

**Federal Democratic Republic of Ethiopia**  
Ministry of Trade and Regional Integration of Ethiopia  
Leather and Leather Products Industry Research and Development Center  
Ethiopian Leather Industries Association

**Ethiopia**  
**Industrial Promotion Project**  
**(Export Promotion) (Phase 2)**  
**Final Report**

March 2021 – February 2023

Japan International Cooperation Agency  
(JICA)

Foundation for Advanced Studies  
on International Development (FASID)

ED
JR
23-010



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JICA exchange rate	USD/JPY	ETB/JPY
February 2023	1 / 138.482000	1 / 2.594730

### Abbreviation

AALF	All African Leather Fair
AALPI	Africa Leather and Leather Products Institute
AfCFTA	African Continental Free Trade Area
B2B	Business to Business
B2C	Business to Customer
CBI	Centre for the Promotion of Imports from developing countries
COVID-19	Coronavirus Disease 2019
CPA	Champion Product Approach
ECTA	Ethiopian Coffee and Tea Authority
EHL	Ethiopian Highland Leather
EIC	Ethiopian Investment Commission
EIPA	Ethiopian Intellectual Property Authority
ELIA	Ethiopian Leather Industries Association
IULTCS	The International Union of Leather Technologists and Chemists Societies
JCC	Joint Coordination Committee
JICA	Japan International Cooperation Agency
KOICA	Korea International Cooperation Agency
LIDI	Ethiopian Leather Industry Development Institute
LLPIRDC	Ethiopian Leather and Leather Products Industry Research and Development Center (Organization name changed from LIDI due to organizational change in 2022)
MIDI	Manufacturing Industry Development Institute
MoA	Ministry of Agriculture
MoFA	Ministry of Foreign Affairs
MoI	Ministry of Industry
MoT	Ministry of Trade
MoTI	Ministry of Trade and Industry
MoTRI	Ministry of Trade and Regional Integration
MOQ	Minimum Order Quantity
OJT	On-the-Job Training
PDC	Product Development Center
SDGs	Sustainable Development Goals
VMD	Visual Merchandising
WLC	World Leather Congress

**Photos of activities**



**Photo 1: First Online JCC Meeting (March 2021)**



**Photo 2: Scratch on surface of sheep leather, which is needed to be made unnoticeable.**



**Photo 3: Video shooting for technical support for leather quality improvement (August 2021)**



**Photo 4: Partner companies' selection in Japan (May 2021)**



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## Chapter 1. Background and Objectives

The JICA expert team proposed the Champion Product Approach (CPA) in 2012 as a concrete means of export promotion during the Ethiopia-Japan Industrial Policy Dialogue started in June 2009. CPA first identifies "Champion Products" that are unique (Only One) and of high quality (Best One), reflecting the culture and historical background of the country. By marketing these "Champion Products" to international premium markets, the CPA aims to improve the image of the country's products and the country itself and increase its overall exports.

In CPA, it is essential to continuously create products that meet the needs based on understanding the market and identifying areas for improvement, and to shift the mindset from "Sell what we can make (Product Out)" to "Make what we can sell (Market In)." The CPA also builds and promotes sector brands. The marketing and promotion of champion products need cooperation with partner companies who work together in the project activities. These companies are selected based on the brand promise of the sector brand, and promotional activities are integrated and aligned with this promise.

There are two reasons why the CPA focuses on sector branding. First, CPA's objective is to enhance the sector's image as a whole and not to promote a specific company. Second, it is because few companies in developing countries can immediately enter the highly competitive foreign premium market, and no single company alone has a competitive advantage. The CPA aims to create added value and increase the competitiveness of products by implementing a branding activity that would be difficult for individual companies to undertake through integrating the respective companies' products under a sector brand.

JICA conducted the "CPA Practical Support Survey Phase 1 (CPA1)" (May 2013 - March 2014) to establish the CPA concept and verify its effectiveness. In the "Champion Product Approach Practice Support Study Phase 2 (CPA2)" (October 2014-February 2017), JICA supported the launch, product development, and promotion of Ethiopian Highland Leather (EHL), a brand of Ethiopian sheep leather. Although test marketing in the Japanese market generated high interest in the brand, the project could not conclude business negotiations due to low sample quality and delays in delivery. It was confirmed that there are still many issues to be addressed, especially in quality control and brand management before the brand can be recognized as a high-quality brand in the international market. Under these circumstances, the Industrial Promotion Project (Export Promotion) was launched in June 2017 in response to a request from the Ethiopian Government to contribute to the promotion of the Ethiopian industry by improving export promotion activities for unique Ethiopian products. In addition to supporting brand management specific to sheep leather products and promoting exports of leather products on the international market.

This project was implemented in the first phase (June 2017 to November 2020) and second phase (March 2021 to March 2022). In the first phase, an attempt was made to expand the champion products to other sectors, in addition to technical assistance to promote EHL in the high-end market. Branding and promotional support for the Japanese market was provided for green coffee beans selected as a new champion product.

The African Continental Free Trade Area (AfCFTA) entered into force in May 2019. It became operational in January 2021, following the completion of national ratification procedures by 22 countries, which was a condition for its entry into force. In response to these developments, the second phase, which

began in March 2021, continued to provide technical assistance to EHL and promotional support for the leather industry within the African region. In this context, Ethiopian Leather Industries Association (ELIA) which is the owner of the EHL brand and Ethiopian partner companies that the project supported positioned the EHL brand as the flagship of the Ethiopian leather industry and used it in promotional activities as a testament to the quality of the Ethiopian leather industry.

## Chapter 2. Primary Policy for the Project Implementation

In the second phase, this project was conducted following the primary policies.

### 2.1 Utilization of Previous Research Results

In the first phase, discussing and coordinating with the Ethiopian counterparts took time, resulting in delays in activities. Based on this experience, the proposed activities of the second phase project were based on consensus with the ELIA and the Ethiopian Leather Industry Development Institute (LIDI), which is currently the Leather and Leather Products Industry Research and Development Center, through close opinion exchanges and information exchange with them at the end of phase one.

The proposed activities were discussed at the Joint Coordination Committee (JCC), including the Ministry of Trade and Industry (now referred to as MoTI, whose present name is the Ministry of Trade and Regional Integration), and a consensus was reached.

#### Ethiopian Implementing Agencies for the Project

##### (1) Ministry of Trade and Industry (MoTI)

It was reorganized from the Ministry of Trade (MoT) and integrated with the Ministry of Industry (MoI) in 2018. It was then split again from the MoI and reorganized into the Ministry of Trade and Regional Integration (MoTRI) in January 2022.

##### (2) Leather Industry Development Institute (LIDI)

During the ministry reorganization in January 2022, the institute was renamed the Ethiopian Leather and Leather Products Industry Research and Development Center (LLPIRDC) under the Manufacturing Industry Development Institute (MIDI) of the Ministry of Industry (MoI).

##### (3) Ethiopian Leather Industries Association (ELIA)

**Figure 1: Proposed Activities Agreed between Counterparts at the End of the first Phase**

EHL Quality Improvement	Support for quality improvement of leather materials
	Support for quality improvement of leather products
	Technical assistance to LIDI staff
EHL Brand Management System Building	Support for establishing a certification system for brand use
	Strengthening the sustainability of the brand management system
	Support for the creation and updating of public relations tools
	Coordinate and strengthen brand-related activities
Leather Products Promotion	Promoting the development of African markets for leather products
	Promotion of Ethiopian leather products through domestic resources
	Promote supply chain entry of leather products for Europe and the U.S.
	Promotion of EHL to Europe, the U.S., and third countries
Overall promotion of Champion products	Organizing National Branding
	Trademark Registration of National Coffee Brands in Japan



Identify procedural and institutional issues in import/export transactions and promote problem-solving through other components (through the above activities).

