholders managed to travel to attend the forum, but ALLPI is making the necessary arrangements so that they could participate virtually.
4. Prof. Mwinyihija also mentioned the upcoming two global Congresses (the International Union of Leather Technologists and Chemists Societies-IULTCS and World Leather Congress-WLC) and International Standards Organization-ISO meeting in 2021 in Addis Ababa-Ethiopia. He thanked the Minister for the continued support in hosting these important events.
5. Prof. Mwinyihija registered his deep appreciation for the warm welcome and exemplary hospitality extended to all participants that arrived in Hawassa, Ethiopia.

Remarks by the Vice President of Sidama Region

6. The Vice President welcomed the participants and highlighted the demography and the geography of the region as well as explaining to the participants the history and the government system of the region including the contribution the region is making to the national economy.
7. He informed the participants that the region was an investment and tourism destination for Ethiopia and the regional government is intensively working in job creation for the youth in which the leather sector is one of the focus areas.

Welcome Address and Official Opening by Host Country

8. The Guest of honor, Honorable Yohannes Dinkayenu, State Minister of the Federal Democratic Republic of Ethiopia Ministry of Trade and Industry welcomed the participants in Hawassa and thanked the sponsors of the forum.
9. He noted the objective of the forum which is aimed at bringing together a unique mix of stake holders drawn from the main pillars of policy makers, business, and academia and research institutions from Africa and abroad.

10. He commended the forum for being a platform for promoting technology transfer, intra and inter trade among different players in the leather value chain including generating value and trade opportunities among participants.
11. He pointed out that the 2020 forum promises to bring new practical interactions: Technology transfer in tanning symposium, B2B meeting and show casing of new product designs from the SMEs platform.
12. He informed the participants that the Ethiopian Government has unveiled the Home grown economic reforms, with the major aspiration to unlock the country's development potentials aimed at propelling Ethiopia into becoming the African icon of prosperity by 2030.
13. The reforms outlined macroeconomic, structural and sectoral initiatives paving way for job creation, poverty reduction and inclusive growth.
14. On behalf of the Government of the Federal Republic of Ethiopia and on his own behalf, the Hon. Minister asserted his dedication to continue supporting the event and wished the participants a successful, pleasant and productive stay in Hawassa.
15. He finally declared the ALLPI 14th Annual Regional Consultative forum officially open.

Chapter I

Identifying Key Challenges and Interventions towards Achieving Sustainable Regional Leather Sector Development

1.1 ALLPI 2020 Key Performances and Program of Action

16. The ALLPI's annual work plan was based on its 10 years (2016-2025) Strategic Plan, which is aligned to AU Agenda 2063: (pillars 1, 2 and 7) and SDG goals (5, 8, 9, 12 and 17).
17. The Institute despite the COVID-19 pandemic related movement restrictions and the cash flow challenges due to delayed assessed contributions by Member States has conducted a number of activities.
18. The following are the activities accomplished by ALLPI in 2020:
 - ALLPI conducted a total of 51 Activities during the reporting period.
 - Human capacity building through virtual training:
 - Internal Capacity building: ALLPI staff training in three different areas.
 - Capacity building Activities in Member States.
 - More than 140 participants from 14 countries (public and private) involved in the virtual capacity building trainings in different areas.
 - Vocational Levels I to III Curricula in Leather Technology Developed (DR Congo);
 - Resource mobilization:
 - ALLPI won a bid with International Labor Organization (ILO) and started conducting a study entitled “**Programs and Qualifications for Skills Recognition and Development in the Leather Sector in Africa**”.
 - Signed a letter of intent with DT Global IDEV Europe SL to provide Technical Assistance to the Implementation of the Economic Partnership Agreement (EPA) Support Programme in Botswana.
 - Developed and submitted two project proposals to development partners.
 - Ensured effective implementation of Quality Management and Environmental Management Systems by successfully completing:
 - Internal audit, management review, surveillance audit (ISO9001-2015 and EMS 14001-2015).
 - Strengthen Member States Capacity for Implementation of their respective Leather Value Chain Strategies:
 - Prepared Blue prints on

- Cluster Management and Governance.
- Global Trade and Investment Dynamics and ALLPI's Interventions.
- A framework for the joint procurement, production and marketing of leather products.
- Regional Design Studio Management.
- Leather Value Chain Tanning program for sustainable development:
 - Equipment and tools for a total some of 400,000USD delivered to Eritrea, Zambia, Kenya, Burundi, Uganda and Rwanda, through BADEA grant.
 - Facilitated experience sharing visits (visit to Brazil).
 - Six Collaborative Research Projects in five countries.
 - Developed and shared a draft legislation framework for Mauritius hides and skins trade.
 - Prepared and shred Hides and skins grading criteria.
- Organized Leather Value Chain Stakeholders Consultative Virtual Forum;
- Promoted the establishment of e- commerce:
 - ALLPI e-portal.
 - E-commerce in collaboration with Africa E-trade group.
 - Four Webinar conferences.
 - A blue print on Global Trade and Investment Dynamics and ALLPI's Interventions.
- Regional Design Studio (RDS) project:
 - Employment of project manager whose responsibility is linking the RDS with satellite design studios.
 - Regional design studio website update.
- Occupational health and safety standards:
 - ALLPI Health and Safety Advisory Manual on Covid-19 Crisis.
 - Online survey to determine impact of COVID- in leather enterprises conducted and report shared.
- Develop strong relationship with development partner:
 - IULTCS and WLC
 - Pan Africa Trade Fair-Egypt
 - South Africa Footwear and Leather Export Council
 - Rotary Club-Zimbabwe
 - Ege University Turkey
- Held 37th and 38th BoD Meeting (17th – 19th September 2020):
 - Discussed and deliberated on the Institute's progress report, covering the

period January to November 2020.

- The Board commended ALLPI's accomplished activities.
- The Board recommended that ALLPI pursue the establishment of an ALLPI academy.

19. Detailed activity implementation matrix.

| Item | Target for the Year | Actual | Variance (+/-) | Comments |
|---|---------------------|---|----------------|---|
| Capacity Building Member States | | | | |
| Implement training program | 100 | 140 (virtual capacity building training workshop planned and implemented) | +40 | Capacity building Training workshops in: Certification of eco-friendly leather products in line with global development; Hides and skins traceability systems in line with global developments and implementation of the regional hides and skins traceability system; Application of standards for leather value chains including the designing of leather finishing processes and Leather Products, which meet regulatory and safety standards of the markets. |
| ALLPI staff Capacity building | 3 | 3 | - | Smartsheet document uploading and other varied uses in workplan preparation and performance monitoring; Use of online application for video conferencing; RDS project manager experience gaining visit to Italy and Spain through STYLE MODAINPELLE COMPANY partnership is not yet materialized due to COVID-19 situation. |
| Modules preparation for online training | 2 | 2 | - | Two modules selected for conversion to online system: Footwear design and pattern making, and Leather footwear & goods design Craftsmanship and Export Readiness |
| Implement summit decision | 6 | 6 | - | ALLPI to establish RDS; ALLPI to engage the government of Ethiopia for the establishment of RDS; ALLPI to provide critical analysis on the state of development and future directions of the leather value chain in all Member States; ALLPI to become a knowledge and innovation-based institution; ALLPI to support adoption of cleaner production |

| | | | | |
|---|---|---|----|---|
| | | | | technologies and appropriate environment conservancy; ALLPI to adopt E-commerce. |
| Curricula development | - | 1 | - | The curricula development is demand driven |
| Design equipment for vegetable tanning | 1 | 1 | - | Design of a draft model of vegetable tanning is completed |
| Reverse engineer tanning drums for vegetable tanning | 1 | - | -1 | Tanning drum for vegetable tanning is not yet reverse engineered |
| Facilitate participations in different regional, continental and global leather and leather related trade fairs | 3 | 1 | -2 | Selected tanners were facilitated to participate in Brazil leather sector trade fair. |
| Undertake Development Consultancy | 2 | 2 | - | ALLPI successfully won a bid with International Labor Organization (ILO) to conduct a study on current national, regional and continental qualifications and curriculum available for workers in the leather industry in Africa- (USD 40,000). ALLPI signed a letter of intent with DT Global IDEV Europe SL to provide Technical Assistance to the Implementation of the EPA Support Programme in Botswana. |
| Hold a regional awareness workshop on Market intelligence | 1 | 2 | +1 | ALLPI made webinar presentation entitled: "Second hand market, Cheap and Low Quality Footwear Importation, Informal Trade and Lack of Large Retailers Presence: opportunities and challenges for intra-regional trade of footwear" |
| Curricula development | - | 1 | - | The curricula development is demand driven |
| Design equipment for vegetable tanning | 1 | 1 | - | Design of a draft model of vegetable tanning is completed |
| Reverse engineer tanning drums for vegetable tanning | 1 | - | -1 | Tanning drum for vegetable tanning is not yet reverse engineered |
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| | | | | |
|---|---|---|----|---|
| | | | | IDEV Europe SL to provide Technical Assistance to the Implementation of the EPA Support Programme in Botswana. |
| Hold a regional awareness workshop on Market intelligence | 1 | 2 | +1 | ALLPI made webinar presentation entitled: "Second hand market, Cheap and Low Quality Footwear Importation, Informal Trade and Lack of Large Retailers Presence: opportunities and challenges for intra-regional trade of footwear" |
| Sustaining Online Systems | 8 | 8 | - | ALLPI sustained the Online Systems (Google Drive, Smartsheet), Subscription for the LeatherBiz.com, Devex, Crosseref, Leather Magazine, Membership fee of IULTCS, Web hosting, Software renewal, Broad Band and ITC Membership that improved market intelligence and M & E System |
| Upgrade the ALLPI B2B Portal to e-Commerce System in the Leather Sector | 1 | 1 | - | The ALLPI B2B portal is upgraded with additional e-commerce features with CS/carte e-Commerce system with 20 SMEs details and their products uploaded (see the link: trade.allpi.int) |

1.3 The regional design studio (RDS) and Member states Satellite Design Studios Implementation Plan

20. The Regional design Studio project Manager, Mr. Preston Viswamo gave a brief overview of the Regional Design Studio and the Satellite design studios being established in the ALLPI member states.

