



## TECHNICAL ASSISTANCE PROJECT FOR THE UPGRADING OF THE ETHIOPIAN LEATHER AND LEATHER PRODUCTS INDUSTRY - PHASE II

### EIFCCOS CLUSTER COMMON PRODUCTION LINE INAUGURATED



For more than three decades, the United Nations Industrial Development Organization (UNIDO) closely collaborated with private and public partners to develop the Ethiopian leather industry in order to capitalize on the country's vast raw material and employment potential.

As such, the partners' interventions moved upstream

towards increasing value addition, including promoting innovative models in entrepreneurship.

Within this context, UNIDO Representative and Director of the Regional Hub in Ethiopia Aurelia Patrizia Calabrò – together with Director General of the Federal Small and Medium Manufacturing Industry Development Agency Asfaw

Abebe, AUC Commissioner for Trade and Industry Ambassador Albert Muchanga and Director of the Office of the Italian Agency for Development Cooperation Tiberio Chiari – inaugurated the common production facility for footwear at the Ethio-International Footwear Cluster Cooperative Society (EIFCCOS), marking yet another milestone for the leather cluster.



members aimed at improving their products. Particularly, the service is related to the cutting, upper preparation and lasting parts of the leather value chain.

In order to guarantee the sustainability of the activity, UNIDO project team is committed to continue accompanying the cluster in producing quality shoes and therefore penetrating new potential markets, at national and regional levels.

“Over the last two years, we provided support to over 400 SMEs which employ 3,800 staff in the cluster”, said Calabro. “The establishment of the common leather production line for footwear is an important step to scale up EIFCCOS, as it will increase the cluster’s productivity and efficiency thereby creating up to 150 new skilled jobs opportunities for manufacturing quality leather shoes in the first year of operations”.

In the context of the project; the aim of this initiative is to enhance the production volume of EIFCCOS Cluster by combining two relevant elements: building of capacities and technology transfer activities.

UNIDO in synergy with the project donor, LIDI and the cluster identified a list of high-

quality machineries to be installed inside the EIFCCOS’ premises.

The common production plant has the capacity of producing 500 pairs of shoes per 8 hours. Additionally, with the introduction of such an important investment, this intervention is expected to provide a service to the cluster

## EIFCCOS’ Cluster: an advanced common footwear production facility in Ethiopia



# Creative Hub: fostering entrepreneurship in Ethiopia

UNIDO, in collaboration with the Ethiopian Federal Small and Medium Manufacturing Industry Development Agency (FSMMIDA), has started the construction of the creative hub in Addis Ababa, an incubator of ideas mainly addressed to the young entrepreneurs.

Thus, on the 10<sup>th</sup> of April 2019, a contract was signed between UNIDO and BENMCON Construction. The aim of this agreement was to start the renovation and construction works for the establishment of the facility in Addis Ababa.