## **2.2 Special Assistance for the Leather Industry (Especially EHL Brand)**

Special assistance was continuously given through export promotion of the EHL brand to make CPA a successful example. In its efforts to improve the quality of leather materials, it was continually focused on improving the quality of low-grade leather. During the first phase, a status survey was conducted at each tannery to investigate the production line and the finish of the final products through interviewing management and personnel in charge. As a result, it was found that Ethiopian tanneries are chronically left with unsold low-grade leather, resulting in extensive inventories that put pressure on their operations. Lower-grade leathers are usually subjected to various finishing processes to hide surface defects. In Ethiopia, chemicals used for these processes are difficult to obtain, and the processing skill still needs to mature. High-quality leather accounts for less than 10% of each tannery's total production, and its demand is so high that promotion is unnecessary.

At the same time, technical assistance was provided to manufacturers to improve design and quality to differentiate leather products from other developing countries clearly and to attract customers in the premium market. Export promotion for leather products other than those branded with EHL was also conducted to expand exports of the leather sector as a whole to the African market.

## **2.3 Implementation Plan for Achieving Results and Improving Sustainability**

In order to ensure that the objective of export promotion continues not only during the duration of this project but also after completion, the following two points have been taken into account in the implementation structure.

First, the project focused on improving the capacity of counterpart agencies. Emphasis was placed on enhancing the institutional capacity of the counterparts to improve the capacity of LIDI and ELIA to manage their EHL brands. For LIDI, the project developed the necessary structure for brand management, by laboratory staff, and strengthened the capacity of the relevant team. In addition, based on the experience of struggling to involve LIDI in technical support activities in the previous phase, market research and promotion in Africa, an issue that LIDI had become increasingly aware of with the start of AfCFTA, were incorporated into activities to increase LIDI's willingness to participate. In addition to developing brand management procedures for ELIA, efforts were made to share experiences and establish a system to ensure that brand management and promotion activities continue independently and progressively.

These activities were compiled in the brand book as an audit procedure for EHL certification. The development of the brand book was intended to ensure the sustainability of the brand management system agreed upon with the project's support by clearly stating it so that it would not be limited to the knowledge of individuals.

Second, it aimed to build a cross-ministry implementation structure centered on MoTI. However, it was impossible to expand the CPA into a cross-ministry initiative because the project could not strengthen relationships with the departments that should have taken the initiative. The previous department heads and senior-level staff also resigned during the reorganization of the ministries in January 2022. However, the

Ministry of Foreign Affairs (MoFA) participated in export promotion as the lead agency for business diplomacy. In this phase, MoFA asked embassies of various countries to cooperate in marketing and promotion when exhibiting at overseas exhibitions. Once a year, a JCC meeting was held to share the results and issues of project activities with relevant organizations (Prime Minister’s Office, MoFA, MoTI, Ethiopian Investment Commission (EIC), Ministry of Agriculture (MoA), the Ethiopian Chamber of Commerce, and Intellectual Property Authority (EIPA)).

## 2.4 Cooperation with Other Development Partners

Development partners in different countries are developing enterprises and promoting exports in Ethiopia’s leather sector. The Korea International Cooperation Agency (KOICA) will begin technical assistance, including the establishment of a Business Innovation Center located in LIDI, with a four-year plan (budget: USD 10 million) starting in 2023. The Centre for the Promotion of Imports from developing countries (CBI), a Dutch aid agency, is also providing support to promote exports to the European market, with a four-year plan starting in 2020. This project team exchanged information with each development partner to achieve synergistic effects through individual meetings and brand workshops.

**Figure 2: Supports Provided by Other Development Partners in the Leather Sector**

Partner	Program	Details of Support
UNIDO	Cluster Development	Develop industrial clusters in the leather sector in Addis Ababa city and Modjo city. Cooperate with GIZ, promote such clusters abroad, and support them to participate in the All African Leather Fair.
SOLIDARIDAD	Green Tanning Initiative (2018-2021)	Provide technical assistance focused on environmentally friendly technologies, such as chrome-free tanning methods.
CBI	Ethiopian Leather Promotion (2020-2024)	Send companies to the European market to conduct market orientation and promotions for export promotion of leather products to the European market.
KOICA	Project for Enhancing Competitiveness of the Leather and Leather Products Industry in Ethiopia (2022-2025)	Establish a Business Innovation Center, transfer technology to LIDI, such as environmentally friendly leather production, and provide promotional support through ICT.
Mastercard Foundation	Bridge (2020-2024)	Provide grants to companies during the COVID-19 outbreak to maintain employment; as of 2023, provide funds to ELIA to hire project managers.

## 2.5 Cooperation with the Other Export Promotion Projects Component

This industrial promotion project consists of three components: (1) Industrial Policy Dialogue, (2) Investment Promotion and Industrial Park Development, and (3) Export Promotion, which is this project. When the industrial policy dialogue was conducted, the project team participated in the coping policy meeting and shared the progress of the activities. The project team also exchanged information with the

investment promotion and industrial park development component as appropriate.

## **2.6 Use of Local Consultants**

In this phase, the project hired staff members, such as those who had worked on project studies conducted from 2014 to 2017, served as the secretary general of ELIA, and had experience in CPA activities and networks with relevant ministries and institutions. In addition, the project officer who worked in the first phase was continuously hired to execute the project efficiently in the short term. The production of EHL's promotional materials was also re-commissioned to a local production company to ensure sustainability after the project was completed.

## **2.7 Public Relations Activities**

As part of project publicity activities, a monthly newsletter was prepared and sent to counterparts and posted on the official SNS of the JICA Ethiopia office to publicize the project activities.

## Chapter 3. Implementation of the Project Activities in the Second Phase

### 3.1 Change in Scope of Activities from the Previous Phase

This project was initiated to provide comprehensive support for sheep leather, which is recognized as internationally competitive in the Ethiopian leather industry, from branding to improving product production techniques and promotion methods, as well as to expand the CPA to other sectors. Therefore, the first phase was divided into two activities, the EHL component and the New Champion Product component, with the following project objectives and outputs. For the New Champion Product Component, green coffee beans were selected from eight agricultural products proposed by MoTI, based on the presentations of the sectoral representatives and market research conducted by experts in consultation with MoTI. Brand development support was provided for coffee beans.

In the second phase, the scope was expanded to include not only sheep leather materials but also other leather materials such as cowhide, and other leather products (Figures 3 and 5), to provide the support that will contribute to the promotion of exports of the Ethiopian leather industry. This is because leather products were one of Ethiopia's priority export products in the AfCFTA. Although no official announcement from the government has not been confirmed, leather products are frequently mentioned in meetings with the counterparts as a potential export product for the African region.

**Figure 3: Change in Scope of Activities in the Second Phase (underlined and italicized parts)**

Overall Goal	Increase brand awareness and exports through champion product approach and promotion.
Project Goal	<p><b>EHL Component</b> Increase exports of sheep leather materials and products. <i><u>Aim to contribute to the achievement of the export targets of the leather industry during the project period</u></i></p> <p><b>New Champion Product Component</b> Sheep leather case is applied for other champion products.</p>
Output	<p><b>EHL Component</b> 1 Quality EHL brand leather materials and leather products are exhibited. 2 The EHL brand is properly managed and internationally recognized. <i><u>Combine activities that contribute to the export promotion of the leather industry.</u></i></p> <p><b>New Champion Product Component</b> 3 A new champion product brand is developed. <i><u>This phase focuses on support for the leather industry and only continuous support for trademark registration in Japan for branding support of the green coffee beans selected in the previous phase.</u></i></p>

