



COMESA-LLPI NEWSLETTER

July - Sept. 2013 Issue

Contents	
The 25th Meeting of the Board Directors Successfully Concluded	1
Director's Message	2
COMESA-LLPI Conducted a Cluster Management Workshop in Kigali, Rwanda	3
COMESA/LLPI Experts Team Technical Advisory Mission to Zambia and Zimbabwe	4
COMESA/LLPI Experts Team Technical Advisory Mission to Burundi	6
The 3rd Eastern African Farmers Federation (EAFF) Congress Was Conducted in Bujumbura	7
COMESA/LLPI Experts Team Technical Advisory Mission to Rwanda	8
Brazilian Tanning Industry with the Highest Number of Tanneries Certified by the Leather Working Group (LWG)	10
Private Sector in COMESA Region Set for Major Boost	11
Sudan calls COMESA's Leather Institute to Adopt Strategy for Development of Sudan's Leather Sector	11
COMESA/LLPI Participation at the Nairobi International Trade Fair	12
Treading a New Path for IP and Development in Africa	13

The 25th Meeting of the Board Directors Successfully Concluded

The Twenty Fifth Meeting of the Board of Directors of COMESA/LLPI was held at the Reliance Hotel Meeting Room on 4th September 2013 and continued at the COMESA/LLPI Board Room on 5th September 2013 for the write-up and Adoption of the Report and Closure of the Meeting. The Meeting was attended by the Board Members from the COMESA Secretariat (ex-officio), Ethiopia, Kenya, Sudan and Zambia. The Meeting was opened by the Chairperson, Dr. M. Charles Moturi.

2013, reviewed the Progress Report of activities of the LLPI for the period January – August 2013 that encompassed regular activities, project activities, budget performance and constraints and challenges experienced during the reporting period. The board made thorough discussion and decisions on the presented report. The Work Program and Budget for 2014, presented for the Board's consideration and approval were also thoroughly discussed, amended and forwarded to the Meeting of the Sub-Committee on Audit and Budgetary Matters prior to its presentation to the COMESA Council of Ministers Meeting scheduled for November 2013, for final approval.



Photo 1: Partial View of Board of Directors Meeting

The Board after considering the Minutes of its Twenty Fourth Meeting held in Addis Ababa, Ethiopia on 3rd – 4th April

Finally, the Board, successfully concluded its Twenty Fifth Meeting, after setting the Date and Venue of its Next Meeting and adopting the Report of its Twenty Fifth Meeting.

**NEXT ISSUE
DEC. 2013**

FOR UPDATED AND TIMELY INFORMATION PLEASE

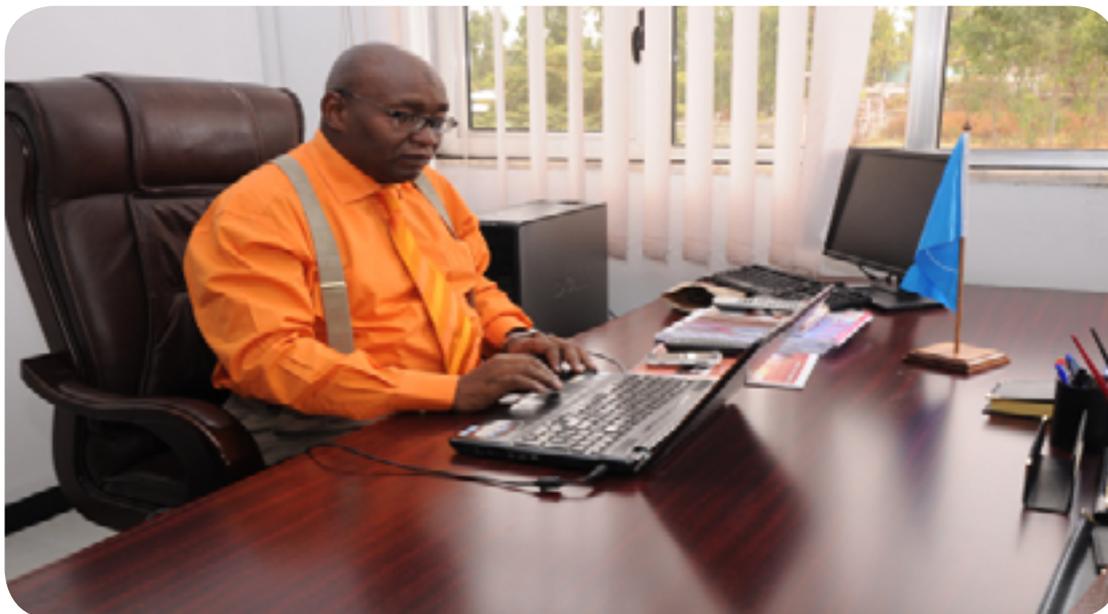
GO TO OUR WEBSITE:

WWW.COMESA-LLPI.ORG

AND

HTTP://PORTAL.COMESA-LLPI.ORG

FOR LEATHER INFORMATION PORTAL



Dr. Mwinyikione Mwinyihija, Director of COMESA/LLPI

Welcome to this third quarter Newsletter of COMESA-LLPI. The ended quarter, for COMESA-LLPI, was active and engaging in many aspects. As our mission statement indicates, we are dedicated to addressing some of the challenges of the leather sector in ways that enhance productivity and competitiveness of our SMEs within and outside the region. In line with this, the Institute conducted Advisory Missions to four COMESA and COMESA/LLPI member countries (Rwanda, Burundi, Zambia and Zimbabwe), sponsored the participation of Small and Medium Enterprises in the leather footwear sector in two International Trade Fairs (Nairobi and Kigali international Trade Fairs) and conducted Cluster Management Training Workshop in Kigali (Rwanda). The Institute also continued strengthening its collaboration with the globally renown leather Institutes outside the region (CLRI-India, KIFLT-Korea and TUBITAK-BUTAL and Ege University-Turkey).