21. The objective of sharing the implementation plan at the consultative forum was to:

- Introduce the ALLPI Intervention of the Regional design studio project and the national level satellite design studio and its implementation plan with all the Regional leather value chain Triple Helix (the Public, Private and Academia) stakeholders.
- To demonstrate and enhance an interactive and participatory approach for stake holders in the implementation of the regional design studio and the satellite design studio.
- To develop a common understanding on the rationale for the Regional Design Studio project and build consensus towards the best governance and management strategies for Satellite Design Studio at national level.

22. The participants were informed of the historical background leading to the Conceptualization of the RDS project by ALLPI and the Commonwealth secretariat in 2015 and its subsequent launch in 2016 in Mombasa, Kenya. The Project Manager explained that the aim of the project was to come up with a mechanism that will enhance the development of designing capacity for

increased value addition and enhancing exportability and competitiveness of the Region's leather industry

23. The vision, Mission and objectives of the project were explained, including the functions of both the regional design studio and the Satellite Design Studios in member states.
24. Other areas that were highlighted in implementation plan include the operational ecosystem for the satellite design studios, the proposed governance and management of the satellite design studios, visibility and sustainability strategy, performance parameters and support required from both ALLPI and the member states to actualize the operations of the satellite design studios.
25. The RDS Manager shared the proposed 2021 first quarter activity plan for the Satellite design studios and also requested for the stakeholders consensus on proposed activities.
26. The consultative forum stakeholders/participants were also requested of their commitment to support the RDS/SDS implementation plan through an exercise which was administered to them.

1.4 ALLPI Academy

27. The Institutional Capacity development and Consultancy Expert, Mr. Michael Kiraye presented to the participants the ALLPI Academy, a new intervention being undertaken by ALLPI. He said basing on the interest of the member states in training, it was imperative that ALLPI operationalizes a central section for global expert pool namely the ALLPI Academy.
28. He explained that main goal of the Academy will be to provide an opportunity for leather stakeholders to broaden their knowledge of Leather production , designing and manufacturing of leather products through interaction with ALLPI collaborative pool of experts around the globe. He further stated that, the ALLPI Academy, will be the central global knowledge pool and it will be housed at the ALLPI premises in Addis Ababa, Ethiopia.
29. Mr. Kiraye informed the forum participants that the ALLPI Academy was approved by ALLPI Board of Directors and the Program is expected to be supported by the participating member states.
30. He highlighted the general objectives of the ALLPI Academy as follows:
 - To effect Harmonization of leather and leather products curricula in Africa.
 - To practice Skills portability in Africa.
 - To create a Pool for value addition and marketing.
 - To Enhance knowledgeability of all actors of the LVC in the region.
 - To Internationalize and globalize the LVC of the region.

31. He also outlined the main 5 benefits of the ALLPI Academy which are:

- Harmonization of curricula.
- Skills portability.
- Pool for value addition and opening up markets.
- Enhancing knowledgeability of all sectors of the LVC in the region.
- Internationalization and globalization of the LVC of the region.

32. In addition, Mr. Kiraye shared the vision, Mission, Motto and the proposed organogram for the ALLP Academy. Emphasis informing the participants that the Academy was not meant to be a Virtual or Physical institution of learning.

1.5 ALLPI Accomplished Regional Enterprise Competitiveness and Access to Market (RECAMP) Activities

Despite the challenges caused by the COVID 19 pandemic with regard ALLPI programs implementation in member states, the management of ALLPI developed innovative ways to carry out activities of great significance at member state level. The activities were conducted virtually. Member states were applauded for their active participation and cooperation which made it possible for the activities to be conducted successfully.

33. The Institutional Capacity development and Consultancy Expert, Mr. Michael Kiraye reported to the forum stakeholders the activities which ALLPI was able to conduct in member states amid the COVID 19 pandemic. The activities were funded through the European Development fund RECAMP project administered by the COMESA Secretariat.

1.5.1 Designing of Regional Hides and Skins Traceability System

34. The first RECAMP activity which was reported by Mr. Kiraye was the Traceability system design for COMESA region. Three Regional training workshops on designing of hides and skins traceability systems in line with global developments and providing capacity building to participating MS in the implementation of the regional hides and skins traceability system were conducted. Fourteen member states participated in groups as follows; Group 1: Eswatini, Madagascar, Mauritius, Zambia and Zimbabwe, Group 2: Burundi, D.R. Congo, Malawi, Rwanda and Uganda, Group 3: Eritrea, Ethiopia, Kenya and Sudan. The three workshops were of 5 days duration each.

1.5.2 Certification of Eco-friendly Leather and Leather Products

35. The second RECAMP activity reported was on training workshops to strengthen the human and institutional capacity of Member States in certification of eco-friendly leather products in line with global development. The first workshop was conducted for group one comprising of 5 member states namely; Eswatini, Madagascar, Mauritius, Zambia and Zimbabwe. The other two workshops for the remaining groups will be conducted in the first quarter of 2021.

1.5.3 Regional Standards Harmonization

36. The third RECAMP activity was reported by the ALLPI consultant, Mr. Wondale Mognehodie from the Ethiopian Standards Agency and it was on Regional workshops to build capacity of participating Member States and regional focal persons on application of standards for leather value chains including the designing of leather finishing processes and Leather Products, which meet regulatory and safety standards of the markets. Three regional workshops were conducted. Fourteen member states participated in groups as follows; Group 1: Eritrea, Ethiopia, Kenya and Sudan; Group 2: Burundi, D.R. Congo, Malawi, Rwanda and Uganda; Group 3: Eswatini, Madagascar, Mauritius, Zambia and Zimbabwe, The three workshops were of 5 days duration each.

1.5.4 Review of regional Leather Value Chain strategy.

37. The fourth RECAMP activity which was reported by Prof. Mekonnen was on conducting a review of the Regional Leather Value Chain Strategy (2012-2016) with the aim of developing the new strategy as part of the intervention to assist Member States in the domestication of selected regional COMESA policies and regulations. The overall objective of developing the Regional leather Value chain strategy is to increase the production and export of value added products in order to promote job creation, income and foreign exchange generation and economic growth of COMESA Member States.

The activity comprised of two workshops. The first workshop to review the 2012-2016 Regional leather value chain and draft the new strategy was conducted and the second workshop for the validation of the new strategy by the regional value chain stake holders is scheduled to take place in the first quarter of 2021.

Chapter II

Creating Opportunity to Share the National and Regional Leather Sector Success Stories

2.1 Report of the 13th Regional Leather Sector Core Team Meeting

38. Prof Mekonnen, after leading the participants in moment of silent in honor the departed Chairperson Mrs. Nalina Rupani presented the report of the 13th Annual Regional Consultative forum.
39. The introductory part of the report covered the following points:
 - The 13th Regional Leather Sector Consultative Forum was held from 11th to 13th December 2019 at BICC; Lilongwe, Malawi.
 - Theme: ‘Develop Africa’s Leather Value Chain through research, business linkages and technology Transfer”.
 - The Forum was officially opened by Honorable Salim Ibrahim Bagus, Minister of Industry Trade and Tourism.
40. The objectives of the forum were to:
 - Create opportunity to share the national and regional leather sector success stories (Promote cross fertilization of success models).
 - Build consensus towards innovation, quality assurance and their importance for export readiness in reference to recent events.
 - Share research undertakings by identified players at regional and global level.
 - Identify the key challenges and interventions towards achieving sustainable regional leather sector development.
 - Enhance the leather tanning industry sustainable production processes, consumption and eco-entrepreneurship.
 - Design potential pathway to capacity building and technology transfer from national, regional and global perspectives.
 - Discuss the new Strategic Direction of ALLPI being Knowledge based Institution.
41. The Forum was attended by more than 90 participants representing National, Regional and International Partners in the leather sector. Fifteen Eastern and Southern African countries, Burundi, Democratic Republic of Congo, Eritrea, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Sudan, Eswatini, Tanzania, Uganda, Zambia and Zimbabwe,) and Partner Organizations/Institutions, namely: Ege University-Turkey, CLRI-India, UV Enterprises-India and Trade and Fairs Consulting GmbH-Germany.
42. At end of the forum, participating stakeholders came up with the following recommendations to be overseen by ALLPI.
 - Review the national leather value addition strategies for all Member States.

- ALLPI to facilitate the research results/findings coming out from Academia to be translated in to policy briefs and or some tangible interventions that could be trickled down to SMEs.
- Empowering ALLPI to negotiate with development partners and Member States to get scholarship opportunities for training in leather sector for Member States.
- SMES to be guided on registration and formalization.
- Empower and educate SMEs by information dissemination.
- Establish and celebrate SMEs reward systems for any forms of achievement.
- Profiling the SMEs in the different member countries.
- Establish skills training mechanisms for SMEs in the Member States.
- U.V Enterprises to liaise with ALLPI and come up with a simplified tannery effluent treatment plant for a small, medium or big tannery with a daily soaking capacity of e.g. up to: 200 pcs, 500 pcs and 500 plus pcs respectively.
- Training program for hides and skins merchants be established.
- Create ToT pool on all leather value chain segments.
- Investment promotion in leather value chain segments.