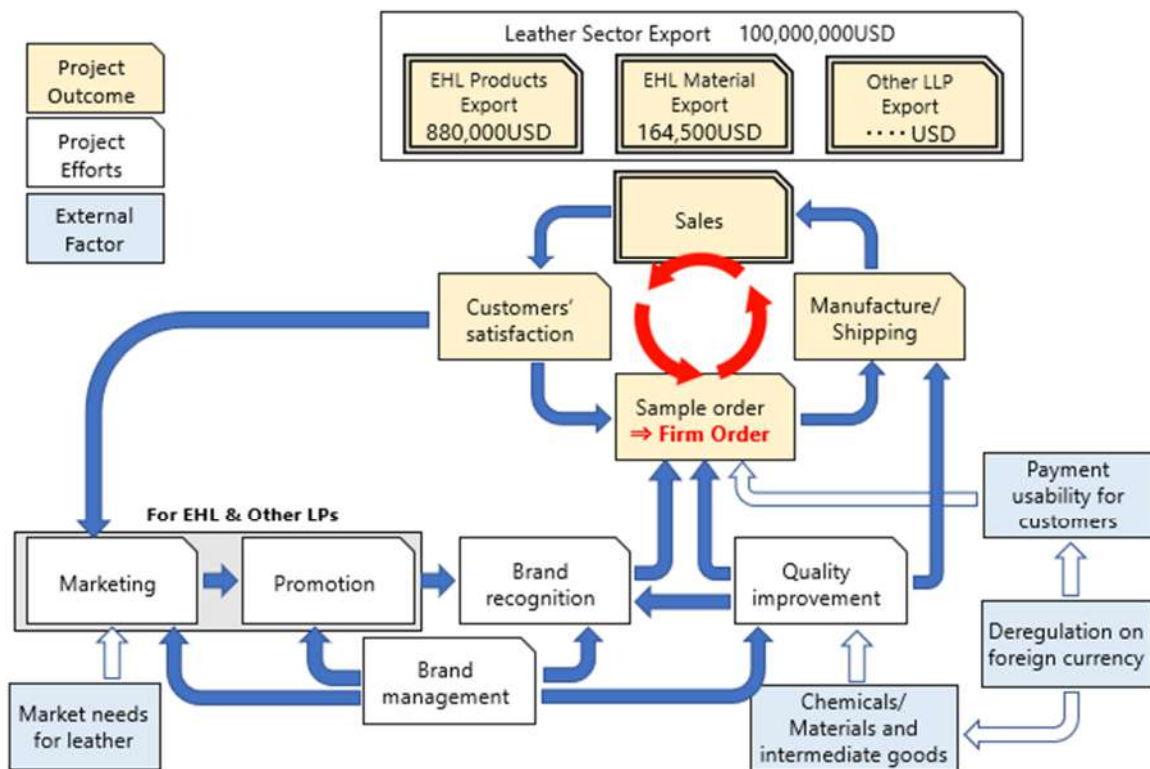
The deadline for eliminating tariffs for least developed countries in the AfCFTA is 10 years, which is not yet substantially operational in Ethiopia. However, at the request of the counterparts, LIDI, and ELIA, and in consultation with JICA headquarters, it was decided to include the promotion of the leather industry in the activities of this project. In this respect, because the scope of activities expanded beyond the PDM defined in the first phase, the indicators shown in Chapter 3.5 were shared with the counterparts at the JCC, and activities were conducted while confirming the degree of achievement in this phase. The support for brand development of green coffee beans in the new champion product component was limited to

continuous support for trademark registration in Japan, and activities in this phase focused on leather sector support.

### 3.2 Overall Picture of the Export Promotion Support using Ethiopian Highland Leather

Figure 2 shows the overall picture of the project’s promotional support efforts to increase the exports of the leather industry using the EHL brand.

First, the EHL brand promise is defined in brand management, and marketing activities are conducted considering market requirements. The brand is recognized through promotions, and management in line with the brand’s concept and prescriptions is crucial in raising brand awareness. The promotions based on the marketing activities reflect the brand’s rules and story. At the same time, quality is improved based on quality standards defined by the brand. Quality improvement enhances the value of the brand and leads to brand recognition. Through a series of such efforts, aims to achieve the target export value through a business cycle of order receipt, production/shipping, sales, and customer satisfaction. The following diagram helps stakeholders understand the necessity and relationship of each initiative. It also allows for a check and review of the progress of initiatives and an analysis of bottlenecks.

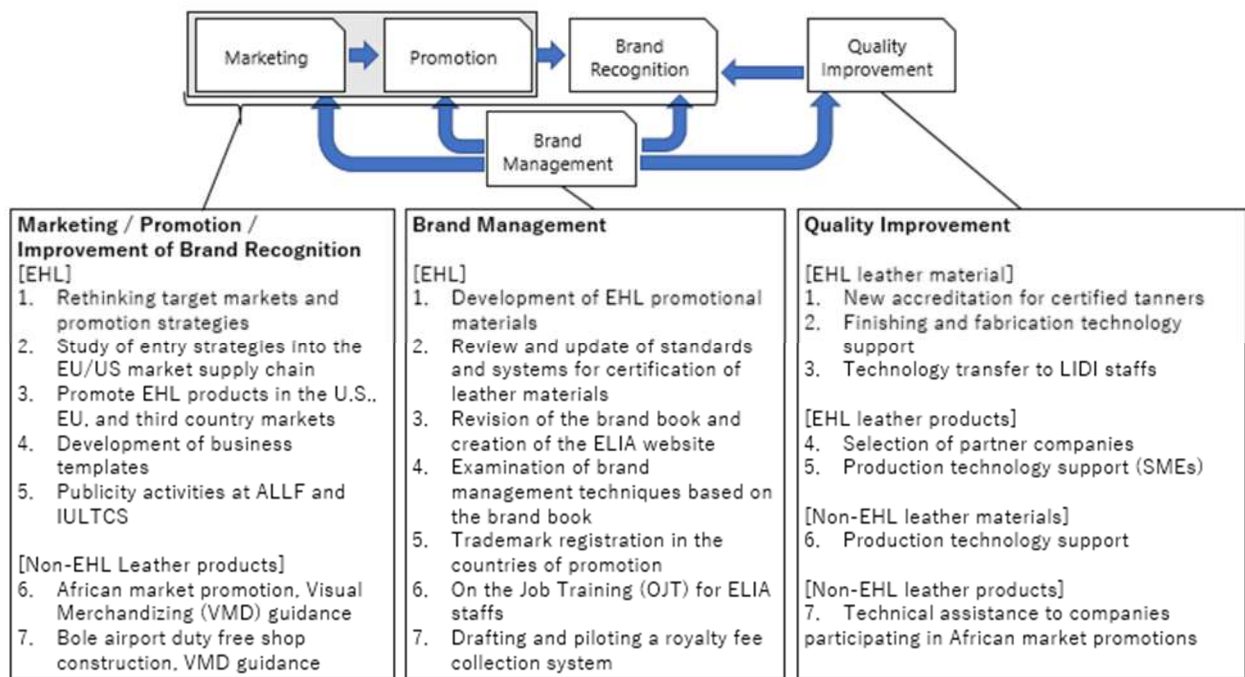


**Figure 4: Relation between the Project and Outcomes for Leather Sector Export Promotion**

In promoting leather products for the African market, it was decided to deal not only with sheep leather but also with a wide range of other leather products, such as cowhide. However, ELIA suggested that the EHL brand be introduced as a flagship product that symbolizes the high quality of Ethiopian-made

leather products. Several project partner companies were asked to cooperate, and EHL products were displayed at ELIA’s booth in Rwanda’s trade show. Companies also displayed EHL products and other products in airport duty-free shops as a flagship for their products.

EHL is a brand that can only be used for sheep leather produced by certified tanneries and must be clearly distinguished from other products. The brand’s value could be compromised if this is not strictly controlled. However, by using EHL as a flagship, companies could demonstrate the uniqueness and high quality of their Ethiopian leather products, which could have a similar spillover effect on the other displayed products.



**Figure 5: Details of Support for each Activity (EHL and non-EHL Leather Materials and Leather Products)**

Since January 2023, ELIA has hired Mr. Fitsum Arefeayne, who serves as EHL Brand Manager full-time. In addition, ELIA hired Mr. Endale Seifu, who oversees gathering and analyzing information on the market and trends in the leather industry (name to be specified after the interview) was hired simultaneously. After the project is completed, ELIA will utilize these resources to manage the EHL brand and handle everything from marketing to promotion. However, LIDI’s marketing and other departments were transferred to MIDI, except for the leather and leather products technical departments. Therefore, LIDI will focus on factory audits, certification testing, and quality improvement in the future. Regarding the actual sales of leather products using EHL, some companies have already expressed interest in using the EHL brand after the project is completed. These companies will continue to promote the brand with the support of ELIA and the other development partners.