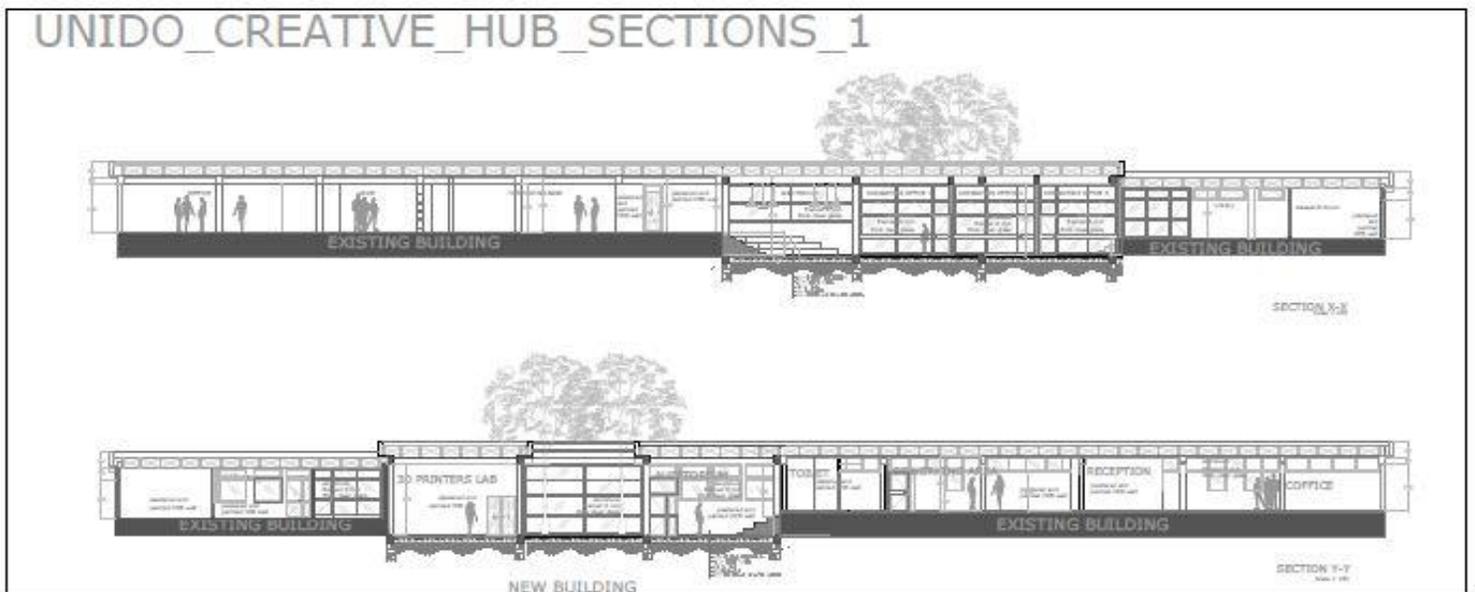
The creative hub is a platform that offers services and a space to creative start-ups and designers. The purpose of this activity is to foster innovation and development by improving



creativity and access to the capital necessary to initiate a new business. It will include physical spaces and machineries, such as co-working areas and laboratories, as well as consultancy services

like mentoring and incubation, lectures, conferences and special events.

The creative hub will be a suitable place for entrepreneurs who are starting



or developing a business in creative industries. It offers support to creative SMEs and young entrepreneurs, which will help them to develop entrepreneurship, encourage internationalization and promote sales activity on foreign markets.

## Creative Hub: a platform for young entrepreneurs

The Creative Hub offers all the conditions to enable entrepreneurs to develop and grow successfully, by creating a unique ecosystem of resources, inspirations, and collaboration opportunities to grow new ideas, business opportunities and creative networking. The Creative Hub is located at the FeSMMIDA's headquarter, in the heart of Addis Ababa (Ras Abebe Aragay St.). With an area of about 600 square meters, the building will sustain, at maximum capacity, around 200 people.

The construction activities commenced on April 16 2018. The contractor has completed demolishing old buildings in the site and site clearing activities. The creative hub is expected to be operational within six months.

## LOMI Network and the African Development Bank (AfDB): a potential synergy

UNIDO leather project team arranged a visit with Mr. Olivier Stoullig, Principal Industrial Policy Officer at the African Development Bank, on March 28, 2019 at the workshop of Leather Exotica.

The purpose of the meeting has been to meet LOMI Leather members and discuss potential synergies.

During the visit Mr. Oliver held a meeting with the members of the association introducing him to the ladies and asked them to

explain him their major and challenges in the leather sector.

Representing the association, Meron Seid presented the LOMI Leather network, its achievements and challenges, and discussed about permanent and temporary job opportunities created by the association members. In addition, other members stressed the faced challenge concerning the lack of sustainable market in Ethiopia and therefore the difficulty to create market linkages.



Mr. Oliver explained LOMI members that African Development Bank has a plan to work in collaboration with UNIDO in some capacity building activities that include LOMI.

He mentioned that the meeting they conduct is very crucial to work on the planned activities. Mr. Oliver explained to them

## Lomi Members held discussion with AfDB Expert

that though their plan is to provide support related to trainings there may be a possibility to link them with other organizations who are specifically working on market linkages.

