In one of the landmark achievements under Switch Africa Green (SAG), the Kenya Footwear Manufacturers Association (KFMA) Strategic Plan 2017-2022 was launched in February 28, 2017.

**Rationale**

According to Nicholas Mudungwe, the Project Coordinator (COMESA-LLPI), the KFMA Strategic Plan (2017-2022) seeks to streamline leather footwear MSME efforts with Government strategies towards development of the leather sector in Kenya. According to Mr. George Onyango the Project Focal Point in Kenya, the Strategic Plan (2017-2021) aims at consolidating leather footwear MSME efforts towards achieving the targets identified in the Kenya Industrial Transformation Strategy spearheaded by the Ministry of Industry, Trade and Cooperatives (MoITC).

Speaking during the forum, the Cabinet Secretary (CS) for Industry, Trade and Cooperatives Mr. Adan Mohamed noted the instrumental role of the Switch Africa Green Project in cultivating eco-entrepreneurial practices among MSMEs in Kenya.

**Opportunities for Footwear Manufacture in Kenya**

Mr. Mohamed observed that leather is one of the critical sub-sectors under (MoITC) with massive potential for employment creation. The CS observed that presently, according to estimates by the Ministry, footwear production in Kenya stands at a deficit of 25 million pairs annually presenting a massive market for leather entrepreneurs locally. Mr. Adan further pointed out that the Government through his Ministry have established the key challenges ailing leather MSMEs in Kenya zeroing down to four (4) critical aspects:-

A. Inadequate technical know-how in leather, footwear and leathergoods production.

B. Lack of proper tools and machinery for leather, footwear and leathergoods manufacture.

C. Inadequate entrepreneurship and marketing skills.

D. Access to affordable credit.

In response to these critical challenges, Mr. Mohamed observed that the Government of Kenya through his Ministry have initialized various Projects including; the establishment of a Common Manufacturing Facility at Kariokor, the Kenya Leather Park and upgrading of the Training & Production Center for Shoe Industry (TPCSI-Thika), all aimed at promoting a vibrant leather industry in Kenya.

**Eco Enterpreneurship**

Also speaking during the forum, Lily Murei of UN Environment observed that the Switch Africa Green Project initiated in September, 2015 had yielded huge steps in eco-entrepreneurship among MSMEs in the leather industry especially in the areas of Resource Optimization, Waste Recycling and Networking thus resulting in the revival of Kenya Footwear Manufacturers Association (KFMA). To this end, Ms. Murei thanked COMESA Leather & Leather Products Institute as well as the Government of Kenya through KLDC for the immense support granted in the implementation of the Project.
“KLDC will collaborate with CLRI and COMESA/LLPI for technology transfer on all aspects of tanning, leather processing, leather products manufacture and cultivation of eco production practices in leather manufacture as we pursue the overarching goal of value addition.”

KLDC Assumes New Address

Kenya Leather Development Council (KLDC) headquarter office previously situated in Lavington—Riverside Drive has been moved to Thika Road (Survey) Nairobi.

In speaking of this shift, the CEO—Dr. Issack Noor observed that KLDC’s relocation to CPA Center on Nairobi’s Thika Road (Survey) has been spurred on by the need for the Council to provide adequate space for its staff as well as ensure accessibility for both its internal and external clients. According to Dr. Noor, the Council which is still on a growth path in terms of its employee and technical capacity is on a journey to ensure that it lives up to its mandate. In his words, “this is only a step we have made towards improving the working conditions for the staff of the Council, and we promise to do much more in meeting the needs of our stakeholders and clients as we strive towards the achievement of our mandate.” The Council’s Office also serves as a meeting point for its stakeholders who are welcome to conduct their meetings in the KLDC Boardroom. The New office is situated on the 5th Floor of CPA Center, Nairobi.

Kenya Mission to India

A team comprising of representatives from the Ministry of Industry, Trade & Cooperatives, Kenya Leather Development Council (KLDC) as well as value chain representatives visited India on a trade mission aimed at increasing India-Kenya partnership in leather sector development. The mission was organized by the International Trade Center (ITC) through the Support for India Trade in Africa (SITA) and also brought together regional players including COMESA Leather & Leather Products Institute as well as representatives drawn from Kenya, Uganda & Tanzania.