### **3.3 Quality Improvement of Ethiopian Highland Leather**

#### **(1) Quality Improvement of Leather Material**

In the first half year of this phase, it was difficult for JICA experts to travel to Ethiopia to provide technical support due to the spread of COVID-19, so technical support was provided remotely. Online technical seminars were held using a video on the finishing process for sheep leather and cowhide materials and samples made in Japan using the crusted leather (unfinished intermediate material) from Ethiopia as teaching materials. EHL is a sheep leather brand, but cowhide was also included in the project's support concerning the quality of other leather materials.

#### **1) Technical Assistance for Sheep Leather Finishing**

##### **1)-1. Semi-Aniline Finishing**

Technical support for sheep leather was provided to ELICO Awash Tannery (ELICO), one of the two companies that certified EHL certification in the first phases, with the participation of LIDI's experts.<sup>1</sup>

After discussions with the Ethiopian side regarding the content of the technical support, it was revealed that the percentage of grade 1-5 sheep leather procured by ELICO was less than 50%<sup>2</sup>, and the primary issue was how to add value to the grade 6 and lower hides to sell them. ELICO tried to upgrade glove leather, which was the leading product, by hiding scratches on low-grade leather (Photo 2), but this has yet to lead to any business deals due to customers' evaluation that the leather is thickly coated and plastic-like. Based on the discussions and repeated tests by JICA experts, a method was adopted to upgrade the product by applying a chemical that conceals the scratches (ground coat) before painting, either by hand or by an automatic spraying machine, depending on the degree of damage. The video was produced to include not only the method of finishing with a ground coat but also the points that need to be improved in the leather manufacturing process (from dyeing to finishing) at ELICO, which was confirmed in the first phase.

Seven engineers from LIDI and ELICO participated in the online seminar. They actively asked questions about how to apply this technology in leather mass production, how to prevent color migration during the milling process, and points to consider when selecting leather for dyeing light colors such as beige, and commented they would like to apply this technology in the future (Figure 6). Subsequently confirmed by ELICO personnel, it is commented that this technique is beneficial and has been utilized to add value while concealing scratches on lower-grade leather.

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<sup>1</sup> Bahirdar Tannery requested technical support for leather products rather than materials, so ELICO was chosen as the target of technical support, with the participation of LIDI's experts.

<sup>2</sup> See "Industrial Promotion Project (Export Promotion) (Phase 1) Final Report" for grading methods for leather materials.

**Figure 6: Details of Technical Assistance for Sheep Leather Finishing**

Implementation Method	<p>Online technical seminars</p> <ul style="list-style-type: none"> <li>➤ Date: 11 November 2021</li> <li>➤ Participants:             <ol style="list-style-type: none"> <li>1. Mr. Mohammed Hussen, DDG, LIDI</li> <li>2. Mr. Mishamo Wakaso, Director, Leather Technology, LIDI</li> <li>3. Mr. Wondimu Wolde, Team Leader, Leather Technology, LIDI</li> <li>4. Mr. Wolde Migora, Director R&amp;D, Quality, ELICO</li> <li>5. Mrs. Ejigayehu Zemedkun, R&amp;D head ELICO</li> <li>6. Mr. Mesafint Arega, D., chief Managing director, ELICO</li> <li>7. Mr. Zinaw Haile, Skin Division, ELICO</li> </ol> </li> </ul>
Teaching Materials	<ol style="list-style-type: none"> <li>1. Sample leathers of each process, upgraded by a JICA expert using 6A/6B crust leather sent from Ethiopia (total 90 pieces, 30 pieces/each color (black, dark brown, beige))</li> <li>2. Video showing the manufacturing process (limited release) : <a href="https://youtu.be/hQDWtcF-pSM">https://youtu.be/hQDWtcF-pSM</a></li> <li>3. Ground coat sample (for trial)</li> </ol>
Content of Technical Assistance	<ul style="list-style-type: none"> <li>➤ Transparent pigmented finish (coating technique with thin water-based concentrations of pigments)</li> <li>➤ Content of Technical Assistance:             <ul style="list-style-type: none"> <li>✧ Methods and techniques for applying chemicals (ground coat) that conceal blemishes before painting, either manually or by automatic spray machines, to upgrade 6A/6B grade chrome-tanned crusted leather.</li> <li>✧ Explanation of points to be improved regarding the production process (dyeing to finishing). Specifically, 1) the importance of accumulating color data when matching colors, 2) the method of filtering paint, 3) the painting method to create transparency by layering pale colors several times, 4) cleaning automatic spray machines, etc.</li> </ul> </li> </ul>

### 1)-2 Brushing leather

In discussions with ELICO, the project was asked to share techniques that could improve quality without special chemicals. The project introduced "brushing leather," a finishing technique in which two different colors are painted on top of each other, and the surface is rubbed with sandpaper according to the design. The leather sample had blue as the base color and white on top. A design drawing of a cloud was drafted on the leather, and the white part was shaved and finished by a machine equipped with sandpaper, according to the drawing (Figure 7).

The method of technical support was the same as for semi-aniline finishing, with online technical support using two teaching materials: leather samples for each manufacturing process and a video summarizing the manufacturing process. ELICO showed a lot of interest and subsequently began making their samples.

The project team then checked with the ELICO representative and was told this technology was not being utilized successfully. This was because the machinery polishing the surface needed to be improved,



which could only be done after a while.

**Figure 7: Brushing leather**



## 2) Technical assistance for cowhide finishing

The two companies, Batu Tannery and ELICO Awash Tannery, participated in technical support on cowhide finishing. Batu Tannery is the largest producer of cowhide, producing 9 million ft<sup>2</sup> of cowhide annually and selling leather for shoes and bags, for local Ethiopian companies. Batu Tannery is intensely interested in EHL certification and started a trial of sheep leather mass production. ELICO produced 4 million ft<sup>2</sup> of cowhide last year, 80-90% of which was sold to its Group<sup>3</sup> for shoe production (military shoes, safety shoes, among others) and other products.<sup>4</sup>

After discussions with the Ethiopian tanneries regarding technical assistance, it was found that 6A/6B grade hides account for more than 80% of the raw hides of both Batu Tannery and ELICO. It was also found that strong requests, especially from bag manufacturers, for pull-up finishing<sup>5</sup> and a printing technic that can hide surface defects. Surface scratches are primarily due to problems with the raw hides themselves, while for sheep, they are caused by scratches from twigs and thorns, skin diseases, and insect bites during the growing process, and for cows, they are often caused by whipping during rearing.

Based on discussions with each tannery, JICA experts produced several sample types of leather with different finishes using crust leather from Ethiopia. Based on these sample leathers, the project team discussed again with the Ethiopian tanneries, selected finishing methods that were of high interest to the tanneries and that could be reproduced in-house and decided on the technical assistance (Figures 8 and 9). The production process video of the Sample leathers from the crusts sent by tanneries was produced as a technical assistance tool (Photo 3).

Online technical seminars were held separately for Batu Tannery and ELICO Awash Tannery, where the JICA experts explained the key points and precautions for each manufacturing process, followed by a QA session. In the technical seminar, Batu Tannery was eager to learn the two finishing techniques. After

<sup>3</sup> ELICO includes Awash Tannery, Abyssinia Tannery, Fontanina Shoe Factory, Tikur Abbay Shoe, and Universal Leather.

<sup>4</sup> Information form ELICO Awash Tannery (June 2021)

<sup>5</sup> Finishing method in which the product is pressed after being heavily impregnated with wax or oil

the seminar, they worked with a local leather chemical company to adjust recipes using locally available chemicals. In addition, they voluntarily made improvements (e.g., ironing the crust before buffing) to streamline the processes advised by the expert through technical support, showing the results of the technical assistance.

Subsequently, it was confirmed by Batu Tannery and ELICO personnel that both had not utilized this technology yet. The reason given was that the necessary chemicals were not available. From the beginning, a list of alternative chemicals was prepared and shared based on the assumption that the substances would be available in Ethiopia. However, import and distribution problems have made it difficult to obtain alternative chemicals. The chemicals are expected to become available, and this technology will be utilized in the future.