Table 1: Below shows the 13th Consultative report recommendations implementation matrix

| Recommendation | Intervention | Expected Result/ Impact. |
|--|---|--|
| Review the national leather value addition strategies for all Member States. | Regional Strategy review in progress. | Enhancing manufacturing capacity to reach 20% of the total footwear demand in the next five years; Generate US\$1.29 billion and US\$2.5 billion sales revenue from leather and footwear respectively. 206,742 and 15,662 jobs creation in the footwear production and leather tanning sectors respectively. |
| ALLPI to facilitate the research results/findings coming out from Academia. | 6 Research projects in progress. | Improved Value addition, quality of products, enhanced productivity, Greener production. |
| Empowering ALLPI to negotiate with development partners and Member States to get scholarship opportunities | Activity delayed due to COVID 19 Pandemic Situation | |
| SMES to be guided on registration and formalization guided on registration and formalization | E-commerce Initiative Training in Export readiness | Improved market access at regional and global levels |
| Empower and educate SMEs by information dissemination | Quarterly newsletter, social platform, webinar 5 Research activities in progress with Universities in 5 countries (Ethiopia, Kenya, Uganda, Zimbabwe, Sudan) and Satellite | Value addition and improved quality of products with significantly decrease in waste released to the environment |

| | | |
|--|--|--|
| | Design Studios identified in 11 countries | |
| Establish and celebrate SMEs reward systems for any forms of achievement | Not fully materialized | |
| Profiling the SMEs in the different member countries | A study on Programs and Qualifications for Skills Recognition and Development in the Leather Sector in Africa | Identify occupational standards, qualifications, programs and learning pathways relevant to the leather sector |
| Establish skills training mechanisms for SMEs in the Member States. | Online training courses | Value addition and improved quality of products with significant decrease in waste released to the environment |
| Training program for hides and skins merchants be established. | Regional training on hides and skins traceability systems in line with global developments conducted for 15 countries | Design a regional hides and skins traceability systems Build capacity |
| Create ToT pool on all leather value chain segments. | Certification of eco-friendly leather products in line with global development Application of standards for leather value chains RDS | Value addition and improved productivity and quality of products with significantly decreased in waste released to the environment |
| Investment promotion in leather value chain segments | Blue print document developed ("Global Trade and Investment Dynamics and ALLPI's Interventions") IULTCS Congress, WLC, ISO meeting | Value addition and improved productivity and quality of products with significantly decreased in waste released to the environment |

2.2 Report of the 6thSMEs Technical Committee Meeting and Matters Arising

43. The Chairperson of the SMEs Technical Committee, Ms. Stabile Mlilo, after giving brief highlight on the background of SME's Committee introduced the members of the Committee and also informed the forum participants of the newly elected committee member from Zambia- Mrs. Hilda Chisanga Kapumpa. Thereafter, she reported on the thrust for the SMEs committee and the resolutions going forward.
44. The list of the SMEs Committee members was presented as follows in the table below:

Table 2: SMEs committee members

| Name | Position | Country |
|----------------------------|-------------|----------|
| Ms. Stabile Mlilo | Chairperson | Zimbabwe |
| Mr. Yoram Atuhamize | Secretary | Uganda |
| Mr. James Maura | Member | Kenya |
| Ms. Hilda Chisanga Kapumpa | Member | Zambia |
| Mr. Frew Kabede | Member | Ethiopia |

| | | |
|-------------------------|--------|-----------|
| Ms. Germaine Mukashyaka | Member | Rwanda |
| Mr. Tana Seed Ahmed | Member | Sudan |
| Mr. Muzombwe I. Michel | Member | D R Congo |
| (To be submitted) | Member | Eritrea |

45. The Chairperson informed the forum participants that 2020 was a very difficult year for all SMEs and it was also difficult for the SMEs committee to implement the resolutions from the 2019 consultative meeting. She said however, the Committee was determined to be fully functional to promote SMEs in Africa. The Committee is also working towards promoting SMEs who are talented by helping them participate in Regional and International Trade fairs.
46. Since 2019 resolutions were not implemented the committee decided to continue with the same resolutions as follows:
- registration and formalization of SMEs.
 - Build strong relations with governments.
 - Support governments in the leather strategy and policy implementation.
 - MSMES devise means for Resource mobilization.
 - Empower and educate MSMES by information dissemination.
 - Establish and celebrate MSMES reward systems for any forms of achievement.
 - Prioritize MSMES that demonstrate recapitalization for assistance.
 - Effective and efficient utilization of available resources in MSMES initiatives.
 - Engage stakeholders through the Triple Helix approach.
 - Profiling the MSMES in the different member countries.
 - Establish Physical Market Points in the Member States.
 - Establish skills training mechanisms for MSMES in the Member States.
 - Establish incubation models that are effective for the growth of Micro enterprises.
 - MSMES use physical and digital platforms to enhance market access.
 - Create Physical Sales points for leather products – Case study Kenya.
 - The e-commerce platform being pursued be actualized to cater for even the micro business through clusters like Kariokor.
 - Build entrepreneurs capacity in the management and leadership of the MSMES.
 - Negotiate with respective Member States to bring Police, Army and Prisons footwear orders to clusters for management.

2.3 Mini- Exhibition

47. ALLPI facilitated and sponsored the participation of SMEs drawn from the following 10 countries: Burundi, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda,

Zimbabwe and Zambia in 2020 Consultative Forum and show case their products during the three-day duration of the event.

48. The general objective of the mini exhibition was to bring together the leather and leather product producers to share experiences and present new developments of their products along the leather value chain. The event was also meant to get feedback from the technocrats who were participating in the forum with respect to their level of competitiveness in the national, regional and global markets.
49. The Guest of honor, Honorable Yohannes Dinkayenu, State Minister of the Federal Democratic Republic of Ethiopia Ministry of Trade and Industry toured the stands of the mini exhibition and appreciated the products in the display. During the visit, the Executive Director of ALLPI, Prof. Mwinyikione Mwinyihija indicated that SMEs should be innovative and strive to develop new products to increase their competitiveness regionally and globally.
50. Products displayed in the mini-exhibition included, footwear, leather articles and finished leather. The qualities of the products were appreciated by the forum participants and a number of products were also sold during the event. Enterprises/SMEs also took the opportunity to exchange experience between them and establish linkages for sourcing inputs like finished leather.

2.4 Presentation by ALL AFRICA LEATHER FAIR (AALF)

51. Mr. Daniel Getachew, the General Secretary of the Ethiopian Leather Association gave an overview of the All Africa Leather Fair. He shared information regarding the All African Leather Fair (AALF) that takes place, on annual basis, in Addis Ababa, Ethiopia. He said the 2020 AALF was disrupted by COVID 19, but the focus now is on 2021 AALF and preparations are already underway.
52. The General Secretary explained that AALF is Africa's premier event for entire leather value chain industry and that is for all African SMEs in Africa and not only those in Ethiopia. He shared the success story of AALF 2019 which hosted 135 exhibitors from 21 countries and 5,010 visitors from 51 countries. He further explained that, AALF 2019 was a four days program packed with high class lectures, International speakers from Governments, industry and different organizations. The event also consisted of exhibitions, B2B meetings, buyers from different continents and visits to industrial parks.
53. He informed the forum participants that Africa will host three Leather events in 2021, namely the 5th World Leather Congress, International Union of Leather Technologists and Chemists Societies (IULTCS Congress) and the All Africa Leather Fair. About 200 exhibitors and over 6000 trade buyers are expected to participate in the events. There will be a big African pavilion organized by Africa and leather products institute which will accommodate exhibitors from all over Africa.
54. The events will comprise of conferences, B2B meetings including discussions on Sustainability and sustainable development goals, Africa Continental Free Trade Agreement Implementation and online marketing progress and challenges.

55. The events organizing stakeholder holders comprising of ALLPI, LIDI, MoTI Government of the Federal republic of Ethiopia and International organizations were working toward strengthening of SMEs participation.
56. He then called SMEs and participants to take part in the 2021 AALF that will have great role to play in providing a platform for B2B, market linkages and technology transfer.

2.5 Country reports for sharing good practices

57. All member countries made presentations giving highlights on their respective leather sector strategic objectives activities, achievements, challenges and way forwards as summarized here below country by country.

2.5.1 Malawi

58. Mr. Yamikani Kadzakumanja from the Ministry of Industry, Trade and Tourism presented the Malawi Leather Value Chain Strategy implementation progress and challenges. He highlighted the background of the Malawi LCV as follows:
 - The main players in the Malawi leather value chain are farmers, butcheries, livestock traders, slaughter houses, hides and skins collectors, tannery, leather goods makers and government ministries, departments and agencies (MDAs).
 - The sector is dominated by SMEs.
 - There is one tannery which process hides and skins into wet blue for export.
 - There are two technical colleges which are offering shoe production courses.
 - Like all other sectors, the sector has been affected by Covid-19. There has been drop in demand of footwear by corporate customers, drop in prices of hides and skins and prolonged delays when importing leather accessories.
59. 2020 Implemented activities were indicated as below:
 - Introduction of an export license on hides and skins.
 - Public Procurement Order 2020 (participation by SMEs), which gives preference margin of 20% and reservation of contracts (special lot for SMEs) to SMEs. The leather and leather sector products has been prioritised.
 - Prepared tariff offers under Africa Continental Free Trade (finished leather has been included on non-sensitive list). This implies that finished leather will be imported into without tariff when trading starts in January.
 - Facilitated training workshops in leadership and good governance, warehousing and materials management and book keeping and finance to leather SMEs.
 - Participated in virtual training on leather standards and traceability system.
 - Facilitated signing of MoU between the leather design studio and Mikolongwe Vocational College.
 - Supplied cooperatives with finished leather and other accessories which will be loaned to members and the funds will be revolving.
 - Provided equipment and tools to regional leather cooperatives to enhance their

production capacity.