Case In Point: Central Leather Research Institute (CLRI)

Speaking during a workshop organized by the Central Leather Research Institute (CLRI) dubbed ‘Technology Trends in Leather and Leather Products and its role in Growth and Sustainability in Africa’, Dr. B. Chandrasekaran, the director of the Institute noted that “today, nearly 25% of the global leather research is done by CLRI. Dr. Chandrasekaran further observed that the Institute provides a strong academia linkage for India’s leather sector and the needs of the industry are incorporated in the planning and policy development of the Institute. In partnership with other associations, the Institution contributes to development of new leather chemicals, eco friendly leather processing, global fashion forecasting for colours and designs thus leading to diversity in leather, footwear and leather goods production.

Cleaner Production

A key highlight of the CLRI organized workshop was the recently introduced innovation by the Institute on tannage and waste water discharge referred to as the ‘waterless chrome tanning technology and zero waste water discharge.’ Referred to as the global game changer for leather processing, this first of its kind technology seeks to reduce chromium pollution load—explained Dr. Chandrasekaran.

Kenya-India partnership

Speaking during the forum, the CEO-KLDC Dr. Issack Noor noted that India is a natural partner for Kenya in matters leather development as the country had carved out a niche for itself as a leader in leather industry development. Given that Kenya is charting its own cause of leather sector development heralded by the establishment of a world class leather park in Machakos County, the Government of Kenya and sector players will work closely with India especially in the areas of technology transfer to ensure the realization of this objective. Going forward, Dr. Noor observed that “KLDC will collaborate with CLRI and COMESA/LLPI for technology transfer on all aspects of tanning, leather processing, leather products manufacture and cultivation of eco production practices in leather manufacture as we pursue the overarching goal of value addition.”
Switch Africa Green (SAG) Project pans out to Kisumu and Eldoret

54 Micro, Small and Medium Enterprises (MSMEs) were trained on various aspects pertaining to resource efficiency and sustainable production of footwear and leather goods in Eldoret and Kisumu County courtesy of the Switch Africa Green Project.

**SAG Project**

The Project which is in its second (2nd) year of implementation is aimed at enabling transition of Kenya from a brown to a green economy anchored on Sustainable Production and Consumption (SCP). Since its launch in September, 2015 the Project which is jointly implemented by COMESA/Leather and Leather Products Institute (LLPI) and KLDC has seen to the training of over 200 MSMEs in:

- Resource efficient practices including recycling of waste leather offcuts in making of sandals, dog collars and other small leather artefacts.
- Occupational Health and Safety aimed at promoting safe working environments in workshops i.e. use of dust masks, servicing and technical know-how of using fire extinguishers among other issues.
- Clustering aimed at building linkages among footwear and leather-goods MSMEs thus enhancing their bargaining power in purchase of leather as well as resource sharing among themselves.
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**Training for Transformation**

The Training conducted in Kisumu and Eldoret was aimed at Transforming MSMEs mindsets towards embracing Sustainable Production and Consumption Patterns. According to Nicholas Mudungwe of COMESA/LLPI, there is need to explain to MSMEs the relevance of engaging in this Project—why do they need to transition from their old ways of doing business? Why do they need to embrace greener production? What is in it for them? Hence, the initial training conducted for MSMEs under this Project aims at Transforming mindsets towards adoption of SCP in production.

**Project Scope**

According to Mr. George Onyango of KLDC, the SAG Project has drawn MSMEs from various counties including; Nakuru, Nyeri, Thika, Nairobi and Eldoret, and is now reaching out to Kisumu as well for purposes of capacity building of MSMEs in SCP practices.

**SCP Practices Identified**

During the training of MSMEs in Eldoret and Kisumu, it was identified that there were efforts made by the MSMEs towards recycling of old tyres as well as organic production of fish leather for making of fish leather products. According to Mr. George Onyango, these practices will be looked into for purposes of refining and enhancing the products being made by the MSMES.

**European Union on assessment of SAG Project Implementation**

In one of the key highlights of the first half of 2017, a European Union (EU) delegation as well as United Nations Development Programme (UNDP) and UN Environment representatives visited one of the beneficiaries of the Project beneficiaries in Thika. The aim of the exercise was to gather facts on what has been achieved courtesy of the Project, what are the challenges faced and what can be done to further build on the success points of the Project.