This newsletter gives us the opportunity not only to provide information of interest on technical topics, but also to help keep you informed of our recent activities. As you continue browsing through our website you will find valuable information on 25th Meeting of the Board of Directors, COMESA-LLPI Experts' Technical Advisory Mission to Rwanda, Burundi, Zambia, and Zimbabwe, the International Trade Fairs and upcoming events, among other information.

We look forward to keeping you informed and receiving your valuable comments and suggestions.

With regards and best wishes to all.

COMESA-LLPI Conducted a Cluster Management Workshop in Kigali, Rwanda

COMESA-LLPI Conducted Cluster Management Training for SMEs and Clusters/Cooperatives involved in footwear and leather goods manufacturing. The 36 SMEs were drawn from different districts of Rwanda. The workshop was conducted for two days (September 2-3, 2013) at SCOLA Hotel in Kigali, Rwanda. The workshop was officially, opened by Mr. Celestin KABARA, Innovation and Technology Support Senior Officer, Trade and Manufacturing Department of Rwanda Development Board (RDB).

The workshop was participatory, and this helped SMEs to identify their challenges and also solutions that would help to improve the performance of their enterprises.

At the end of the workshop a manual was developed, bound and distributed to all the participants. In order to avoid the language barrier of communication, the manual was prepared in two languages (English and Kinyarwanda). The manual contains visions and



Photo 2: Partial View of the Training Workshop

The objectives of the workshop were:

- » Train Footwear and leather goods cooperatives leadership in excellence cluster management;
- » Develop an excellence cluster management manual for the cooperative through a participatory process;
- » Design a strategic framework for Cooperatives to improve their performance through collaboration in procurement and marketing.

missions of Clusters/Cooperatives, SWOT analysis of Clusters/Cooperatives, discussion results on the leather value chain, and recommendations for future actions.

The participants were also demonstrated using data and pictures, generated from interviews, held with some of the participants early in 2013. This boosted the moral of the SMEs as they were now part of the global market chain through e-commerce. Those



Photo 3: At the Conclusion of the workshop

Continued on page 5

COMESA/LLPI Experts Team Technical Advisory Mission to Zambia and Zimbabwe

The COMESA/LLPI Experts Technical Advisory Team, composed of Dr. Mekonnen Hailemariam (Leather Value Chain Expert) and Mr. Nicholas Mudungwe (Cluster Management Expert) conducted a mission to Zambia and Zimbabwe from 15 to 19 July 2013, mainly to work and discuss the implementation process of the Cluster initiatives. This was a follow up mission to the Cluster Excellence Management training workshop, which was held in Siyavonga, Zambia in May 2013. The Experts from line Ministries and Leather associations were trained on the designing and implementation of cluster initiatives and intra trade network building. The mission is part of the Institute's ongoing activity to support SMEs in the leather sector, in COMESA Member States to improve their productivity, competitiveness and intra-regional market linkages.

It is important to note that this training has created linkages between Member States. To this end, in July 2013, an Ethiopian Cluster clinched a footwear export order worth USD90, 000 to Kenya. The inclusion of the private sector in most of our meetings is helping to create business linkages. It is also gradually building the confidence among the leather value chain players that the regional market hold greater potential, which can contribute to productivity and capacity utilization improvement and consequently push up their returns.

focused on the benefits of being organized in to clusters and the capacity available in the country and in the region. COMESA/LLPI available human and other resources to support capacity-building activities in the fields of footwear manufacturing, entrepreneurial skill development, trade information access and others were also highlighted to the SMEs.

In Zimbabwe a meeting was held with Hivos in the area of Green Entrepreneurship. Hivos is an international development organization guided by humanist values. The discussion tried to identify areas of synergy between the two institutions with regards to supporting SMEs operating along the leather value chain. Potential areas of collaboration that Hivos was willing to support and in return COMESA/LLPI would give technical assistance to a local NGO, which would work as an implementing partners were:

- a. Collection of hides and skins in rural areas;
- b. Construction of mini rural tanneries;
- c. Cluster SMEs involved in footwear making and leather products in the rural areas;
- d. Environmental issues



Photo 4: Discussion Meetings with the Zambian government Officials

In Zambia, meetings were held with the Zambian Development Agency Acting Director Mr. Cholla Mwitwa, the Responsible Lady for the SMEs Mrs. Theresah Chuula, and the Lusaka Technical College Deputy Director Mr. M. Zulu. A half-day awareness raising and educatory discussion was also held with 17 self-mobilized SMEs that are prepared to form a leather footwear Cluster. The awareness raising discussion

It was agreed that COMESA/LLPI would draft a concept note on how to implement the identified interventions and submit to Hivos for consideration.

A joint meeting was also held with the Zimbabwe Ministries of SMEs and of Industry and Commerce in Harare. The meeting was attended by five and two economists from the Ministry of SMEs and that of Industry and Commerce respectively. The main issues which were deliberated upon were:

- » The implementation of the recently launched Leather Value Chain Strategy for Zimbabwe
- » Implementation of the business training for the Budiro Footwear Cluster;
- » Compilation of a data base for SMEs
- » Identification of trainers for the footwear production training for the Budiro Cluster;
- » Identification of the hosting institution for the machines to support the first pilot cluster in Budiro

The Expert Team also met with the Acting Permanent Secretary of the Ministry of SMEs and with the PS of Industry and Commerce to share with them the discussions and deliberations made with the experts of their respective Ministries for endorsement.