- Collaborating with Trogon Company which is intending to establish a tannery that processes hides and skins to finished leather.

60. The main current challenges of the sector were listed as follows:

- Poor Handling of Animals; Improper preservation of Hides and Skins.
- Leather industry relies heavily machinery and equipment that is not affordable to poor MSMEs.
- Eating of leather skins has affected the supply of hides and skins on the market.
- Competition from imported leather products remains a challenge.
- There is preference of imported leather products on the market.

61. 2021 Focus Areas were highlighted as below:

- Facilitate the development of improved husbandry practices.
- Organize farmers into cooperatives which will work as collection points for hides and skins.
- Facilitate the formation of cooperative union which is supposed to replace the leather association.
- Facilitate participation of SMEs on online platforms.
- Facilitate mid review of the leather value chain strategy.
- Harmonization of leather standards.
- Facilitate the certification of the leather products by SMEs.
- Collaborate with Buy Malawi Program to promote locally made leather products.
- Inclusion of Leather Products as part of cross boarder market infrastructure.
- Inclusion of leather and leather products under the COMESA Streamline Trade Regime (STR) for Zambia, Zimbabwe and Malawi.

2.5.2 Ethiopia

62. Mr. Paulos Berga and Mr. Addis Katema from the Ministry of Trade and Industry presented an analysis of the Ethiopian LVC and best practice for 2020 COVID 19 response.

63. The Tanning industry:

- Ethiopia consists of 32 Tanneries.
- 60% local; 36% FDI; 4% JV.
- 28 located in Addis and 4 in regions.
- Estimated annual production capacity of 500 million ft² of finished leather

64. Goods, Garments and Gloves Industry:

- Currently 150 Small, medium and large Industries. Emerging and promising industry.
- Estimated annual production 15 million pairs.

- 76% local and 24%, almost FDIs 95% are located in the capital.
- Employment: > 60 thousands.

65. COVID 19 impact on SME, leather and leather product manufacturers sector:

- Loss of both local and Export market.
- Shortage of inputs and accessories because of restriction of movements.
- Shortage of forex.
- Burden of working capital, owners are paying salaries to their employees without production.
- Fear of Loss of jobs, are the main challenge.

66. Government COVID 19 Mitigation strategy:

- Fiscal Relief (extension of loan, income tax and pension).
- Wavier of shed rent.
- Allocation of additional capital to the banks for loan (15 billion).
- Allocation of Forex for importing of primary good for the prevention of COVID 19;
- Repurposing.
- Prepare and implementing the working protocol (guide line) in the industries.
- Working by shifts to minimize the spread of COVID.
- Supplying the PPE materials for free to share the financial burden of factories;
- Financing School shoe and bag project @ Addis Ababa and Hawassa by mayor of cities, addressing 600 thousands students (about 8 million dollar).

67. Mr. Paulos Berga reported that the Government of the Federal Republic of Ethiopia in collaboration with development partners has provided Special support to SME (leather goods) through the implementation of the Personal Protective Equipment (PPE) production project.

68. The background of the project is based on the understanding of the importance of the COVID 19 preventive mechanisms and the need to support repurposing of production processes.

69. The Personal Protective Equipment (PPE) production project is for job retention in the leather and leather products industry sector as well as for the contribution to the protection against the spread of the virus and sensitization of the workers in the industry.

70. The project is not only for financing worker salaries directly but also investigates possibilities of maintaining production, relating it to the special circumstances and the needs of the workers and the companies.

71. The project budget is 4 million Dollar (Master card and KOICA) implemented between August – December 2020 and the target beneficiaries are the SME in Leather Manufacturing.

72. By PPE production, this project will secure 5000 existing jobs in the leather and leather product industry (together with ELIA identify the companies in and around Addis)
73. The project will create awareness about COVID-19 and support the government in fighting the pandemic by providing PPEs to the workers at the industry and to the population.
74. Furthermore, the workers of the factories who are working from home will improve their acceptance in their communities.
75. The Project approach is such that the procurement of input material will be done on the local market. The project will deliver the inputs necessary to produce PPE described
76. The workers will be paid per month by their employer that the project transfers the salary to the employer account under the present project. Thus, with this project MoTI is not only financing workers' salaries but using the possibility of maintaining production and relating it to the special circumstances and the needs of the workers and the companies.
77. Information flyers will be produced to raise awareness of corona measures and distributed in the communities together with hygiene articles.
78. The produced PPEs will be distributed to the workers at the industries and to the communities in need.
79. Provided below is the table of activities for the PPE project:

| Activity Area | Main Activities |
|--|---|
| Procurement of production material | (1) Analysis of available material & establishment of a data base |
| | (2) Procurement inputs necessary to produce PPEs. The textiles shall be cut into pieces so that no further cutting is needed for PPEs production. |
| Delivery of production material | (1) Development of a time table which quantity needs to be delivered from where to where |
| | (2) Schedule drivers' routes |
| | (3) Appointment of assistants in the distribution |
| | (4) Develop mechanism to confirm the receipt of the delivery |
| | (5) Pack material for each factory worker & Develop mechanism that factory workers confirm the receipt of the material (incl. consequences if material gets lost) |
| Training to factory workers on PPEs production | (1) Develop data base of the beneficiaries of the present project (incl. full name, village, material received & PPEs produced) |

| | |
|----------------------------|---|
| Payment of factory workers | <p>(1) Assistants assess the quality of the PPEs according to pre-determined criteria</p> <p>(2) Develop and communicate the payment scheme to all stakeholders: Each beneficiary sews a maximum of 100 PPE every month for 4-month and receives 1,500 ETB per month</p> <p>(3) According to the payment scheme, implementation of cash payment procedure to the beneficiary incl. confirmation of receipt of payment</p> |
|----------------------------|---|

80. The following Indicators are defined to measure the achievements of the objective and to serve as basis for the Project monitoring and evaluation:

| | |
|--------------|---|
| Indicator 1: | All material sourced in the framework of this project has been processed into PPEs. A database monitors the material and allows for maximum 10% loss. |
| Indicator 2: | 800,000 PPEs have been produced by the factory workers (approx. 2,000) that were without work due to the COVID-19 pandemic. |
| Indicator 3: | 73 leather and leather product producers confirm that their workers have benefitted from the present project. |
| Indicator 4: | Salary of 1,500 Birr has been paid to 2,500 leather and leather product producer workers for 4 months. |

81. Currently about 73 SME have their business resuscitated from the COVID 19 economic impact.

82. The resolutions for 2021 way forward were outlined as follows:

- Government Prioritization of the ten year plan for the leather sector.
- Strengthen the recovering strategy.
- Strengthen the value chain (the Modjo leather city...).
- Establish trading houses to SME clusters (38 thousands square mtr).
- Jointly working with ALLPI to host IULTCS -21 Ethiopia (committees are organized).
- Capacity building on traceability, certification and standards and planning to have Strategy review.

2.5.3 Eritrea

83. Eritrea had no representation from the public sector (Government), however Mr. Semere Petros, the board member gave a brief situational analysis of the Eritrea LVC. He said the country has a long history of the leather sector which was dominated by the Italians. Currently five mechanized tanneries are converting hides and skins into wet blue, partly pickled and crust that are exported mainly to Europe and Asia. There about 30 factories for leather and leather products.

84. Mr. Petros reported that the country was currently totally locked up due to COVID 19 and the consumer power has gone down.

2.5.4 Burundi

85. Mr. Eric Manirakiza from the Ministry of Trade, Transport, Industry and Tourism in Burundi presented the status of the Burundi leather value chain in terms of livestock number, the contribution of livestock sector to Agricultural and national GDPs, meat consumption and off take levels raw materials (hides and skins) availability, the operating tannery (Afritan) and its footwear manufacturing unit and ALLPI's contribution in training of artisans.
86. Domestic animals in 2020 are estimated at 901 000 cattle, 459 000 sheep and 4.48 million goats. The livestock sector contributes 32.2% of agricultural GDP and 14.7% of national GDP. Hides and skins production is estimated at 100,000 cattle hides, 714,000 goat skins and 77,000 sheep skins per year.
87. Burundi also imports live animals from neighboring countries such as Tanzania for meat, which. Although the country has two tanneries, until recently, 60% of the hides and skins were exported in the raw state. However, it is important to note that Burundi has imposed an export tax of 80% on exported raw skins which has considerably improved the availability of hides and skins to these existing tanneries.
88. Burundi is also implementing its LVC strategy and its objectives are as follows:
- Increasing the production of hides and skins.
 - Encourage small and medium-sized enterprises to create more value added and increase their quality.
 - Promote cleaner and sustainable quality and production techniques that preserve the environment.
 - Facilitate horizontal and vertical collaboration of leather value chain stakeholders and other stakeholders.
89. The Interventions on each objective were presented in the table below:

| Objective | Intervention. |
|---|--|
| Increasing the production of hides and skins | <ul style="list-style-type: none">• Development of a modern breeding system by law;• Professional training and motivation of veterinarians;• Immunization campaign against major diseases;• Extension and awareness services for the mishandling of animals;• Motivation of breeders to provide a supply of quality skins;• A law prohibiting the inappropriate transport of animals; |
| Encourage small and medium-sized enterprises to create more value added and increase their quality. | <ul style="list-style-type: none">• Training in quality footwear manufacturing technique and work organization in competitive system;• Establishment of an export tax of 80% on exported raw hides;• Creation of collaboration between the actors of value chain, the production of |

| | |
|---|--|
| | <ul style="list-style-type: none"> • hides and skins of good quality; |
| Promote cleaner and sustainable quality and production techniques that preserve the environment | <ul style="list-style-type: none"> • Preparation of a program design workshop to identify gaps in the leather sector. |
| Facilitate horizontal and vertical collaboration of leather value chain stakeholders and other stakeholders | <ul style="list-style-type: none"> • Identification and development of an inventory of agents at each segment of the leather value chain; |

90. In order to certify skins and hides and vaccinate livestock to protect the skins against diseases through the rehabilitation and strengthening of livestock infrastructure:

- Modern slaughterhouses are already built.
- Quarantines are also built (place of livestock expectations from outside the country) for care of certain diseases.
- It is planned to build 40 slaughterhouses and 40 quarantines throughout the country by the end of 2027.