**Figure 8: Details of technical assistance for the finishing of cowhide leather (Batu Tannery)**

Implementation Method	Hold online technical seminars Date: 22 December 2021 Participants: 1. Mr. Fedlu Mohammed, Production Manager 2. Mr. Samuel Belayneh, Production, and Technical Manager
Teaching Materials	① Sample leathers of each process using crust leather sent by Batu ② Video of production processes Corrected grain leather URL: <a href="https://youtu.be/RqL_Auosz1E">https://youtu.be/RqL_Auosz1E</a> Maquillage finish leather URL: <a href="https://youtu.be/KhEvzAQjNMU">https://youtu.be/KhEvzAQjNMU</a> ③ Recipes for production processes ④ Chemical samples for Maquillage Finishing
Content of Technical Assistance	➤ Corrected grain leather Finishing method that allows homogeneous leather to be produced by scraping the scratched surface and coating it with synthetic resin, etc. ➤ Maquillage finish leather A finishing method that emphasizes the natural aniline look by layering dyes of different tones and concealing blemishes by milling at the process end.

**Figure 9: Details of technical assistance for the finishing of cowhide leather (ELICO Awash Tannery)**

Implementation Method	Hold online technical seminars Date: 22 December 2021 Participants: 1. Mr. Yesef Mohammed, R&D 2. Mr. Yetayas Getachew, Head of the Hide division 3. Mr. Solomon Amdie, Quality Control, QCA division, 4. Mrs. Ejigayehu Zemedkun, R&D head
Teaching Materials	① Sample leathers of each process using crust leather sent by ELICO ② Video of production processes Pull-up finish leather (limited release): <a href="https://youtu.be/-LMFaCRxltI">https://youtu.be/-LMFaCRxltI</a> ③ Recipes for production processes
Content of Technical Assistance	➤ Pull-up finish leather Finishing method in which the product is pressed after being heavily impregnated with wax or oil

## (2) Quality Improvement of Leather Products

In this phase, the project team has provided technical support while confirming the difference between the quality requirements of the U.S. and European markets, the promotional activities target, and each company's quality. Expressly, technical support was provided to 14 manufacturing companies selected as partner companies for participation in exhibitions in Paris, France, in January 2022 and New York, the U.S., in September 2022. After the start of the project, COVID-19 pandemic forced the JICA experts to suspend their travel to Ethiopia. Additionally, after the state of emergency was declared in November 2021, the project team asked each company to send samples to Japan and switched the support to online.

### 1) Selection of the Partner Companies

In mid-March 2021, ELIA conducted a call and selection process for its partner companies. From the 49 companies that applied, the following companies were selected between April and August of the same year.

**Figure 10: Selected Partner Companies in the First Phase and the Second Phase**

	First Phase	Second Phase
Bag	<ul style="list-style-type: none"> <li>① KOOTKEET</li> <li>② Yezichalem Meaza (Declined support in January 2020 due to management decision.)</li> <li>③ Entoto Beth Artisan</li> <li>④ SHIR SHIR (since April 2019)</li> <li>⑤ ELICO Universal Leather (since October 2019)</li> <li>⑥ Abka Leather (since December 2019)</li> </ul>	<ul style="list-style-type: none"> <li>① Zemen Amour Leather,</li> <li>② KER EZHI Ethiopia,</li> <li>③ KOOTKEET</li> <li>④ Meron Addis Ababa</li> <li>⑤ ELICO Universal Leather</li> <li>⑥ SAMURA LEATHER (since November 2021)</li> <li>⑦ Root in Style</li> <li>⑧ SHIR SHIR</li> </ul>
Shoes	<ul style="list-style-type: none"> <li>⑦ Sheba Leather (Declined support in July 2018 due to management decision.)</li> <li>⑧ Ramsey Shoes (End support after discussion in September 2019)</li> <li>⑨ Tikur Abay Shoes (incorporated into the ELICO group)</li> <li>⑩ Ambessa Shoe (since May 2019)</li> <li>⑪ Natural Footwear Studio (since December 2019)</li> </ul>	<ul style="list-style-type: none"> <li>⑨ Natural Footwear Studio</li> <li>⑩ MESGANA SHOE</li> <li>⑪ VENUS SHOE (since November 2021)</li> <li>⑫ ELICO FONTANINA</li> </ul>
Clothes and Gloves	<ul style="list-style-type: none"> <li>⑫ Kinaff Leather (since June 2019)</li> </ul>	<ul style="list-style-type: none"> <li>⑬ Kinaff Leather</li> <li>⑭ Davimpex Bahirdar Tannery</li> </ul>

When JICA experts were restricted from traveling, samples of the applicant companies were transported to Japan for selection (Photo 4). First, companies with excellent sample design and quality were selected as partners based on their export experience and the content of online interviews with owners. For

companies not selected based on samples and interviews alone, the project team visited their factories in August 2021, when travel restrictions were lifted. The visit helped confirm the quality of products other than the samples sent to Japan and the conditions at the production sites before making an acceptance/rejection decision. MoUs were also signed between the selected companies and the project. MoUs agreed on a shared understanding to achieve the project goals, the roles of the project and the companies, and the responsibilities of both parties for effective technology transfer. Companies selected as partners in the first phase were invited to apply again at the beginning of the second phase and evaluated equally with other companies. As in the first phase, the selection was based on a comprehensive screening process in which sample product design, quality, factory production system, working environment, and management’s understanding of the EHL brand. As a result, some companies selected as partners in the first phase were not selected in this phase.

## 2) Online Technical Support

Online technical assistance was provided during the period when JICA experts could not travel to Ethiopia due to the spread of COVID-19 (March - July 2021) and during the period of travel restriction due to the declaration of a state of emergency in Ethiopia (November 2021 - February 2022) (Photo 5).

**Figure 11: Online Support Details**

Date	Attendees	Contents
April 2021	1 EHL-certified tannery	- Request for technology transfer to tanneries
June 2021	2 tanneries	- Explanation of the EHL certification process and evaluation criteria - Discussions regarding online technical assistance
June 2021	Partner companies 4 Bag manufacturers 1 Shoes manufactures 2 tanneries	- Orientation (project overview, design guidance, technical guidance, and EHL brand management) - Explanation of assignment for technical guidance
July 2021	Partner companies 4 Bag manufacturers 1 Shoes manufactures 2 tanneries	- Discussion on product samples based on the concept board and design proposal - Discussions regarding online technical assistance
December 2021	11 Partner companies	- Explanation of the cancellation of dispatching Ethiopian companies to the French exhibition (Who’s Next) - Outsourcing proposal to a local agent in France
December 2021	8 Partner companies	- Who’s Next Overview - Updates on EHL brand management and explanations related to business meetings
December 2021- January 2022	7 Partner companies	-Technical guidance for sample products
February 2022	8 Partner companies	Debriefing of French exhibition
	5 Partner companies	Individual feedback on the French trade show

During the 5 months beginning in March 2021, samples from each company were first sent to Japan for partner company selection. This was followed by a project orientation for the selected companies and discussions on areas for improvement for the sample products shipped to Japan. The second instance was when a state of emergency was declared in Ethiopia, which led to travel restrictions for JICA experts.

In January 2022, when guidance on sample products for Who's Next was needed, sample products were sent to Japan, and JICA experts provided online advice. However, the project did not proceed as planned due to delays in sample production and the time required for customs clearance. Furthermore, although sample production was controlled on time when direct guidance was possible in Ethiopia, more than half of the companies were unable to produce the samples they had planned. This may have been because it was online support, and progress could not be checked every time. By the end of December, when the final sample production was to begin, many of the products had yet to improve in design and quality. The reasons were that Ethiopian companies still needed to understand the quality standards and were not yet accustomed to making plans and production accordingly. These are the same issues that could arise when receiving orders from Ethiopian companies.