Photo 5: Meeting with SMEs in the Leather Footwear Sector

The Mission accomplished its expected outcomes, as an agreement was reached with the two Governments (Zambia and Zimbabwe) on the following issues:

- » Designing collaboration of work plans through a participatory process;
- » Hosting of machines, which are in the process of being procured;
- » The need to unlock other sources of finance, such as NGOs and funds allocated by Government for SMEs development;

COMESA-LLPI conducted

Continued from page 3

participants whose products were not available on the portal were very eager to see their products on the LLPI Virtual Exhibition and provided their detail on the forms given.

During the workshop, invited representatives from Equity Bank explained about the services that the bank is providing and the possibilities of getting loans from the Bank. And at the end of the session about 15 workshop participants opened Equity Bank accounts.

Delegates from a non-governmental organization called Grow Movement, who are working on enhancing entrepreneurial innovation in least developed countries through knowledge transfer, were invited to share their services with SMEs through mentorship.

The objective of inviting Equity Bank and Grow Movement was aimed at strengthening the clustering concept.

At the end of the workshop, participants were handed over Certificates for their successful completion of the workshop. The workshop was facilitated by two COMESA-LLPI Staff members: Mr. Nicholas Mudungwe (Cluster Coordinator) and Mr. Awlache Sintie (Information System Expert).



COMESA/LLPI Experts Team Technical Advisory Mission to Burundi

The COMESA/LLPI Experts Technical Advisory Team, composed of Dr. Mwinyikione Mwinyihija (COMESA/LLPI Director), Dr. Mekonnen Hailemariam (Leather Value Chain Expert) and Mr. Nicholas Mudungwe (Cluster Management Expert) conducted an exploratory mission to Burundi from 26-28 August, 2013. The objectives of the mission were to identify and collect data on the performance of SMEs, to meet and assess the training capacity of national institutions; to design technical and business training programmes with national stakeholders and identify and analyze local SMEs funding mechanisms.

Another meeting was held with Mr Déo Ngendahayo-Directeur du Tourisme. The COMESA/LLPI delegation was informed that there was a close link between the leather sector and tourism development in Burundi. This is so because leather is used to make leather products and artifacts, which are highly demanded by the tourists. He recommended that there was a need to explore mechanism of enhancing the production of leather products with an orientation towards the tourism sector. In addition he pointed out that there was need to promote Burundi tourism, by hosting international meetings in Burundi.



Photo 6 : COMESA-LLPI Delegation Visiting Tannery in Bujumbura

The Experts Team held high level meeting with Mr. Antoine Cishahayo-Assistant du Ministre du Commerce, de l'Industrie, des Postes et du Tourisme, as the Minister of Industry and Commerce was on leave, Mr. Dismas Havyarimana - Directeur Général de l'Industrie, Mr. Serge Birizanye- Directeur du Développement industriel and Mr Bede Bedetse - owner of the Afri Tan Tannery participated in the meeting. The Team received a warm welcome from the Assistant du Ministre du Commerce, de l'Industrie, des Postes et du Tourisme, who recognized that the visit had come at an opportune time and would open new avenues of cooperation between Burundi and COMESA/LLPI. He thanked the delegation for coming to Burundi, despite the fact that Burundi was not a Member of the COMESA/LLPI. He pointed out that Burundi was facing budgetary challenges and also that the leather was underdeveloped. He thus welcomed any interventions, which would help to improve the performance of the leather sector by promoting value addition and the participants from SMEs.

The COMESA/LLPI Experts Team also visited the SOGEAB (Société de Gestion de l'Abattoir de Bujumbura) and met and discussed with Mr Hubert Mbabazi-Directeur de SOGEAB and Docteur Venant Nkundikije - Chef d'exploitation de la SOGEAB. The discussion was centered on needed skills, tools and facilities to minimise damages to hides and skins during slaughtering. The Director, by indicating the plan to construct a new abattoir that will replace the current one, requested COMESA/LLPI's support to enhance the skills of workers in order to minimize damages to hides and skins during slaughtering.

The Team, from the discussions and field visits, noted that the main challenge, which Burundi is facing, is the export of approximately 80% of hides and skins in raw state, thus starving the existing tannery. Whereas Burundi has imposed an export tax on raw hides and skins, there are reports of rampant smuggling. This is an area that requires further inquiry to establish the reasons why smuggling is rampant. Footwear production is very weak as it is currently dependent on the 300 MSMEs,



Photo 7: COMESA-LLPI Delegation Visiting SME's in Bujumbura

who are under equipped, lack technical support and most of them have not been formally trained; however there is positive development as the owner of the "AfriTan" tannery has bought reconditioned machinery, which have already been installed to manufacture footwear, and he is aiming to employ about 100 workers. Most of the footwear consumed in Burundi are imported from China and the rest of the world. There are no institutions supporting skills development in tanning, footwear and leather goods production in Rwanda. 90% of the SMEs have acquired their skills through learni

COMESA/LLPI agreed to provide training for capacity building in footwear production. It was recommended that trainers should be sourced from the region, i.e. countries like Kenya and Uganda. The advantages of regional trainers are because they share the same languages and customs. It was agreed that the training should take place by end of October 2013, to allow the contracting process of trainers.



The 3rd Eastern African Farmers Federation (EAFF) Congress Was Conducted in Bujumbura

The 3rd Eastern African Farmers Federation (EAFF) Congress was conducted in Bujumbura, Burundi on 5th – 7th August 2013, at the Royal Palace Hotel. The congress is convened every four years and brings together all stakeholders involved in African agricultural development, especially Eastern African Farmers.

The Congress was commenced with Statement by representatives from CAPAD (Chairman), AU Commission, the EAFF President and the Representative of the Burundi Minister of Agriculture (Hon. Mrs. Odette Kayitesi). The Guest of Honour, the 2nd Vice President, representing the President of the Host, Republic of Burundi, officially opened the Congress.