91. Mr. Eric Manirakiza also highlighted the Leather Industry activities in Burundi through showcasing AFRITAN enterprise, a shining example that demonstrated remarkable growth through the support of ALLPI.

92. Afritan is the main leather Industry in Burundi. It makes shoes and many other leather products. The production has increased as the investor has provided a very considerable effort and reinvested by equipping the tannery with new and modern equipment. ALLPI is commended for training leather craftsmen in Burundi and for supporting the preliminary stages of shoe production for Afritan.

93. The challenges for the Burundi LVC are as follows:

- In Burundi leather industry, only wet blue is exported.
- The value addition associated with this exportation is very low compared with the potential of finished leather and leather products.
- Smuggling of the raw hides and skins without any added value is obstacle for the sector development

94. The way forward for the Burundi LVC:

- Encouraging investments in leather manufacturing.
- Considering the poor results of the current policy of fighting the smuggling by taxation, we should put in place other strategies like the total banning of the exportation of raw hides and skins.

2.5.5 Rwanda

95. Ms. Germaine Mukashyaka, Managing Director of GJS Art Promoters and Consult Ltd and Rwanda SMEs focal point person gave a presentation for Rwanda on behalf of the public sector (Government).

96. In her presentation she highlighted the achievements and the way forward for the Rwanda LVC. The achievements are as follows:

- Development of made in Rwanda policy review for industrial development.
- Tax exemption on importation of raw materials and machinery.
- Investment fund recovery for COVID 19 mitigation established through Government and cooperating partners.
- Sensitization of SMEs to work in special economic Zones made available by Government.
- Full registration of Rwanda Leather value chain Union as an independent organization for the purpose of self reliance, resource mobilization and sector development.
- Viability of the leather sector based on export of hides and skins and importation of finished leather accessories needed by sector players.

97. The way forward is as indicated below:

- Integration of leather with Rwanda culture for tourism attraction.
- Promotion of E-commerce for the LVC sector players.
- Implement the cow in the car project in collaboration with national industrial research agency and Volks Wagen for support of equipment for selected SMEs.
- Finalization of the leather sector investment policy for attraction of tanneries in Rwanda.
- Advocate for the Tripple Helix development approach.
- Government support for linking private sector and academia through the students entrepreneurship support fund.
- Operationalization of the Satellite Design Studio and sensitization of its benefits to SMEs.

2.5.6 Zimbabwe

98. Mr. Clement Shoko, the Chairperson of the Zimbabwe Leather Development council gave a brief report on the situational analysis of the LVC in Zimbabwe.

99. He said that, despite COVID 19 disrupting the supply chains and activities which were planned to be accomplished in 2020, Zimbabwe scored some progress as follows:

- The Leather Value chain strategy was finally approved by Government.
- The Leather Institute of Zimbabwe was approved by Government after a request from ALLPI to house the Satellite Design Studio beginning 2021.
- There are now two Clusters in Zimbabwe namely Harare and Bulawayo.
- The Bulawayo Cluster is now working on their new Brand (Kuba) which means home.
- The Cluster received a set of equipment and its members were trained on standards by the Zimbabwe bureau of standards.
- The Bulawayo Cluster has also benefited from the RECAMP projects where some

of its members were trained in the designing of Hides and Skins Traceability system, Certification of Eco- friendly Leather and Leather products and Harmonization of Regional Leather Value Chain standards.

2.5.7 Sudan

100. After observing a moment of silence in honor of the deceased SME, Mr. Robert Azmi Wahib Loga, Managing Director of Afrotan Company Ltd and Private sector focal point person in Sudan gave a presentation on behalf of the public sector (Government.) He gave the situational analysis for the LVC and also highlighted the interventions being undertaken by cooperating partners to mitigate sector gaps and needs.
101. He said that, the political climate in Sudan was improving the sanctions which were imposed by America on economy have now been lifted.
102. The ministry of Industry has taken the initiative to implement interventions towards value addition and also in his personal capacity Mr. Robert Loga is trying his level best to ensure that there are progressive reforms towards value addition.
103. Cooperating partners are now intervening in the LVC to meet specific gaps through the joint Cooperative Project being undertaken by Landell Mills, Livestock marketing and resilience program, IFAD and the Ministry of Animal resources.

The interventions being undertaken by this joint cooperative project are as indicated below:

Sector Gaps and Needs

| GAPS | NEEDS |
|---|---|
| <ul style="list-style-type: none"> Shortage of vaccines Lack of veterinary services | <ul style="list-style-type: none"> Private vaccine production & distribution Private veterinary services |
| <ul style="list-style-type: none"> Limited domestic cold chain Lack of export-oriented cold chain | <ul style="list-style-type: none"> Improved domestic cold chain & land/sea transport |
| <ul style="list-style-type: none"> Minimal value addition in skins and hides Poor quality of skins and hides | <ul style="list-style-type: none"> Domestic processing of sheep skins Domestic leather mfg. for domestic & export markets |
| <ul style="list-style-type: none"> Lack of grading/differentiation for meat | <ul style="list-style-type: none"> Feed finishing & fattening |
| <ul style="list-style-type: none"> Poor infrastructure (power, water, roads) Poor business environment Lack of services & skills | <ul style="list-style-type: none"> Livestock Sector SEZ |

104. Private Veterinary Services:

- Purpose: Controlling animal diseases through public veterinary services partnering with private veterinarians in well-designed epidemic/zoonotic disease

- control programs, especially for small ruminants.
- Rationale: High prevalence of PPR, Brucellosis, other diseases, causing economic losses to herders, traders.
- Project: Delivery of vaccination and treatment by private veterinarian groups under MOAR supervision.
- Where: North Kordofan (pilot project) later rolled out nationwide – 10 private veterinarian organizations each covering 625 sq. km. and 85,000-100,000 animals with 1 veterinarian, 10 para-vets, 100 basic veterinary workers.
- Cost for each unit: 1) set-up and training - \$200,000. 2) Annual operating cost (vaccines, drugs, salaries, supplies) \$150,000.
- Benefit: 1% mortality reduction = \$50 per animal x 7,000 animals = \$350,000.

105. Private Vaccine Production & Distribution:

- Purpose: Reducing/eliminating shortage of vaccines.
- Rationale: 1) Shortage of vaccines – people often smuggle them into Sudan – caused by ARRC/Soba monopoly; 2) Government-operated distribution system is ineffective.
- Project: PPP to produce and distribute ~60m to 100m vaccine doses per year.
- Where: Nationwide.
- Cost: Currently unknown.
- Benefits: Reduction in animal mortality, enhanced conformity to export market standards and requirements.
- Issues to explore in feasibility study.
- Is it more cost-effective to produce vaccine or to liberalize importation?
- Can ARRC/Soba monopoly be abolished?

106. Transport and Logistics:

- Purpose: To establish a reliable cold chain for internal and export distribution of red meat by land and sea transport.
- Rationale: 1) Virtually no cold chain for domestic product 2) Export of red meat is almost entirely by air at a high cost, and cold chain is not secure, so rejection occurs.
- Project: PPP to develop secure export-oriented cold chain.
- Cost: Currently unknown.
- Benefits: A robust cold chain would reduce rejection by 1.5% and discounting by 3%. At current export rates (15,000 MT/yr.) this costs \$1.6m. Airfreight costs ~\$2.50 per kg. This would drop by 80%, saving \$12m.
- Issues to explore in feasibility study.
- Does Sudan have sufficient export market access to justify this (i.e., would exports increase dramatically and profitably)?
- How would a PPP be structured? Focus on storage, transport, or both? Respective public and private sector roles.

107. Sheepskin Processing and Leather Manufacture:

- Purpose: To add value domestically to Sudan's abundant skins and hides.
- Rationale: Most of Sudan's skins and hides are exported in unprocessed or semi-processed state. Meanwhile, Sudan imports footwear and leather goods (\$167m in 2019).
- Project: Establish leather finishing facility (new) or rehabilitate existing one.
- Cost: \$3m to \$5m.
- Benefits: Increase value addition, reduce imports, create jobs in leather goods industry.
- PPP Structure: Foreign investor with market access, technology, capital; local tannery owner; government to upgrade quality of hides and skins. (Alternatively, this facility could go into a PPP SEZ).
- Issues to explore in feasibility study.
- Is there sufficient market demand? Can domestic leather goods compete against Asian imports?
- Can government upgrade quality of raw material?

108. Feed Finishing and Fattening:

- Purpose: To increase value of red meat in domestic and export markets.
- Rationale: Most feedlotting in Sudan is of older cattle for export to Egypt live or as carcasses, and of Hamari sheep for live export to Saudi Arabia. Meat sold in domestic/export markets is a low value undifferentiated commodity.
- Project: Build formal feedlots with quarantine and feed finishing.
- Cost: Capex \$7.2m for a 5,000 ha. 10,000-head lot.
- Benefits: Before tax profit \$1m annually. Higher value addition to livestock.
- PPP Structure: Private sector investors in construction, management & operation of feed finishing enterprises; Private sector providers of services and inputs to livestock producers; Public sector to provide land and utilities infrastructure, R&D to improve genetic stock, implement tracking/tracing system (Alternatively, all these facilities could go into a PPP SEZ).
- Issues to explore in feasibility study.
- Is there sufficient market demand? Can Sudanese meat compete in export markets? Will domestic demand grow sufficiently?