**Champion Shoes –Thika**

A beneficiary of the Switch Africa Green (SAG) Project since September, 2015 the enterprise has been engaged in various activities aimed at enhancing Sustainable, Production and Consumption Patterns. Speaking during the assessment, the firm’s Managing Director Mr. James Mwaura expressed his gratitude to the European Union noting that the benefits derived from the Project by his firm are beyond enumeration.

**Benefits of the Project**

Mr. Mwaura observed that thanks to the Project, he has been able to improve his skills as well as those of his workers, he has hired an accountant for purposes of record keeping as well as putting into practice the use of the three-phase power plan to cut back on electricity costs. Besides, this the revamp of the Kenya Footwear Manufacturers Association courtesy of the Project is another key achievement which he felt would be of great help to footwear MSMEs.
KLDC pursues Authority Status

**Brief Overview of KLDC**

Since inception, KLDC has operated as a Council with the mandate of coordinating, harmonizing and promoting activities in Kenya’s leather sector. The Council was established under the Ministry of Livestock Development in September, 2011 however, under the new Government, the Council was effectively moved to the Ministry of Industry, Trade and Cooperatives (MoITC) indicating the Government of Kenya’s motive to industrialize Kenya’s leather sector. At the core of this shift has been the need to scale up activities in the leather sector with a view towards creating jobs and increasing incomes through embracing value addition in the sector. In order to remain relevant and steer the sector’s growth as envisioned by the Government of Kenya, there has been a felt need to aptly anchor the legal status of the Council in order to enable the Council effectively discharge on its mandate.

**Rationale for transition to Authority**

According to Mr. Charles Ndungu (Research, Standards and Policy Officer—KLDC), KLDC has developed a Bill referred to as Kenya Leather Development Authority (KLDA Bill) which upon approval by Kenya’s Parliament will see to the shift in status of KLDC from a Council to an Authority. According to Mr. Ndungu, the reasons for this shift may be summarized as follows:-

- Challenges in the existing legal framework
- Lack of a clear regulatory framework.

**Stakeholders Validation of KLDA Bill**

Also speaking during a forum that brought together leather sector players to validate the KLDA Bill, the outgoing PS, State Department for Industry and Investments—Mr. Julius Korir observed, “the KLDA Bill is anchored on transforming the leather sector from the commodity market (where it has been operating for decades) to the products market industry and falls in line with the overarching goals and objectives of the Ministry of Industry, Trade and Cooperatives’ policy on job creation and industrialization as captured in the Kenya Industrial Transformation Program (KITP).”

**KLDC at Inaugural Participation of Nairobi Innovation Week**

Kenya Leather Development Council (KLDC) participated in the Nairobi Innovation Week 2017 held from 6th -10th March, 2017 at the University of Nairobi Grounds. The theme of the Innovation week was: Innovating to solve pressing local and global challenges.

The aim of the event was to showcase various innovations by Small and Medium Enterprises (SMEs) and startups in various fields and to encourage investors to take part in the growth of these enterprises.

KLDC participated under the Ministry of Industry, Trade and Cooperatives (MoITC) stand alongside other parastatals including: Kenya Industrial Research & Development Institute (KIRDI), Export Promotions Council (EPC), Kenya Industrial Property Institute (KIPI) among others.

**Objectives for Participation**

Through its participation in the forum, the Council sought out to achieve the following:-

- Develop linkages between leather MSMEs and clients by showcasing items from various producers of leather, footwear and leathergoods.
- Sensitize clients and investors on the various Projects currently being undertaken by KLDC including: Kenya Leather Park, Kariokor Common Manufacturing Facility, Switch Africa Green among others.
- Create awareness among clients and stakeholders on the existence of the Training and Production Center for Shoe Industry (TPCSI), a training institute in Thika which is a regional center of excellence in training on footwear and leathergoods manufacture.

**Key Takeaways from the Forum**

In the buildup to the expo, MSMEs drawn from various quarters of the manufacturing sector were selected and taken through a rigorous bootcamp at Strathmore University aimed at improving their entrepreneurial skills as well as enable them fine tune their pitching skills to potential investors.