COMESA/LLPI, represented by its Programmes Coordinator, Mr. Zewdu Kebede, made presentation on the topic "Leather Industry Sector Contribution to the Eastern African Economy". The Presentation has managed to indicate to participants, in particular the Eastern African Farmers present and, through them their respective members, that they have a potential source of income and an economic resource in hides and skins available to them

every time they slaughter one of their sheep or goat or bovine animal, if they take good care of their live animals, practice good slaughter procedures, immediate and correct preservation of the hide or skin and wise sales to the trader or preferably through their Cooperative/ Association, directly to the tanner.

The participation at the Congress has provided LLPI the opportunity to introduce the Institute to the Farmers of Eastern Africa and the role it plays in the development of the Region's leather industry sector.

COMESA/LLPI Experts Team Technical Advisory Mission to Rwanda

The COMESA/LLPI Experts Technical Advisory Team, composed of Dr. Mekonnen Hailemariam (Leather Value Chain Expert) and Mr. Nicholas Mudungwe (Cluster Management Expert) conducted a mission to Rwanda from July 23 to August 1, 2013, to participate in the 1st COMESA Manufacturers Regional Dialogue Workshop, and the 16th International Trade Fair of Kigali, Rwanda among other activities.

Mr. Nicholas Mudungwe presented a paper entitled "Unleashing the Potential of the COMESA Leather Value Chain: the Cluster Approach". The presentation highlighted the contribution of the COMESA Value Chain in the global context, importance of the leather value chain vs other commodities, relative importance of the leather value chain segment, and the net trade analysis and estimated losses.



Photo 8 : Partial View of The First COMESA Manufacturers Regional Dialogue

The 1st COMESA Manufacturers Regional Dialogue, organized by the COMESA Business Council was held in Kigali, Rwanda for 2 days. Experts, Manufacturers' Associations and Manufacturers from the COMESA Region and representatives of International Partner Organizations participated in the 2 days Dialogue.

Background of the Cluster initiative, SMES Extension Support and the COMESA/LLPI role were also discussed in depth. Participants expressed their appreciation at the end of the presentation.

The 16th International Trade Fair that was opened by His Excellency Dr. Pierre Damien Habumuremyi, Prime



Photo 9: Partial View of The First COMESA Manufacturers Regional Dialogue

Minister of Rwanda, on 25th July 2013 at Gikondo Expo Ground was organized under the theme “Linking Businesses to Markets; Promoting the Manufacturing Sector in the COMESA Region”. It is believed that the COMESA manufacturing sector would be promoted through linking business to the COMESA market of 440 million consumers, in which trade fairs will have a major role to play. Over 21 countries from Africa, Asia and Middle East participated in this trade fair; COMESA-LLPI sponsored (partially) the participation of 8 companies (2 from Ethiopia, 2 from Kenya and 4 from Uganda).

The Expert Team also met and discussed with SMEs in the leather sector who were showcasing their products at the Expo, and gathered valuable information.

The Expert Team also visited the Masaka Business Incubation Center (MBIC), operating under the Rwandan Development Board (RDB) and met with the RDB and MBIC Officials and with the representative of the Association of SMEs in the leather sector, that led to the setting up of an action matrix to assist the Rwanda Leather Industry.



Photo 10: Expert Team at the Trade Fair Opening Ceremony



Photo 11: Expert Team discussing with SMEs



Brazilian Tanning Industry with the Highest Number of Tanneries Certified by the Leather Working Group (LWG)

The Brazilian tanning industry has been demonstrating its commitment to Business Sustainable Management. The industry is continuously motivated to develop its sustainability tools and strategies for the improvement of its activities.

The country's environmental legislation resulted in industrial procedures of great quality inside the leather companies, whose investments in improving their production, with focus on sustainability, are widely consecrated attributes in both domestic and international markets.

The evolution achieved over the years in the application of these concepts can be seen along the production chain and is recognised internationally. Examples of this acknowledgment are the varieties of high-scale certifications such as ISO, LWG, specific certifications for the automotive sector, among others.

Brazil is the country with the highest number of tanneries certified by the Leather Working Group (LWG), a multi-stakeholder group aimed at the development of best environmental practices through a protocol to assess the performance of the certified tanneries. The country has 33 companies highlighted among gold, silver and bronze rates.

Awarded tanneries in Brazil: 17 Gold, 14 Silver, 2 Bronze.

Behind Brazil, comes China, with 32 certified companies. Currently there are over 140 member companies from 21 different countries participating in the program. It is a panorama that reaffirms the commitment of the country with environmental issues, says Jose Fernando Bello, executive president of the Centre for the Brazilian Tanning Industry (CICB).

One of LWGs main views is to create alignment on environmental priorities, bringing visibility to best practices and providing suggested guidelines for continual improvement. The benefit of creating cohesion on environmental issues is great. The sector is continuously improving its environmental performance in areas such as water consumption, management, treatment of waste water effluents, emission reduction, raw materials traceability and waste disposal, among others, he adds.

Not forgetting to mention that most of the certified plants in Brazil have grade A for traceability the highest grade possible, a challenge for other countries around

the world, which have difficulties in achieving the same success.

LWG latest election held in September reflected the importance of the Brazilian companies in this initiative. Three new members were elected to the Group's Executive Committee and JBS S/A was named as the representative of the Leather Manufacturers.

Currently, the sector employs more than 50,000 workers, and part of the team dedicates its time exclusively in actions related to sustainability. National tanneries have been working on a series of improvements and systematic training, focused on radically reduction of the environmental impacts, contributing to the nation's economic and social development. The preparation addresses issues relating to chemical safety, legislation, product safety, cleaner technologies, environmental and eco issues. The training also converges with regular seminars, forums and congresses to discuss and explain the best practices being used in the sector around the world.

source: www.brazilianleather.com.br

Private Sector in COMESA Region Set for Major Boost

The private sector in the COMESA region is set for a major boost following the signing of a development agreement between the regional bloc and the African Management Services Company (AMSCO).