2.5.8 Zambia

109. Mr. Moses Ngosa from the Ministry of Commerce Trade and Industry gave a report virtually from Zambia. He initially conveyed a message of thanks to ALLPI on behalf of the Government of the republic of Zambia for Satellite design Studio equipment the country has received.

110. A number of activities were carried out in the year 2020 and were highlighted. They included:

- Capacity building training for SMEs in Leather Tanning and Shoes design and

- production technology.
- Acquiring of product certification for Chingola Leather Cluster to enable them access orders from KCM. The Government is also working on how the certification given to the cluster will be sustained.
- Zambia Bureau Standards (ZABS) has approved twenty various standards for leather and leather products.
- Conducted a TOT curriculum level 1, 2, 3 for leather footwear and leather goods production process in collaboration with Technical Vocation Education and Training Authority (TEVETA) through the RISM funding.

111. Major activities to be undertaken in 2021 were enumerated and they include:

- Implement the piloting of the Skins and hides traceability system.
- Implementation of the harmonized standards and certification of Eco- friendly leather and leather products.
- Operationalize the Satellite design Studio.

2.5.9 Uganda

112. The ALLPI Board of Directors Chairperson, Mr. Abdul Hakim Sekandi from Uganda gave a report on behalf of Uganda government. He informed the forum participants that Dr. Joshua Mutambi, Commissioner- Processing and Marketing (MSMEs), Ministry of Trade, Industry and Cooperatives, had a bereavement in the family that was why he was not able to attend the consultative forum as earlier arranged.

113. He informed the participants of the forum that the Leather Value chain strategy which was approved in 2015 had not been implemented. He further stated that the year 2020 had not been favorable for business due to COVID 19 and the general elections which were due to be held in Jan, 2021.

114. Triple helix was not observed during the Hides and Skins traceability design system, Certification of eco-friendly leather and leather products, and Regional leather and Leather products standards harmonization workshops. Private sector and academia were not presented.

115. One challenge which was highlighted was the low price of wet blue from Uganda being faced on the international market due to small thickness and size of hides.

116. The 2020 accomplished achievements were reported as follows:

- Ministry of livestock held a workshop on improvement of quality of hides and skins.
- The Government of Uganda is addressing policies of value addition along Leather Value Chain.
- Ministry of trade, industry and cooperatives, and ministry of Agriculture Food and Fisheries are working towards policy harmonization.
- Ministry of Trade and Industry harmonizing the standards for the LVC.

- Two tanneries are collaborating with the Leather working group.
- Ministry of finance has put waiver on income and cooperate tax.
- Money has been allocated for the development of the LVC.
- Loan re-structuring programs for the purpose of mitigating COVID 19 have been put in place.

117. In conclusion the Chairperson of the ALLPI Board of directors thanked ALLPI for providing capacity building at different levels of the Uganda LVC.

2.5.10 Kenya

118. Due lack of representation from government, the Kenya report was not submitted for presentation.

Chapter III

Building Consensus towards Innovation, Quality Assurance and their Importance

3.1. The SMEs Group

119. The SMEs group focused their discussion on reviewing the resolutions of the 2019 Consultative forum in order to deduce the challenges still faced by SMEs.
120. The challenges faced by SMEs were highlighted as follows:
- Lack of clear policies for regulating, monitoring and evaluation of the operations of SMEs/ informal sector by Government.
 - Poor product costing by SMEs.
 - MSMEs in member states are not profiled by the products they manufacture.
 - There is no specialization in the clusters (Product Marketers, Raw Material Suppliers and Producers of specific products).
 - Need for Design Studio Satellites in every country.
121. The following were the recommendations made by the SMEs committee.
- Laws should be put in place by Member state governments to regulate the operations of the informal sector so that every SME is formalized and registered in all respective countries.
 - Member states and ALLPI should facilitate training on product costing for SMEs.
 - Each country should create an inventory of their SMEs and stratify them by their size of business and products they make.
 - Clusters need further training on clustering and how it works.
 - Every member state should have strong leather associations.
 - The Design Studio should guide Clusters and SMEs and product Design and Innovation.
 - The SMEs committee should organize quarterly virtual meetings in 2021 to share information and also provide progress reportson activities of SMEs in Member States.
 - The SMEs committee should organize B2B meetings for SMEs and Associations from different member states.
 - The committee also decided to change the name SMEs to Manufacturers of Leather and products committee.
122. The Plenary discussion made the following changes to the focus group recommendations:
- The term SMEs to be maintained instead of Manufactures of Leather and leather products.
 - SMEs is universally recognized and easily understood by all spheres of

development.

3.2. Tannery and Chemical firms (private sector) Group

123. The tannery and chemical firms group meeting had deliberations attended by the following members presented in the table below:

| No | Name | Company/ Organization | Country | Contact address |
|----|---|----------------------------|--|---|
| 1 | Mr. Robert Loga (Team leader – also Chairman of the team) | Afrotan Tannery | Sudan (appointed by all members as chairman) | +249 123076390 robloga@live.com |
| 2 | Mr. Sekandi a. Hakim | Leatherland Ltd | Uganda | + 256 772 583 260 sekandiha@gmail.com |
| 3 | Mr. Bede Bedetse | Afritan Tannery | Burundi | + 257 76660060 afritanleather@yahoo.ft |
| 4 | Mr. Clement Shoko | Global Tanners | Zimbabwe | + 263 772470484 Shokoclement@gmail.com |
| 5 | Mr. Semere Petros | Petros Araya Tannery | Eritrea | + 291 - 7- 112948 Semerepetros@yahoo.com |
| 6 | Mr. Crisin Sanud iAmasi | Masi leather enterprise | Brantyre - malawi | +265 999 200 389 +265 888 900 389, Masilelent94@yahoo.com Llepdec@hotmail.com |
| 7 | Mr. Harrison Mungai | ALLPI | ALLPI (Ethiopia) (taking the minutes) | +251 985457825 Harrisonm@allpi.int |

124. The discussions were recorded as follows:

A. Improvement of animal husbandry:

- National Government to improve extension services targeting the high quality hides and skins production during pre – slaughter phase.'

No action so far by the respective focal point Ministry:

- Tanneries to explore solidaridad strategy on hides and skins improvement.

B. Slaughterhouse certification:

- Respective National Government to carry out certification of all major slaughterhouses to ensure accountability by registering any animal slaughtered and subsequently enable hide and skin tracking.

Eritrea has implemented the program with the support of UNIDO:

- Training Program of butchers/flayers to be introduced and certificate issued. This will ensure enhancement of quality of hides and skins:

- Sudan is set to start the program in 2021
- Eritrea being supported by UNIDO
- All Slaughterhouses in Member States to have a temporary preservation unit of hides and skins as they wait delivery to their respective destinations (Tanneries/ further preservation).

Only few slaughterhouses have in the region have complied with this requirement

C. Raw Hides and Skins collection and curing/preservation

- Awareness creation of the importance of these commodities to be intensified.
- Training program for hides and skins merchants be established.
- Improve collection of hides and skins thus reducing wastage.
- COVID – 19 Pandemic has negatively affected the implementation.

D. Tanning to Leather Finishing

- Beam-house, tan-yard and finishing yards must carry out all processes ensuring total in - house cleaner production compatibility in tandem with LWG requirement;
- Only Leatherland Ltd in Uganda has implemented this program.
- African tanneries to have in-house quality control labs.
- This is a challenge to many tanneries as they require equipment and trained personnel.
- African tanneries to install master water meter and production control meter (to be installed in every drum for recording the amount of water consumed by each batch during the production cycle.
- Most Tanneries are yet to have production control Meter installed.

E. Environmental Management and Conservancy

- Tanneries put in place a fully fledged waste water pretreatment plant working at minimum discharge parameters allowable by Local Authority;

Tanneries to reduce chrome offer from 6– 8 % to 3– 5% during tanning to avoid chrome Problem during effluent treatment. Tanneries to request LIDI for assistance.

- The tanners noted that most tanneries do not qualified and experienced chemist to handle issues related to environmental management and who would be working very closely with top management.

Engagement of qualified and experienced chemist recommended.

F. Tanning and Finishing Chemicals

- African Tanneries engage reputable Tannery chemical suppliers for the purpose of uniformity and conformity. This will ensure harmonized standards as will be

requested by their respective customers/clients at different stages of production phase (wet-blue, crust and finish).

ALLPI to assist in vetting suppliers of tanning chemicals.

G. Other recommendations

- African Tanneries to transform themselves from wet-blue producers to finished leather producers (leather finishers).

Respective National Government to come up with a policy of Value addition and 30-40% of National procurement to be given to SMEs

- Private Sector to develop a website platform.

3.3. The Academia Group

125. The Academia group meeting was represented by members from Copperstone University, EITEX, Bahir Dar University, SUST and ALLPI.

126. The agenda of the meeting was as follows:

- Opening of the meeting.
- Approval of minutes of the previous meeting.
- Matters Arising from the Previous Academia Meeting.
- Research Activities.
- ALLPI Academy.
- Linkages between SMEs-Academy.
- AOB.

127. The Matters arising:

- Clusters of SMEs and associations should involve Academia in their respective countries or region.
- ALLPI to facilitate the research results/findings coming out from Academia to be translated in to policy briefs and or some tangible interventions that could be trickled down to SMEs.
- Creation of research database to minimize unnecessary duplication.
- Joint development of project proposals that could be submitted to potential development partner.
- Sharing of experiences by visitation among institutions
- Universities share their programs this will help to know which institutions are doing what.
- Set a sub committee composed of Prof. Sitwala Mundia and Mrs. Diana Nitamu to lead the resource mobilization effort.
- Resource mobilized under such initiative be managed under ALLPI.
- Joint development of project proposals to be submitted for calls like Erasmus.