**Escon Leather Creations represents the leather sector**

Among the ten (10) MSMEs selected to pitch about their businesses to potential investors was Escon Leather Creations. Ms. Esther Nzau, the Managing Director of the enterprise pitched her business to investors and was teamed up with the Kenya Climate Innovation Center for purposes of expanding her business.
Launch of Kenya Footwear Manufacturers Association (KFMA) Strategic Plan 2017—2022 at Royal Tulip Hotel
KFMA Strategic Plan officially launched by the Cabinet Secretary—Ministry of Industry, Trade and Cooperatives (MoITC) on February 23, 2017

Samples of shoes on display at the launch of KFMA Strategic plan 2017-2022
The Kenya Leather Park provides a commercially viable opportunity for leather, footwear and leathergoods manufacturers, training institutions and other sector allied players to acquire land and other utilities at highly subsidized rates thereby promoting production.

Investors warm up to upcoming Kenya Leather Park

Kenya’s upcoming Leather Park promises much growth and development for the leather sector but what opportunities lie in wait for local and international players in this 500 acre piece of land which is set to revolutionize Kenya’s leather sector? In a bid to understand the opportunities, and challenges, of investing in the Kenya Leather Park, the Leather Articles Entrepreneurs Association (LAEA) partnered with KLDC and the Ministry of Industry, Trade & Cooperatives (MoITC) to create awareness about the upcoming Park.

Dissecting Kenya Leather Park—what opportunities exist for investors?

Speaking during a forum that brought together MSMEs from various quarters of the leather value chain including; footwear, leather articles, designers and the media, Mr. Yassin Awale—the leather advisor to the Cabinet Secretary (MoITC) observed that the Kenya Leather Park is an opportunity that investors both local, regional and international cannot afford to ignore. Kenya’s leather market is sprawling with opportunities as existing producers cannot cater the demands of Kenya’s population which is currently at 40 million plus. If the larger East and Southern Africa region is considered then the demand for footwear and leather products is over 100 million and Kenya stands at a strategic vantage point to leverage on these opportunities.

According to Mr. Charles Ndung’u (the Research, Standards and Policy Head—KLDC), “the Kenya Leather Park provides a commercially viable opportunity for leather, footwear and leathergoods manufacturers, training institutions and other sector allied players to acquire land and other utilities at highly subsidized rates thereby promoting production.”

Application Process

Mr. Mwangi observed that so far KLDC had received about 20 applications from local investors seeking space in the Park. He further observed that the Park was open for investment to both local and international players and application is currently ongoing. Interested parties can access the application form from the website: www.kenyaleatherpark.go.ke or contact 020-4442321 for further details.
“for over two decades we have been making shoes for the local market, however, it is only now that we are making good quality shoes.”

Spotlight on Kenya Climate Innovation Center—An Incubation opportunity for leather MSMEs

Established in 2012, the Kenya Climate Innovation Center (KCIC) is a business/innovation hub established to support entrepreneurs to access financing and allied services in the production and provision of eco friendly products and services.

Services Provided
In its scope of activities, the Center seeks to support 70 sustainable climate technology ventures in the first five (5) years of operation, generate 4,600 jobs and 24,000 indirect jobs in 10 years. The services offered by the Center include; incubation, capacity building services, financing to Kenyan entrepreneurs, and new ventures aimed at providing innovative solutions in; energy, water and agribusiness to address climate change challenges.

How can leather sector MSMEs benefit?
Leather sector MSMEs partaking in production of leather, footwear and leathergoods are considered to be part of the agri-business value chain. The hide/skin hived from the dead animal is regarded as a bi-product (waste). Therefore, improving the value of this bi-product in one way or another is considered value addition hence priming leather MSMEs as natural candidates and partners for working with KCIC. Further, engaging in eco entrepreneurism practices such as waste recycling or use of natural, eco friendly agents in production of leather, footwear and leather-goods further heightens chances of individual MSMEs to access the services provided by KCIC.

Are there successful partnerships between KCIC and leather sector MSMEs?
Presently, the KCIC has initiated one (1) successful partnership with Escon Leather Creations, a leather enterprise specializing in production of high quality leather bags through vegetable tanning technique. In this partnership KCIC has extended support to the enterprise in training, financial and technology as well as marketing of the patented designs by the enterprise. More information about the innovation center and how MSMEs may get engaged can be accessed at; www.kenyacic.org
Kenya Leather Development Council (KLDC) was established through the State Corporations Act (Cap 446), Legal Notice No. 114 of 9th September, 2011 to bring harmony and direction to the leather sector. Specifically, the Council is charged with the responsibility of formulating policies, initiating legal framework and providing services in a conducive environment for sustainable development of the leather sector leading to increased productivity, value addition and market access for leather and leather products.

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