Under the agreement signed by COMESA Secretary General Sindiso Ngwenya and the AMSCO Regional Manager, Abraham Lanor in Lusaka on 16th July, 2013, the latter committed to providing training programmes to strengthen project support for private sector development in the COMESA member States.

AMSCO is a special purpose vehicle established by the International Finance Corporation in the Netherlands, to serve as the operational unit of African Training and Management Services (ATMS) projects.

Regional Manager Abraham Lanor said his organization was pleased to sign the agreement with COMESA as it provided a platform for his organization to support economic development in Africa through the private sector.

“We have been waiting for this opportunity for some time. This agreement now makes it possible for us to get close to Regional Economic Communities that have the mandate to promote regional integration through private sector driven economic development,” he said.

Ngwenya cited numerous challenges that COMESA faced in the development of the private sector, among them the lack of support to programmes and projects being undertaken by the various private sectors.

“There is an apparent lack of skills among entrepreneurs in SMEs and this has adversely affected the achievement of the standards that the market requires,” he said.

Ngwenya observed that the private sector needed to get more involved during the tripartite negotiations for the Free Trade Area (FTA).

“The signing of the agreement marks an important step towards support for the private sector which COMESA undertakes in key programmes in the region such as the leather and leather products, textile and garments and the agro processing sector,” he said.

Ngwenya said there was the need for the private sector in various member States to work together on infrastructure projects that the region is implementing.

Source: http://www.postzambia.com/post-read_article.php?articleId=35775

Sudan Calls COMESA's Leather Institute to Adopt Strategy for Development of Sudan's Leather Sector

Sudan urged the Institute of Leather and Leather Products of the Common Market for Eastern and Southern Africa's (COMESA) countries to adopt a phase-based strategy for the development of the leather sector in the country.

The General Secretary of COMESA at the Ministry of Trade, Hashim Fathallah, said that Sudan's exports to COMESA countries could increase from 11.3 % of the country's total exports to 20% during the remaining period of the current year if the the problems of the industrial sector in the country are addressed, particularly the sector of leather and leather industries in accordance with the output of the Regional Working Group's meeting in Khartoum on the development of the sector of leather and leather industries at the COMESA Member States.

Source: <http://suna-sd.net/suna/showNews/iVaBUEiiEXhHrZByXoGFy oCxeenudT9qnwUqB-QpTz0/2>

COMESA/LLPI Participation at the Nairobi International Trade Fair

COMESA/LLPI, as part of its strategic activity of promoting productivity, competitiveness, trade and regional integration in the leather industry, participated in the Nairobi International Trade Fair by fully sponsoring 3 leather footwear Cluster/SMEs to showcase their products at the Trade Fair held at Jamhuri showground from September 30 to October 6, 2013.

invite all our international exhibitors and visitors to feel at home and enjoy Kenyan hospitality as they go about their business at this Trade Fair”.

The theme for this year’s show was “Enhancing Technology and Industry for Food Security and National Growth”. According to organizers Agricultural Society of Kenya, foreign countries in attendance included



Photo 12: His Excellency Hon. UHURU KENYATTA, C.G.H., President and Commander in Chief of the Defense Forces of the Republic of Kenya opening the Trade Fair

The Trade Fair was officially opened by His Excellency Hon. UHURU KENYATTA, C.G.H., President and Commander in Chief of the Defense Forces of the Republic of Kenya. The President, in his opening speech, indicated that the Trade Fair has certainly grown in stature, improved its standard and become a world-class agriculture and trade exposition. He said “it, therefore, affords an opportunity for all agri-business actors to interact and be empowered. A lot of learning will take place at this event, and everyone will benefit from the opportunities produced by stakeholder contact and exchange of knowledge. I

Uganda, Tanzania, Rwanda, Burundi, Ethiopia, Eritrea, Malawi, Zambia, Ghana, Nigeria, China, Indonesia, Mauritius, India, Turkey and Pakistan.

Five hundred exhibitors attended this year’s Fair compared to only 290 exhibitors last year. Eighteen of the international exhibitors were participating for the first time. The enterprises sponsored by COMESA-LLPI were EIFCCOS (Cluster Cooperative in the leather footwear with 1080 member SMEs), Bermero and Elisabeth and Tadele Share Company (both non-cluster based SMEs

Treading a New Path for IP and Development in Africa

Background



Bethlehem Alemu (pictured) was voted a Young Global Leader (2011) at the World Economic Forum (WEF) summit held in Davos, the Swiss Confederation (Photo: WEF)

Co-founded by Bethlehem Tilahun Alemu in 2005, soleRebels is a family owned brand and manufacturer of hand-crafted footwear based in Zenabwork village, Addis Ababa, in the Federal Democratic Republic of Ethiopia (Ethiopia).

Within a few years of its foundation, the Small and Medium Sized Enterprise (SME) had rejuvenated a community, invigorated a nation and revolutionized an industry.

Based on Ethiopia's long history of handmade goods built with recycled and environmentally friendly raw materials, soleRebels products – which include sandals, slippers, shoes and boots for men, women and children – are not only comfortable and stylish; they are also durable and affordable.

With a growing portfolio of trendy and high quality products and brands, soleRebels has created hundreds of jobs within a poor and marginalized community.

The company and its remarkable brand have expanded international market access for hundreds of Ethiopian artisans across Africa, the European Union (EU), North America and Asia.

As a result, the socio-economic wellbeing of thousands of people in Zenabwork and in the rest of the country has been improved while the region's environment is being sustained.