128. Research Activities:

- Research policy at ALLPI as well as at Universities/Institutions level.
- Research progress and limitations be communicated to ALLPI.
- Selected problems in the leather sector if could be focused for research purpose.
- Research data base if could be implemented in collaboration between ALLPI and Universities.
- Recommendations made by the Academia meeting clearly identify responsibilities of different stakeholders as all activities could not be handled by ALLPI.
- Adoption of the triple helix (Academia, public and private) approach at country and different institutions level.

129. ALLPI Academy:

- Discussion on purpose of establishment of the ALLPI Academy.
- ALLPI Academy setup strongly supported.
- The academy should have a policy document that clearly give all the required information on.
- How to apply to join the ALLPI Academy.
- What are the requirements?
- Any incentivizing mechanism to attract best minds.

130. Any other business:

- If ALLPI could share discussion materials before participants come for to the meeting

3.4. The Public SectorGroup

131. Participants in the MS group were from Burundi, Ethiopia, Malawi and Sudan as presented in the table below:

| | | |
|-----|--------------------------|----------------------|
| 1. | Mr. Silas Sindi | Chairperson (Malawi) |
| 2. | Dr. Haytham Osman | Sudan |
| 3. | Mr. Eric Manirakiza | Burundi |
| 4. | Mr. Mayeso Msokera | Malawi |
| 5. | Mr. YamikaniKodzakimanjo | Malawi |
| 6. | Mr. Zeryihun Abeba | Ethiopia |
| 7. | Mr. Pawlos Berga | Ethiopia |
| 8. | Mr. Wondale Moghnodie | Ethiopia |
| 9. | Mr. Nasir Talab | ALLPI |
| 10. | Mrs. Birkinesh Gonfa | ALLPI |

132. Recommendations from ALLPI”S consultative Forum of 2019:

- Review the national leather value chain strategies.

- Capacity building at all stages of the leather value chain.
- Curriculum alignment.
- Improve the quality of design through Satellite design studios and regional design studio.
- Create ToT pool at all leather value chain segments.
- The internal supply chain of raw hides and skins.
- Investment promotion.
- Support R&D, quality assurance bodies and reference centers.

133. Status of 2019 forum recommendations implementation and responsibility Matrix.

| No. | Activity | Status | Responsibility | Time Frame |
|-----|--|--|---|--|
| 1 | Review the national leather value addition strategies for all MS | Malawi Midterm review The exercise was started but due to pandemic it cannot be continued | MOI With relevant stakeholders | 2021 |
| | | Ethiopia Reviewed the performance of the 10 years Leather industry development strategy it is under implementation | MOTI with all support institutions | Up to 2030 |
| | | Sudan Due to Government change. MOIT tried to understand the strategy The minister decided to come with some policies to be adopted by the government There is a leather development council in place to be in charge of the implementation of the policies | MOIT and LDC in coordination of the line ministries | 2021 |
| | | Burundi The strategy is adopted and under implementation. EX, tax on the export rawhides and skins (80%) | MOT and transport and Tourism | 2021 and continuous |
| 2 | Capacity building in leather sector value chain segments | Malawi Training on leadership and governance warehouse and materials management Bookkeeping | Ministry and stakeholders | Done Other activities to be continued |
| | | Ethiopia Building the capacity of support institutions (federal and Regional) so that they can support SME's Supporting SME's through institute or development partner | MOTI and other support institutions | 2021 continued |
| | | Sudan Support SME's in footwear design and | MOIT | 2020 |

| No. | Activity | Status | Responsibility | Time Frame |
|-----|---|--|--------------------------------------|--------------------|
| | | manufacturing Design of leather goods and stitching Advance training on footwear making Build the capacity of institute on rawhides and skins improvement | | |
| | | Burundi Training on quality of footwear manufacturing technique and work organization on competitive system | | 2020 |
| 3 | Curricula Development and alignment | Malawi Due to COVID-19 | MOI | 2021 |
| | | Ethiopia Under revision | MOTI | 2021 |
| | | Sudan Curriculum under implementation | | |
| | | Burundi (in the country Presentation) | | |
| | | | | |
| 4 | Improve the quality of design through Satellite design studios and regional design studio | Malawi Still implementing | ALLPI RDS Development partners | Long |
| | | Ethiopia LIDI I supporting SME's regarding design and related concepts Planned to have separate Satellite design Studio with collaboration of ALLPI | ALLPI and LIDI | 2021 |
| | | Sudan SME's are benefited from the design studio Which is based in NLTC | | 2020 and continues |
| | | | | |
| | | | | |
| 5 | Create ToT pool in all leather value chain segments | Malawi Already have trainers | - | continued |
| | | Ethiopia LIDI is the focal institutions for this | | |
| | | Sudan Ministry of Labor and Human development | | Continuous |
| | | | | |
| 6 | Improving The internal supply chain of raw hides and skins | Malawi Done for establishments of cooperatives as collection centers for hides and skins | | Continuous |
| | | Ethiopia | | 2021 and |
| | | | | |

| No. | Activity | Status | Responsibility | Time Frame |
|-----|---|---|----------------|------------------------------|
| | | Restructuring of the responsibility of the institutions are done and the detail activities to be followed | | continuous |
| | | Sudan Established two modern slaughter house which it will contribute to quality of hides and skins. Private sector build cold units inside the slaughter house for preservation and curing rawhides and skins. | | |
| | | Burundi | | |
| 7 | Investment promotion in leather value chain segments | Malawi Facilitated the establishment of Leather tannery that will be producing finished leather to meet the local demand. | | 2020 and continuous activity |
| | | Ethiopia Investment proclamations are amended to promote the sector | | Continuous activity |
| | | Sudan Include meat and its byproduct among investment priority sector | | " |
| | | Burundi They built ablator house | | |
| | | | | |
| 8 | Support R&D, quality assurance bodies and reference centers | Malawi Facilitate the Participation of concerned institution and SME's on the training of standards, Traceability | | 2020 and continuous activity |
| | | Ethiopia LIDI R&D for reference center- There is national quality infrastructure office which is a loan from world bank for textile leather and Agro process that support quality issues and infrastructure Bahirdar University | | |
| | | Sudan Have different support institution on R&D and quality assurance. | | |

134. Recommendations by MS as a continuous activities for 2021

- Review the national leather value addition strategies for all Member States.
- Capacity building in leather sector value chain segments.
- Curriculum alignment.

- Private sector sensitization on the leather sector benefits and economic values.
 - Improve the quality of design through Satellite design studios and regional design studio.
 - Create ToT pool on all leather value chain segments.
 - Identification of the stakeholders and unpacked the responsibilities to address the cross-cutting issues.
 - More Interventions in Waste management.
 - Harmonization and implementation of standards.
 - Adoption of traceability system for LVC.
 - Improving the internal supply chain of raw hides and skins.
 - Investment promotion in leather value chain segments.
 - Implementation of effluent waste treatment system by inviting the development partners and UN environment agencies.
 - Support the Industrial development Centers.
 - Support R&D, quality assurance bodies and reference centers.
 - Support SME's access to finance.
135. The group agreed to send these recommendations to MS through ALLPI so that they can come with the implementation report to be included in the countries presentations during the next consultative forum.
- ALLPI will prepare template and share with MS who will fill and send back within two weeks.

Chapter IV

Enhancing the Leather Tanning Industry Sustainable Production Processes, Consumption and Eco-Entrepreneurship

4.1. Sustainable Leather Foundation- Global Leather value chain support organization

136. The Sustainable Leather Foundation is a not-for-profit, Community Interest Company, created with the sole purpose of supporting the leather industry in a cohesive way.
137. Focusing on all elements of sensitivity or potential impact, the Foundation aims to work with industry stakeholders to drive forward change and improvement, alongside the ability to communicate externally in a more positive way.
138. The Sustainable Leather Foundation is industry led, consumer focused and it is a fresh approach to product certification standards.
139. The Leather Industry needs to bring together all the good work being carried out into a cohesive platform that represents all and is accessible and understandable by consumers.
140. As a result of the ongoing disruption caused by the Covid-19 pandemic, the 4 C's are crucial to ensure the leather industry survives and grows and these 4C'Ss are Collaboration, Co- operation, Communication and Community.
141. The organization has its future vision as follows:
 - One Year Plan:
 - i. Pilot and refine the certification standard
 - ii. Create integrated software solution for consumer interface
 - iii. Secure CQI accreditation for audit standard
 - iv. Create online certification software built into website
 - Three Year Plan:
 - i. Establish a certification standard for suppliers to the industry
 - ii. Establish strong consumer and media links
 - iii. Widen reach to less advanced countries to educate and inform
 - Five Year Plan:

Be recognised as the global standard in support of a Sustainable Leather Industry.

Chapter V

Designing Potential Pathway to Capacity Building and Technology Transfer

5.1 The ALLPI Executive Director, Prof. Mwinyihija Mwinyikione presented a research paper on, “Innovation Diffusion Technology (IDT)/Technology Adoption Model (TAM) Integrated Model for understanding perceptual factors influencing Clean Technology adoption and diffusion of academic staff and student’s higher education Institutions related to the leather value chain (LVC).”