### **3) On-site technical assistance**

In August 2021, the field deployment of experts resumed, and they visited each of the companies. (Photos 6, 7, 24) The selected partners included those who participated during the project study period (2014–2017) and those who had continued to participate since the first phase of this project. The quality of the samples from those companies had improved due to the support they had received from the project over the last few years. However, to establish a quality control system that would be sufficient for Western customers to approve all products without a final check by the JICA experts, it would be necessary to continue future trading and address any customer complaints about the quality of the products.

The design skills of the designers at each company had also significantly advanced compared to when the project began assisting. The project could confirm that the designers have obtained the way of thinking necessary for designers to consider how to take advantage of the characteristics of materials and the most appropriate sewing and cutting methods for their designs. However, all the designers tended to compromise in designing because they could only finalize their ideas once they were convinced of the quality of the product.

This project provides two types of technical support to manufacturers: making sample products before the trade show and providing technical support during the production of ordered products after the trade show. During the sample product-making process, the experts respected the company's proposed design but repeatedly provided them with tasks and checks so that the designers themselves could think about and improve the products. At the stage of ordered product manufacturing after the trade show, the experts conducted a quality check before all the ordered product manufacturing was completed, pointed out detailed corrections, and guided for improvement.

**Figure 12: On-site technical assistance**

Time		Site	Theme
2021	8-9	10 partner companies	Design instruction, sample making
		11 candidate companies	Visiting companies for additional selection
	10	3 partner companies	Design instruction, sample making
2022	3-5	4 partner companies	Instruction regarding the production of orders after the Who's Next trade show in France
		12 partner companies	Sample design instruction for MAGIC NY, the trade show in September
		3 partner companies and 4 other companies	Support on visual merchandising (VMD) for the duty-free shop in Bole International Airport
	7-8	13 partner companies	Sample-making instruction for MAGIC NY, the trade show in September
		1 partner company	Consulting on the new factory layout
		3 partner companies	Consulting on machinery maintenance
	9-12	4 partner companies	Technical support and business transaction support related to production of MAGIC NY orders
		2 partner companies	Consulting on the new factory layout
		2 other companies	Quality control instruction on shoe production
		10 other companies	Support on VMD for the Rwanda trade show (TALIF) and the shops in Addis Ababa
		3 partner companies and 4 other companies	Support on VMD for the duty-free shop in Bole International Airport

Figure 13 is an extract from the orientation meeting materials held before the start of technical support to partner companies. They explained that by preparing accurate patterns and specifications and managing them appropriately, quality nonuniformity in mass production could be minimized. There are various stitching methods, and the product's look will change depending on the chosen method. However, whether sufficient strength can be guaranteed must also be considered simultaneously.

Although there are differences in quality and design capabilities among companies, they all have in common that they need to be more experienced in finalizing the product. In many cases, this resulted in the spoiling of materials and designs. Meron Addis Ababa was the one who had mastered the ability to finalize the project on their own. Zemen Amour Leather, SAMRA LEATHER, SHIR SHIR, and Root in Style became able to fix their products on their own with a bit of advice from the experts. Meron Addis Ababa had the experience of participating in the promotion of the project for Japan during the project study period (second phase) in 2015. At that time, the company was small, with only two craftsmen, but they understood well the instructions given at that time and significantly improved the quality and design of their products. The number of employees increased to 25, and the company expanded to an office and showroom in the Bole area, two stores in Addis Ababa, and a factory in the Goro area. SHIR SHIR has also significantly improved its quality since the start of the support in 2019. These companies have learned how to make products and display them in stores and many other things through exhibiting at trade shows in Europe and the U.S. The potential to become one brand that can be traded in Europe, the U.S., Japan, Hong Kong, and

other countries was impressive.

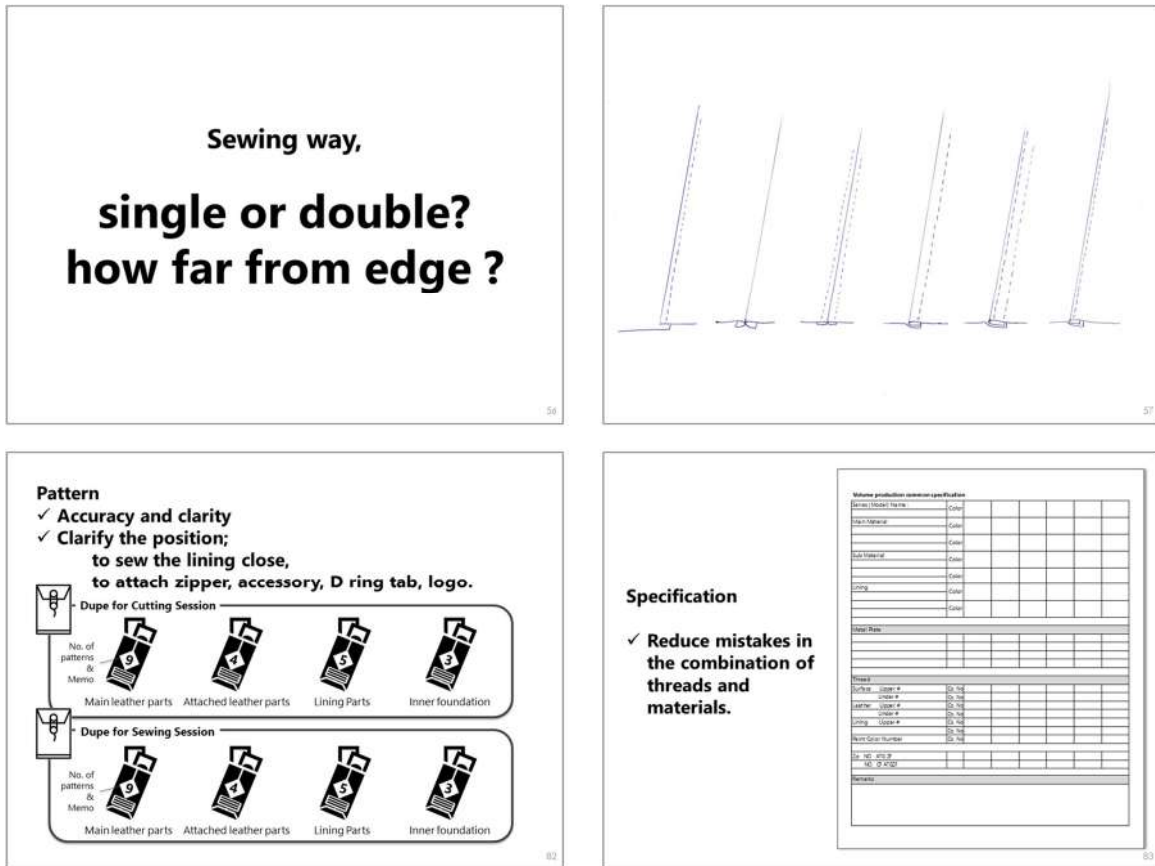


Figure 13 : Materials used for the orientation to partners

In addition, Natural Footwear Studio, which has participated in the project since the latter half of the previous phase, suggested that felt made from hair sheep wool could be used for product samples. Because the wool still needed to be sufficiently tangled and was weak, the experts advised them on ways to improve it and continue to make prototypes. Hair sheep's wool is stiff, straight, and short. This material was thrown away in the leather manufacturing process. The idea of utilizing this material and turning it into a product is to the market's demand for sustainable and recyclable products. It is a good trend that companies can now propose such a product.

However, some companies were selected solely based on product quality. When the project experts visited them, they found that the working environment for factory workers needed to be better organized. The ceiling was low, there were almost no windows for ventilation, and even when windows were opened, the workers used adhesives in an underground parking lot. The project told the management and site manager that it would be easier to continue supporting the company if the environment was changed and asked them to relocate the factory quickly. Regarding improving the working environment, even though the company requested the government obtain land for the factory to expand its business, the government did not readily allow them to use the land and buildings as they wished.

Starting in September 2022, 30 ELIA-member companies began moving into the former site of the

Ethio-International Footwear Cluster Cooperative Society (EIFCCOS), which UNIDO had launched and continued to support. Among the partner companies, Kootkeet, Natural Footwear Studio, Zemen Amour Leather, and Ker Ezhi were moving their factories there. JICA experts advised them on an efficient factory layout. The working environment is expected to improve due to production in a better environment in the workshop, and productivity is also likely to increase.