Traditional Knowledge

Ethiopia has had a long history of making traditional, quality, hand-made crafts based on recycled and raw materials.

For centuries, craftsmen and women in the country

have used manual looms (known as *inzert* in the local dialect) in order to spin plant fibers such as cotton, hemp and koba – a plant species indigenous to Ethiopia. These fibers and materials, in turn, have been relied on to create attractive, durable and useful products such as shoes and clothing.

Moreover, due to the country's vast livestock culture, there has been an ever present resource for hides that innovators have relied on to develop new materials and everyday goods based on leather.

Furthermore, since the advent of automobiles in the country, Ethiopian artisans have incorporated modern technologies such as the rubber of used car tires in order to manufacture various handmade goods including the soles of footwear – or *barabasso*.



Based on Ethiopia's long history of handmade goods built with recycled and environmentally friendly materials, soleRebels products are not only comfortable and stylish; they are also durable and affordable (Photo: soleRebels)

These creative workers, however, have often developed their skills and plied their trade in small-scale units without ready or direct access to the national or global market.

soleRebels has embraced the country's craftsmen and women and utilized their rich and environmentally sustainable manufacturing tradition for handmade products to inspire new creations for a regional and international footwear market.

As Ms. Alemu said, "It's always good if you start something new. It's challenging [for] you [and it makes people] ask a lot of questions. Once you dare, it's really good."

Indeed, the SME has been able to revive and rejuvenate Ethiopia's traditional crafts industry, expand and modernize its own product range and create well-paid jobs providing value-added, scaled production.

Research and Development

From the beginning, soleRebels – which is managed by By Ourselves Textiles PLC (better known as BOSTEX) – relied on Ethiopia's vast network of traditional craftsmen and women and on the creativity of its research and development (R&D) staff in order to produce handmade footwear.

Named after rebel soldiers in the country who were renowned for wearing sandals made of used car tires, the SME has also relied on Ethiopian tradition and social history as a foundation for economic development.

Originally established via a bank loan of 580,000 Ethiopian Birr (approximately US\$33,000), the company's workshop in Zenabwork village began sourcing raw materials such as cotton from small-scale farmers in the country. With such raw materials, soleRebels has been able to manufacture a wide range of shoes for customers of all ages.

To ensure its entry into the lucrative USA market, the company registered a trademark for soleRebels (in 2010) via the United States Patent and Trademark Office. With that registration, soleRebels became the first privately owned company in Ethiopia to register a mark in the USA (Photo: soleRebels)

Indeed, every meter of fabric used to manufacture the company's products has been spun on traditional, manual looms made of eucalyptus – a fast-growing tree that is commonly used in Ethiopia for timber-based tools.

In addition, the footwear maker has continued the long tradition in the country of collecting, sorting and recycling the rubber of used car tires and leather from the hides of cattle in order to inspire new creations.



Since the advent of automobiles in the country, Ethiopian artisans have incorporated modern technologies such as the rubber of used car tires in order to manufacture various handmade goods including the soles of footwear or barabasso (Photo: soleRebels)

Moreover, each sole of the company's footwear is hand-cut and stitched to the top half of the product by teams of craftsmen in the soleRebels workshop in order to ensure a natural fit that is comfortable, attractive and long-lasting.

By combining traditional shoe-making crafts and locally sourced raw materials enhanced with modern fashion sensibilities, the company had been able to create contemporary, value-added products and brands for an international market.

As of 2012, soleRebels was in the process of establishing a modernized R&D production facility (that would be staffed with in-house product designers and artisans) in Addis Ababa. In the same year, the workshop in Zenabwork village employed 75 full time members and 120 part-time workers who produced 500 pairs of sandals and 200 pairs of shoes daily.

Branding and Commercialization

In order to win new customers and retain loyal clientele, soleRebels has focused on creating attractive brands and ecologically viable, value-added and quality goods. To promote these products, the company has utilized multi-media campaigns and collaborations with international industry partners.

For instance, the soleRebels brand – which is inspired by the country's long history of independence – was launched in 2005 as a strategy for the SME's entry into a competitive global footwear industry.

By 2012, soleRebels had created several handmade brands and 900 unique models within its expanding portfolio of products.



For centuries, craftsmen and women in Ethiopia have used manual looms to spin plant fibers such as cotton, hemp and koba. These fibers and materials, moreover, have been relied on to create attractive, durable and useful products such as sandals, shoes and clothing (Photo: soleRebels)

Some of the company's brands include coZEES (boots for women in 15 models and various colors); Slip-Ons (comfortable and easy-to-wear shoes in 232 types and several colors); sandals and flip-flops (in 294 models and myriad colors); Lace-Ups (or laced shoes, in 212 models and a variety of color combinations); and, b*knD (a brand made of non-animal products that is aimed at a niche market of vegetarians and vegans).

Moreover, the company has made the strategic decision to develop an image for its products that is ancient yet

young, independent and rebellious.

By utilizing the symbolic power of the koba tree (a plant that has been indigenous to Ethiopia since time immemorial and resonates with the country's history), the soleRebels' logo/icon and slogan ("roots; culture; tires") has conferred an image of durability and self-renewal whilst encapsulating the company's corporate ideals: deep and enduring roots that are self-generated, youthful and ever flourishing.

Indeed, soleRebels has been keen to attach its corporate logo to its brands, and is proud to advertise the company's self-sufficient capability based on locally procured assets that have been developed through traditional, native ingenuity.

As the company's co-founder said, "Our model maximizes local development by creating a vibrant local supply chain while creating world class footwear that are loaded with style, comfort and appeal."

The company, furthermore, has relied on Internet based commercialization tools in order to enhance its brand presence and reach a growing, global clientele.