142. The research study explored and identified the factors of higher education (HE) in the adoption and diffusion of clean technology in the leather value chain in Kenya.
143. The study was motivated by the fact that currently, the LVC lack critical information on the perceptual orientation of the academia community that could drive technology adoption to attain a transformative momentum in to change from commoditydependence to product development. (Mwinyihija, 2018) The lack of HE driving this aspect is a concern to the LVC stratum as its through specialized skills and adoptionof technology that innovation can be attained (Banga. Kumar and Cobinna, 2017).
144. The studies requires to profile and understand the perceptions of the academiacommunity related to the LVC performance and, assist in meeting the need tottransform to a vibrant sector according to set National and Continental development goals.
145. Meeting the milestones is significant for the LVC as the academia stratum is anticipated to build and improve specialized skills, adoption of requisite technology through Institutions of higher learning. The outcome is to enhance innovative practices and attain the transformational change towards product development and global acceptance of the LVC.
146. Sustaining the efforts of adoption and diffusion of technology to the Leather Value Chain (LVC), requires understanding the deterrents that the academia community can identify through their perspectives as a key stakeholder.

5.2 Mr. Feraw Kabede a footwear design and manufacturing technology consultant made a presentation on “best existing cluster practice to follow for establishment of footwear cluster”

147. He cited the Nairobi Kariokor open market and Addis Ababa Mercato SHERA TERA Clusters as best practices in Cluster establishment and management interventions.

148. He said, the progress that has been achieved by the two clusters is the basis of his conviction that it is the best existing practice to follow for the establishment of Clusters and support for the SMEs.
149. In Nairobi, Kariokor Market can be considered as a natural leather cluster that produce goods for both local and international markets.
150. In Ethiopian also Mercato- SHERA TERA has been functioning on its own as a cluster group, or uniquely as a cooperative society for years that they have put on, their own resources and carry on the business for their own welfare.
151. He said the two clusters are what he termed as natural cooperative society clusters Created naturally, self-owned and self-managed by its individual's unit value chain players.

Chapter VI

Sharing Research Undertakings by Identified Players at Regional and Global Levels

6.1 National University of Science and Technology (NUST) Zimbabwe

152. **Ms. Notabo Hlabano**, a student of Prof. Londiwe Nikiwane from National University of Science and Technology of Zimbabwe presented the progress report of the research project entitled “Enhancement of leather wastage latrines in with Azanzagarckeana fruit extract”. The research is investigating the use of polyphenolic compounds from Azanzagarckeana (*A.garckeana*) to enhance the physic chemical properties of leather wastage latrines in. The isolation and determination n of the phytochemical properties has been completed.
153. The Progress made so far is as follows:
- *A. garckeana* characterized.
 - Gelatin extracted.
 - *A. garckeana* cross linked gelatin resin synthesized.
 - Potency of *A. garckeana* cross linking agent in reducing water absorption, improving tensile strength and adhesion properties determined.
 - The moisture content and phytochemical yield has been determined.
 - Screening of phenols in *A. garckeana*- conducted.
 - Quantity of phenolic compounds in *A. garckeana*-determined.
 - Gelatin yield and moisture content-determined.
 - Colour, pH, density and viscosity of *A. garckeana* cross linked gelatin resin – determined.
 - Water Absorption, tensile strength and adhesion properties- determined.
154. The limitation was Covid19 pandemic delayed the experimentation as the university closed from March to November. However results so far attained proves *A. garckeana* fruit extract to be a promising gelatin cross-linking agent due to its ability to form hydrogen bonds and hydrophobic interactions with the gelatin amino acid side chains.
155. The quality of *A. garckeana* cross linked gelatin resin has been tested on composites and on leather strips. However further experiments will be carried out on shoe soles and shoe uppers.
156. **Sithabisiwe Gadlula**, another student of Prof. Londiwe also presented the work on “Preparation and Characterization of Leather Boards fabricated from a Mixture of Chrome Tanned Leather Waste and Cyprus Textiles Fibers”. The objective of the research is to fabricate leather boards from chrome tanned leather waste, Cyprus textiles and natural rubber latex. The physical chemical properties of Cyprus textiles have been determined and compared to those which are commercially

available.

157. The progress made was reported as follows:

- Chemical characterization of CyprusTextilesFibers (presented in Lilongwe).
- Fabrication of composites.
- Water absorption test of composites.
- Tensile testing of composites.

158. The remaining Work is outlined below:

- Financial resources for the continuation of the project expected from ALLPI.
- Infrastructural Resources for characterization, TGA- to determine thermal properties of leather fibres, Cyprus textiles and resultant composite(Midlands State University in Zimbabwe), characterization of leather fibres by AAS and determination of their ash content- SAZ and determination of compression and flexural properties- Road lab Zimbabwe.

6.2 Enhanced academia involvement for fast tracking SMEs development in theleather sector in Sudan

159. Dr. Mohamed Elsir Elsidig Mohamed Nour, SUST, Sudan presented a collaborative research work (between ALLPI and SUST) entitled “**Enhanced academia involvement for fast tracking SMEs development in the leather sector in Sudan**”.

160. He said the research objectives of the study are:

- To be aware of the character of SMEs involved in the leather business in Sudan.
- To identify challenges facing the SMEs.
- To scrutinize and recognize the needs and expectations of the SMEs.
- To develop a conceptual framework that facilitates appropriate incubation of the SMEs pertinent to their contribution to the development of the leather sector in Sudan.

161. The following is the progress made so far:

- A fund of 8610 \$ was provided by ALLPI for this research project during July 2020.
- Immediately the V.C. formulated a steering committee for this project as follows :-
- Dr. Gasim Elfaki Ali, College of commercial studies (SUST) is the Head of the research project.
- Dr. Mohammed Elsir Esiddieg. Department of Industrial leather Engineering is a Member.
- Eng. Elsunni Hamid Ibrahim .Incubator Manager. Rapporteur & member

162. The Committee held three successive meetings & the out- come is as outlined below:

- Phase -1
- Revision of the original proposal in order to be the base of the study & at the same time completion of chapter (2) the literature review.
- Design of the SMEs questionnaire & this will be discussed with ALLPI.
- Setting standards for the recruitment of the M.sc. candidate scholarship as follows:
 1. First Class or Two- Upper minimum.
 2. Excellent Knowledge of the English Language.
 3. The candidate has to hand out a proposal for the study Topic.
 4. The Disciplines required either leather engineering or commercial studies.

This has already been done and delivered to the university (SUST) for announcement.

- Phase (1) will last for 3 months
- Phase(2), this will be for the interviews, field survey , pre & main data collection & this will last for 4 months.
- Phase (3), will be for data analysis, writing etc... & this will last for (3) months.
- Phase (4) Revision & Publication & this will last for (1) month.

163. It was recommended that due to the Pandemic situation of the COVID- 19 we recommend that the starting time to be as from 1/1/2021.

6.3 Ongoing training and research activities in the leather sector- Bahirdar University

164. **Mr. Biniyam Solomon** of Bahirdar University presented a research project titled , “ Design Related Challenges of the Ethiopian Leather Footwear Manufacturing Industries and possible areas of Interventions” .The research was collaboratively undertaken by three lectures from EiTEX, Bahirdar University namely; Biniyam Solomon (MSc. in Leather product design and Engineering), Fitsum Etefa (MSc. in Leather product design and Engineering), Yordanos Hailu (MSc. in Leather product design and Engineering) and Kasahun Hailu (Msc. in creative design(CAD/CAM)

165. The main objective of the study is to identify design related challenges of Ethiopian footwear industry in order to implement appropriate intervention method so as to improve its global competitiveness. The specific objectives are:

- To carry out an extensive review of the footwear sector to evaluate the current designing methodology being practiced.
- To Identify root causes of design challenges and gaps of footwear Industries.
- To identify possible intervention and improvement area which fill the gap.
- To implement appropriate methodology to improve the design challenges.

166. The findings of the study are outlined below:

- The leather shoe manufacturing industry is challenged by the product design process.
- Most of the designers in the industry lack design skill and this lead them to focus on specific product categories.
- There are no design teams in the industry.
- Also in the manufacturing industry research development team is the backbone for new research and product future, but 88.9% of respondent replied that there is no research development team in the company.
- One of the most important aspect for competitiveness indicators is worker capacity development/training.
- Most the enterprises are not focused on work force development because of this the workers have less motivation and less practical skill.
- The other important parameters for manufacturing industry is field of specialization were critical, in Ethiopian footwear industry almost all industry design members are far from design field.
- In the design perspective and product development process, collections are important for the leather footwear manufacturing industry.
- Results from the survey show that designers focus more on developing single items rather than collections, 87.5% of respondents indicated they design single items instead of collection.
- These results support previous outcomes indicating there is a poor researching and trend analysis practice in footwear industries.
- Designing single items prohibit the processes of building brand identity towards customers, hence creating confusion and unarticulated products.
- In addition the designers shows that instead of finding new design ideas they are focused on knock off ideas, and these factors lead their companies not to be competitive on the international market as well as domestic market.
- Generally the designers need to be supported by providing them with training to increase and improve their theoretical knowledge and practical skill.

Chapter VII

RECOMMENDATIONS

7.1 Recommendations

167. The following Recommendations were made by the 14 Annual Regional consultative Forum participants for implementation in the year 2021.
- The 15th Annual consultative forum be more diversified (more large industries, consumers, locals; media, professors, more sideline events).
 - ALLPI support to member states be enhanced (leather sector strategy review, market linkage, more visits).
 - ALLPI academy be implemented (Academy-SMEs linkage).
 - Support to model SMEs (market access, working space, finance...).
 - E-Trade be started (market access, more trade fairs...).
 - Facilitate accreditation including establishment of regional lab for testing.
 - Harmonization of standards.
 - Resource mobilization (project proposals for development partners).
 - Tanneries have to improve their products quality, eco-tanning.
 - Implementation of hides and skins traceability.
 - Support and strengthen Regional and Satellite Design Studios.

Annexes

- I. Attendance list
- II. Consultative forum program
- III. Evaluation result of the Consultative Forum