### **(3) Technical support to LIDI staff**

In the first phase, the project tried an OJT approach in which LIDI's Product Development Center (PDC) staff accompanied the experts when they went to the companies for technical support. However, this did not work well because the schedule of visits to each company needed to be more regular, making it difficult for LIDI to make a schedule and the per diem needed to meet the requested amount. In addition, communication with PDC staff became even more difficult due to the inability of JICA experts to travel to Ethiopia due to COVID-19, and the situation needed to be more suitable for advancing technical support.

PDC staff members usually participate in the All African Leather Fair (AALF) and exhibit their products there. Because their participation in the fair motivated their product development work, the project tried to use the December 2021 AALF as an opportunity to present the technical support results.

In October 2021, the project first held an online orientation for PDC staff. After that, the project tried to provide technical support online by getting the cooperation of the partner companies, but communication with PDC staff was limited. It could not provide sufficient technical support until the day of the AALF. Subsequently, the project planned to provide technical support from a product development expert in Ethiopia. Still, shortly after the trip in November, a state of emergency was declared in Ethiopia, forcing the cancellation of activities, and forcing the JICA expert to leave the country.

In August 2022, a market survey was done in anticipation of a subsequent exhibition in Rwanda in November. LIDI's director of the marketing department, Mr. Antigegegn Kebede, and director of the planning department, Mr. Tesfaye Birhan, was dispatched as survey team members. Initially, the project was considering sending the Secretary General of ELIA, Mr. Solomon Getu, a trade and marketing representative from AALPI, Ms. Birkinesh Gonfa (dispatched by ALLPI), and one from LIDI. Still, due to their strong desire, both were added to the team. The two members focused on compiling a preliminary research report on the structure of the Rwandan leather industry. The research team then compiled a report on the needs and trends of leather and leather products in Rwanda through interviews with relevant local institutions and store inspections. The team also actively coordinated meetings with the Ethiopian Ambassador in Rwanda to discuss the promotion of leather as a significant industrial product in Ethiopia.

The ELIA Secretary General and the AALPI staff had much experience in external PR of Ethiopian leather products, which led to the LIDI staff learning the way while working together as a research team on the site visit. After the site visit, leather product samples purchased locally were evaluated at LIDI's laboratory for quality confirmation. The participants actively completed their tasks before and during the site visit. Still, after the visit, they were busy with other projects and needed more time to compile their reports. There was also a delay in the timing of the scheduled report session on the survey, and the team only prepared some presentation materials and did not participate in the meeting. Considering a different representative was sent to the next exhibition; their lack of consistent proactivity could have been better.



**Figure 14: List of Personnel in Charge of the Counterparts**

<b>Institution</b>	<b>Department / Role</b>	<b>Position</b>	<b>Name</b>
MoTI * Restructured into MoTRI in January 2022.	Export Promotion Directorate *After restructuring into MoTRI, it was renamed Export Promotion and Marketing Facilitation.	Director General	Mr. Petrose Akliru (Resigned when the restructuring occurred)
		Senior Expert	Ms. Haimanot Tibebe (Resigned after the restructuring)
		Expert	Mr. Bereket Yohannes (Resigned in Dec 2022)
MoTRI	Export Promotion and Marketing Facilitation	Lead executive	Mr. Petrose Akliru
	State Minister Adviser		Dr. Henok Seyoum
LIDI * Restructured into LLPIRDC under MIDI in January 2022.	Director General *This post was abolished after the restructuring		Mr. Dagnachew Shiferaw (Resigned after the restructuring)
	Deputy Director General *This post was abolished after the restructuring		Mr. Mohammed Seid (Appointed Director of LLPIRDC after the abolition of the Director General)
			Mr. Hailekiros Debesay (Resigned in Mar 2022)
	Behirdar Branch Manager		Mr. Tsegaab Bekele (Transferred from Research and Testing Laboratory Directorate)
	Leather Industry Development Directorate	Team leader	Mr. Mishamo Wakaso
		Lead researcher /Technologist	Mr. Dagne Negassa
		Lead researcher	Mr. Demissie Tsegaw
		Lead leather Technologist /Researcher	Mr. Wondimu Wolde
		Lead leather Technologist /Researcher	Mr. Wondwossen Mamuye
	Research and Testing Laboratory Directorate	Lead chemical and instrumental laboratory expert	Ms. Maereg Haile
	Marketing Directorate*	Director	Mr. Antigegn Kebede
Planning, Monitoring & Evaluation*	Director	Mr. Tesfaye Birhan	
ELIA	President	Until Oct 2022	Mr. Tatek Yirga
		Since Nov 2022	Mr. Rediman Chara
	Secretary-General	Until May 2022	Mr. Daniel Getachew
		Since June 2022	Mr. Solomon Getu
EHL Brand Manager (Since Jan 2023)		Mr. Fitsum Arefeayne	

\* Marketing Directorate Planning, Monitoring & Evaluation were incorporated into MIDI in December 2022

In January 2022, the ministries were restructured during the project implementation period: MoTI, one of the counterparts, was split into MoTRI and MoI. MoTRI, which was to be responsible for cross-industry export promotion, was later identified as the counterpart. After the reorganization, the Ministry's

formation and staff allocation were also in flux. As a result, the officials in charge were replaced, and the JICA experts had to establish relationships with the newly assigned officials. Meanwhile, LIDI became LLPIRDC under the newly established MIDI within the MoI. The administrative departments were integrated into MIDI, and the marketing and planning departments were also integrated. However, managers and highly specialized staff in the technical departments remained in their posts. So, the integration was not a severe obstacle to continuing the project activities with them.

### 3.4 Support for Brand Management System Development for Ethiopian Highland Leather

#### (1) Support for Brand Use Certification System Development

In the first phase, the project developed and operated the certification criteria and system for EHL leather materials and the certification quality criteria and procedure for EHL leather products and awarded the EHL certificate to two tanneries. In the second phase, the project continued the operation with the counterparts and finalized the certification criteria and system while reviewing and discussing the results.

Developing human resources capable of conducting certification to sustain these certification systems is essential. To this end, for the certification of EHL leather materials, the project has developed and introduced into LIDI a system for certified personnel as EHL auditors, who can make certification decisions based on factory audits and sample leather test results.

**Figure 15 : EHL brand management**

Roles in brand management	Counterpart in charge
Brand owner Receiving certification application from tanneries Certificates issued Web site operation Control of EHL promotion goods: logo tags, leaflets, videos, etc. Trademark registration management Promotion activities management: seminars, exhibiting at trade shows, etc..	ELIA
Certification and renewal process for EHL-certified tanneries ✓ On-site tanneries audit ✓ Laboratory tests on leather samples Auditors training	LIDI

#### 1) EHL Leather Material Certification Criteria and Certification System

Audits were conducted at the factories of ELICO and Bahirdar Tannery in April 2021 in order to renew their certificates of EHL certification from the first phase. In addition, Pittards Ethiopia Tannery, a subsidiary of Pittards in the U.K., and New Wing Addis Ababa Shoe Factory PLC, a Hong Kong-based company that owns the tannery as a division, contacted ELIA to obtain an EHL certificate. Audits were then conducted at their factories in June of the same year. Pittards Ethiopia Tannery focuses on sheep leather and exports not only leather material but also gloves, shoes, and other products made from sheep leather. New Wing Addis Ababa Shoe Factory produces all sheep leather, 70% of which is used for shoes made for the

U.S. market and exported. The rest is exported to Hong Kong and the EU as leather material. Based on the certification criteria agreed upon by the counterparts in the first phase, the audit results and the leather samples collected are summarized in Figure 16.