Since 2011, the soleRebels brand has been commercialized via an interactive company website (a first for an Ethiopian company, according to the SME).

soleRebels' user-friendly website permits customers to view all its brands (including pricing) via interactive photographs of its goods (which can be viewed from multiple angles), videos and product search functions.



By 2012, soleRebels had created a number of handmade brands and 900 unique models within its expanding portfolio of products. Some of the company's brands include coZEES - boots for women in models and a variety of colors - and Slip-Ons - comfortable, easy-to-wear shoes in 232 types and several colors (Photo: soleRebels)

In addition, the website not only allows soleRebels' clientele to customize products according to color and foot size; it also permits the company to keep an eye on its stock while making real time adjustments to supply and demand fluctuations of its goods.

Indeed, the convenient website encourages customers

to upload pictures of the company's products as worn by the customers themselves. Via the company's efficient e-commerce facility, soleRebels has been able to tap into the international, multi-billion dollar world of Internet-based footwear sales.

Mindful of the power of the Internet, in 2011 the footwear maker launched a publicity campaign and competition on its website – called walkNAKED – which encouraged customers from around the world to submit photographs of the company's products as worn by themselves in a variety of locations. Winning entries to the campaign would receive a free t-shirt branded with the walkNAKED logo.

The soleRebels website also attracts Internet savvy customers via its incorporation of high traffic social network websites such as Facebook, Google+ and Twitter.

The company's clients are further attracted by a customer satisfaction assurance – called the happySOLES guarantee – which promises to replace goods free of charge for buyers who are unsatisfied with soleRebels' products.

In support of its branding and online commercialization strategy, soleRebels has focused its market entry on the eco-ethical (or ecologically and ethically sound) niche market in collaboration with established international partners.

In order to improve the livelihood and well being of its artisans whilst enhancing its corporate image and ethical credentials, the company has worked with the World Fair Trade Organization (WFTO) – an international body that ensures fairness and trust between producers and manufacturers.

As a member of the WFTO, soleRebels has had to adhere to the organization's 10 principles of Fair Trade which cover a range of categories such as work conditions, wages, the environment and gender equality.

Through this partnership, the SME became the first footwear maker in the world to receive the WFTO's Fair Trade certification – an independently audited accreditation that certified soleRebels as fully satisfying all of the organization's Fair Trade principles.



By establishing an artisan education fund, soleRebels has been able to improve educational and employment prospects within the community, while sharing the benefits of the company's success with the people at the heart of its operations (Photo: soleRebels)

soleRebels' entry into the international market has also benefited from the African Growth and Opportunity Act (AGOA) – a trade and development law of the US government. AGOA allows businesses from certain countries, including soleRebels in Ethiopia, to export goods tax-free into the United States of America (USA).

With a growing portfolio of well-made and ethically sourced and produced brands, the company has been able to enter the North American footwear market via a number of shops and Internet based outlets including Amazon.com Inc., Endless.com and Urban Outfitters Inc.

Moreover, soleRebels has developed its market presence in the EU via a number of retailers including Spartoo.com, an established online shop founded in the French Republic (France). The SME has also expanded into the Asia-Pacific region via several retailing partners including Rakuten, one of the largest online shopping agents in Japan.

As of 2012, soleRebels' products were commercialized in several countries around the world including Canada, France, Japan, the Kingdom of Denmark, the United Kingdom and the USA.

Trademarks and Domain Names

In order to enter and thrive in a competitive global footwear market, soleRebels has developed a robust intellectual property (IP) strategy secured via the IP system.

To ensure its entry into the lucrative USA market, the company registered a trademark for Sole Rebels in 2010 at the United States Patent and Trademark Office (USPTO). With that registration, the SME became the first privately owned company in Ethiopia to register a mark in the USA.

In the same year, soleRebels made a trademark application for its corporate name (which was pending as of 2012) in the EU market via the Office for Harmonization in the Internal Market.

Shortly thereafter, the SME secured the Walk Naked brand via another trademark registration at the USPTO.

soleRebels, furthermore, has relied on domain names registrations in order to protect its IP assets while keeping its future avenues for expansion open.

With a growing and global customer base, as of 2012

the footwear manufacturer maintained two websites that allowed it to develop a global brand presence on the Internet: <http://www.solerebelsfootwear.co/> and <http://www.solerebelsjapan.com/> (for the Japanese market).



Because all of the company's products are made of raw materials, such as organically grown cotton or leather from free-ranging cattle, and manual tools, soleRebels has been able to save energy and keep its carbon footprint to a minimum (Photo: International Livestock Research Institute)

Environment and Public Health

Although Africa's share of global trade increased slightly in the 2000s, the continent's exports amounted to less than 5% of the international total (World Trade Organization, 2007).

With an annual growth rate of 10.4% and US\$2 billion in exports (US Department of State, 2009/2010), Ethiopia, meanwhile, began to make rapid economic progress following decades of decline.

In order to compete in the global market and increase the country's contribution to international trade, soleRebels has not only produced quality products; the company has also supported its human resource base and utilized the country's natural assets and culture in a sustainable way.

As Ms. Alemu said, "[soleRebels believes] that saving the environment plus concern for workers never goes out of style." Moreover, the entrepreneur added, "Trade is such an essential key to Africa's upliftment as it is the key to job creation, income realization and ultimately, if conducted on the right terms, that all too elusive thing that sustains us all – hope."

Since its foundation, the company has been committed to developing human resources and implementing environmentally sustainable practices. To this end, the SME provides work training for its employees as well as instilling a strong work ethic among them.

In addition, soleRebels promotes zero carbon emissions in its workshop as a means to sustain the country's

ecology while securing vital resources for its production processes and products.