After the meeting, mini exhibition was held to display products of members of the association. It was stated by Mr. Oliver that the products are very high quality and suitable for the export market.



AFRICAN DEVELOPMENT BANK GROUP

## Generators: A practical way to sustain the clusters' production

In line with the project objective, UNIDO leather project funded by the Italian Government, procured a Generator for Tesfa Network from Merkato cluster and EIFCCOS from Yeka Cluster.

Previous to this procurement another generator set was provided to Rediet network which is found in Merkato Cluster. The generator has proved to be a valuable tool for the network members as they were facing continuous power interruptions.

Based on this UNIDO leather project has been in the process of replicating this activity.

This procurement ensures a non-interrupted power supply to the network members. Currently some of the network

## Generators procured for EIFCCOS and MERKATO clusters

members own small generators that can power only a single sewing machine. These generators do not produce enough power and also disturb the work environments with loud noise and smoke. Additional to this a power rationing scheme has been introduced by the government recently, making generators a must have tools in the production sector. The procured Generator will create a better working environment as it produces low noise during operations. The generators also will ensure uninterrupted



power supply for the newly inaugurated common production line at EIFCCOS Cluster.

The network members and management teams were very thankful for this supply and appreciated the project's effort to improve their products and working environment. The Cluster Development Facilitators will continue to work with the network management to Set up procedures of payments and management for using the generator. UNIDO's Technical



## Common Working Premises for LOMI: renovating for improving the working conditions

UNIDO is supporting LOMI since 2014. Thus, one of the main actions has been the provision of two common working spaces located at Goro

and Ayat. During the last months, the project team focused on renovating these sites to create a conducive working environment to attract

and impress buyers and other stakeholders.

As a result, the renovation work was done by Mr. Mulugeta Begashaw General Contractor; the winner construction company who took the whole responsibility of the renovation work for both sites. Currently LOMI members located in Ayat site are already started manufacturing in a better working condition.

The working environment was not an efficient working environment; the floor was not flat and smooth that used to create a dusty environment, the walls were not smooth and partition was needed to organize the space to moderate a smooth work flow, the ceilings were also uneven and electricity was not designed in an industry standard.



In order to create a better working condition; the existing tiles were removed and replaced with a better-quality tile. In addition, gypsum plaster was placed to give all the walls smooth and relatively straight edges. Besides; Partition walls was constructed as per the requested design of LOMI members. Above and beyond electric installation was done for the production line.

All the members located in Ayat site are very happy for the big change of their working premises. They all have started production in the renovated site since February 2019.

## UNIDO and the leather cluster project in the media

Addis Fortune, a prominent business magazine in Ethiopia publicized the Creative Hub activity. In this regard, the aforementioned magazine described the construction works of the hub that will be inaugurated in the following months.

Addis Fortune highlighted the fact that soon, in Addis Ababa, a creativity centre will be opened to provide a place

where entrepreneurs, innovators, business people, investors and academics can easily meet, work together and transform their ideas into reality.

The full article can be viewed at: <https://addisfortune.news/state-creativity-hub-to-come-online/>

### FOR MORE INFORMATION

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## State Creativity Hub to Come Online

May 25, 2019

By KALAEB GIRMA ( FORTUNE STAFF WRITER )

The government, with the support of development partners, is setting up a state-owned creativity hub for entrepreneurs and innovators with a seven million Birr investment.

The hub will be located inside the premises of the Federal Small & Medium Manufacturing Industry Development Agency located at Mexico in front of Wabi Shebelle Hotel.

Lying on 172Sqm of land, the creativity centre will provide a place where entrepreneurs, innovators, business people, investors and academics can easily meet, work together and transform their ideas into reality. The centre will also have a co-working area, incubation offices, auditorium, library, showroom, laboratory, a multimedia room and a café.

Expected to be completed in a half year, the hub is designed to accommodate 200 people at a time and create jobs for 20 people. The innovators will also be able to use the workshops inside the Agency.

Financed by the Italian Agency for Cooperation & Development and implemented through the United Nations Industrial Development Organization, the construction of the hub was started two weeks ago.