By recycling used car tires and its inner rubber tubes, the company has utilized materials that would otherwise be discarded in environmentally unsustainable land-filled sites (where they contribute to pollution by being burned or buried).

Indeed, because all of the company's products are handmade with raw materials (such as organically grown cotton and leather derived from free-ranging cattle) using manual tools (which requires a minimal use of electricity), soleRebels has been able to save energy and keep its carbon foot print to a minimum.



The company has also made the strategic decision to procure all of its materials from within Ethiopia (rather than importing it via airplane or ships which leave a high carbon footprint). To this end, soleRebels has sourced many of its materials from a growing network of local suppliers.

The company, furthermore, uses recycled materials throughout its operations (by packaging products using recycled shipping cartons or re-fashioning the used clothes of Ethiopian military personnel into materials for making shoes).

As the entrepreneur said, "Ethiopia is a poor country where nothing is thrown away. Everything will be recycled over and over again."

Apart from implementing ecologically sound policies and creating jobs in a marginalized community, soleRebels has implemented a generous rewards scheme for its workers which include high pay and health insurance.

Craftsmen and women in the workshop in Zenabwork (some of whom work from home), for example, earn a monthly wage of approximately 3,000 ETB (US\$174 in 2011) – or roughly four times the national average and three times that of similar workers in the industry in Ethiopia. soleRebels has also provided 100% medical coverage for its employees and their families.

Further, the company has employed historically marginalized groups, such as people with disabilities

(who receive a transportation service to and from work), and implemented systems to ensure workers' rights (including the right to collective bargaining).

The SME also enhances links within the community in order to spread the benefits of its success. By establishing an artisan education fund (which provides for the education of workers' children and close relatives), for example, soleRebels has been able to improve educational and employment prospects within the community while sharing the benefits of its success with the people at the heart of its operations.

Business Results

In its meteoric rise to success, soleRebels launched a global brand and opened international market access for many of Ethiopia's artisans. With estimated earnings of between US\$500,000 and US\$1,000,000 (2009/2010 financial year), the company became Ethiopia's number one footwear brand export to the USA.

The SME, moreover, has been expanded to include a sister company in Asia – soleRebels Japan.

As a mark of its global success, soleRebels won the Green Award for best footwear (2010) by EcoBold – an online retailer of environmentally friendly products based in Mountain View, the State of California, USA.



The soleRebels brand is expected (by 2015) to have created over 600 jobs in countries outside Africa - a first for a brand from the continent (Photo: soleRebels)

The following year, the company beat over 3,000 other African competitors to win the first prize of the Legatum African Awards for Entrepreneurship.

Moreover, in recognition of her company's remarkable growth, Ms. Alemu has been invited to give a number of prestigious talks around the world.

At the same time, the entrepreneur has won several prizes including the Outstanding African Business Woman (2011) award by the African Business Awards – an annual event that commemorates the continent's leading entrepreneurs. Indeed, soleRebels' co-founder was named among the 20 Youngest Power Women in Africa (2011) by Forbes Magazine.

The entrepreneur, furthermore, was voted a Young

Global Leader (2011) at the World Economic Forum (WEF) summit held in Davos, the canton of Graubünden, in the Swiss Confederation. In the same year, Ms. Alemu was named as a Founding Curator for the WEF's "Global Shaper" community – an initiative that supports some of the world's youngest social pioneers aged 20 to 30 years old.

From humble beginnings in a small village in Ethiopia, as of 2012 Ms. Alemu was continuing to win international acclaim – including winning Social Entrepreneur of the Year at the WEF (2012) and being selected as "The World's Most Powerful Women to Watch," a platform she shared with only 12 other women, by Forbes magazine.

In the same year, the soleRebels footwear was commercialized in several retail outlets (including the company's flagship store in Addis Ababa) and the company was negotiating franchise agreements with several stores in over 10 countries while projecting annual revenues of US\$15 million by 2015.

Indeed, the soleRebels brand is expected (by 2015) to have created over 600 jobs in countries outside of Africa – a first for a brand from the continent, according to Ms. Alemu.

An African Spring

By leveraging Ethiopia's human, cultural and natural resources, Ms. Alemu has been able to develop a powerful brand that has created jobs not just in her community but also internationally.

Spearheaded by soleRebels footwear, the SME further ensured its entry into the global market via strategic use of the IP system.

In doing so, soleRebels has helped to sustain manufacturing traditions and skills in Ethiopia while preserving the country's natural environment and improving its international competitiveness.

Like the koba tree at the heart of the brand, the SME has established deep roots within the land, tapped the country's natural springs and began a new era of flourishing in parts of Africa.

Source: <http://www.wipo.int/ipadvantage/en/details.jsp?id=2915>



July - Sept. 2013 Issue

Contact Information

ABOUT COMESA-LLPI

The formation of the Leather and Leather Products Institute (LLPI) was approved by the former Preferential Trade Area (PTA) for Eastern and Southern African States in 1988 to fulfill its industrial objective to “support and develop the leather industries of the COMESA region”. It was then established by the signing of the Charter by member States on 23rd November 1990.

LLPI Vision:

A Competent Leather and Leather Products Centre of Excellence for Regional and Global Competitiveness.

LLPI Mission:

To Promote and Develop the Regional Leather Sector Through Research and Development, Investment, Capacity Building, and International Cooperation & Trade for Enhanced Productivity.



Address

COMESA – Leather and Leather Products
Institute (COMESA/LLPI)

For more information about LLPI, please contact:

P.O. Box 2358 Code 1110

Addis Ababa, Ethiopia

Phone: +251 – 11-4390928/4391319/4390327

Fax: +251-11-4390900

E-mail: comesa.llpi@ethionet.et

comesa.llpi@comesa-llpi.org

Website: www.comesa-llpi.org