**Figure 16: EHL certification results for 4 companies**

Name	Inspection visit (100/100)	Lab physical test (100/100)	Lab chemical test (pass or fail)	Result
Bahirdar Tannery	93.5	100	Pass	Pass
ELICO Awash Tannery	76.5	72	Pass	Pass
Pittards Ethiopia Tannery	84.5	85	Pass	Pass
New Wing Addis Ababa Shoe Factory (Tannery)	76	70	Pass	Pass

The EHL certification criteria specify that a certificate shall be awarded when the audit and physical property test results are above 70 points and the average of the chemical tests is above the standard score. Based on the inspection results, all four tanneries met the certification criteria and were therefore awarded one-year EHL certificates at the EHL certification award ceremony held in August 2021 (Figure 17).

**Figure 17: List of EHL-certified tanneries in August 2021**

1	Bahirdar Tannery (Certification Renewal)	Ethiopian capital
2	ELICO Awash Tannery (Certification Renewal)	Ethiopian capital
3	Pittards Ethiopia Tannery	Ethiopian-British JV
4	New Wing Addis Ababa Shoe Factory PLC (Tannery)	Hong Kong capital

The results of the on-site audits and physical and chemical inspections were compiled for each tannery, and LIDI auditors visited each company to provide an evaluation, including points for improvement. The most significant issues requiring modification were the expiration or non-application of ISO 14001 certification at three companies (except Bahirdar Tannery) and the low level of wet rub fastness at ELICO and New Wing Addis Ababa Shoe Factory. Regarding the fastness to dry and wet rubbing in the physical property tests, the initial certification audit in the first phase required that the average score of all leather samples meet the criteria. Still, after discussions with the counterparts, it was decided to allocate points according to the number of leather samples that met both dry and wet rubbing criteria (Figures 18 and 19).

Regarding the EHL brand certification system, the brand book was finalized in April 2022 based on the results of previous discussions. ELIA will revise this certification system and manual as appropriate, consulting with LIDI. The brand book will be uploaded on the ELIA website and accessible to all.

**Figure 18: Certification Criteria for EHL Leather Materials (Final Version)**

No	Category	Criteria	Standard	Methodology	Reference
1	Physical test (lab)	①Tensile strength(N/mm <sup>2</sup> )	Finished leather for: ①Tensile strength ●Shoe upper/bag/leather goods: more than 15* ●Garment: more than 15** ●Glove: more than 15**	ISO 3376	*Indian Standard: 5914:1970 **Indian Standard:112 30-2003
2	Physical test (lab)	②Elongation at break (%)	②Elongation at break (%) ●Shoe upper/bag/leather goods: more than 35* ●Garment: More than 40** ●Glove: More than 40**		
3	Physical test (lab)	③Tear strength (N/mm)	Finished leather for: ③Tear strength (N/mm) ●Shoe upper/bag/leather goods: more than 15* ●Garment: more than 35 ●Glove: more than 35	ISO 3377-2 *Double-edge tear test	International Union for Leather Technologists and Chemists Society (IUP/IULTCS) *Indian Standard: 5914:1970
		④Rubbing fastness (dry and wet) *dry 10cycle/ wet 10 cycle	<Dry fastness> ①pigment finish: at least 3-4 grade ②Pale shade and natural finish: at least 3-4 grade ③Dark shade and natural finish: at least 2-3 grade <Wet fastness> ①pigment finish: at least 2-3 grade ②Pale shade and natural finish: at least 2-3 grade ③Dark shade and natural finish: at least 2 grade	ISO 11640	Japan eco leather label <a href="http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/">http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/</a>
4	Chemical test (lab)	①Chromium VI	●For adults (skin contract and non-skin contract): Not detectable at the time of test * *A detection limit: 3mg/kg	ISO 17075	Japan eco leather label <a href="http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/">http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/</a>
5	Chemical test (lab)	②Formaldehyde	For adults (skin contract): 75mg/kg For adults (skin non-contract): 300mg/kg	Formaldehyde: ISO 17226-1(HPLC)	Japan eco leather label <a href="http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/">http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/</a>
6	Chemical test (lab)	③Ph	Ph $\geq$ 3.5 (for all leathers)	ISO 4045	ISO14930 : 2012 (dress glove)

Date: DD/MM/YYYY

To:

From: Leather Industry Development Institute (LIDI)

**EHL certification score sheet (summary)**

No.	Item	Score allotment (points)	Company's result
1	Inspection visit	100	___ Points
TOTAL		100 (*more than 70% is pass)	___ Points

Lab test			
No.	Item	Score allotment (points)	Company's result
1	Tensile strength	35 35: X (average) $\geq$ standard 25: standard (-10%) $\leq$ X (average) < standard 15: standard (-20%) $\leq$ X (average) < standard(-10%) 0: X (average) < standard (-20%)	___ Points
2	Elongation at break (%)	20 20: X (average) $\geq$ standard 15: standard (-10%) $\leq$ X (average) < standard 10: standard (-20%) $\leq$ X (average) < standard(-10%) 0: X (average) < standard (-20%)	___ Points
3	Double Tear strength	35 35: X (average) $\geq$ standard 25: standard (-10%) $\leq$ X (average) < standard 15: standard (-20%) $\leq$ X (average) < standard(-10%) 0: X (average) < standard (-20%)	___ Points
4	Rubbing fastness (dry & wet)	10 10: 3pcs $\geq$ standard 7: 2pcs $\geq$ standard 4: 1 pc $\geq$ standard 0: 0 pc $\geq$ standard	___ Points
TOTAL		100 (*more than 70% is pass)	Points
5	Chromium VI	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
6	Formaldehyde	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
7	Ph	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
RESULT			Pass / Fail

\*The company which scores more than 70 points as well as pass all the chemical tests is entitled to receive EHL certification

**Figure 19: EHL Leather Material Certification and Score Summary Sheet  
(Revised January 2022)**

## 2) EHL Auditor Certification Criteria and Certification System Development

To ensure that LIDI personnel can continue to perform their certification tasks in the context of the sustainability of the EHL brand, JICA experts developed, together with the counterparts, criteria for the certification of EHL auditors (Figure 20). The Industry Development Directorate, which provides technical support to tanneries, and the Research and Testing Laboratory Directorate, which conducts physical and chemical testing of leather, are eligible to become certified EHL auditors. In addition to an academic background in a relevant field, applicants must have at least 4 years of experience working in a tannery, LIDI laboratory, or related field. They must have performed at least two EHL certification procedures.

**Figure 20: Criteria for applying to be an EHL auditor**

Application Requirements	Leather Industry Development Department staff of LIDI or Research and Inspection Department staff of LIDI
Academic background	University degree in chemistry, chemical engineering, or similar field
Work experience	At least 4 years of experience working in a tannery or the Research and Inspection Department of LIDI or similar experience in these and other leather fields
EHL audit experience	Two or more EHL survey visits
Expiration date	2 years after certification month
Other experience in audit	Audit experience in QMS, EMS, LSM, LWG, etc., or certificates evidencing similar experience

The following two LIDI staff members, who have sufficient experience and understanding of the EHL brand through on-site inspections of the two companies already certified in the first phase (Photos 8 and 9), as well as through the development of EHL certification criteria and participation in trade shows, were awarded certificates at the EHL certification ceremony held in August 2021 (Figure 21) (Photos 10 and 11).

**Figure 21: Certified EHL auditors**

1	Mr. Dagnew Negassa	Lead Researcher/Technologist, Leather Industry Development Directorate
2	Mr. Tsegaab Bekele	Bahirdar Branch Manger (* Research and Testing Laboratory Directorate until July 2021)

A brand seminar was held for LIDI staff members to inform them that any staff member interested in becoming an EHL auditor could apply. As a result, six LIDI staff applied for the position, including the head of each department.

In October 2021, the candidates were first given on-the-job training in conducting on-site audits on tanneries, followed by a feedback and report writing seminar. Mr. Tsegaab Bekele, already a certified EHL auditor, acted as supervisor, conducting, and evaluating the on-the-job training and lecturing at the seminar. Because the candidates' reports showed differences in accuracy, such as incompleteness and calculation errors, the evaluator gave them feedback and had them submit revised reports again. The best report of the

candidates was then selected, and the candidate gave input to the tannery on the results of the audit and leather testing and some points for improvement.

The criteria for certification as an EHL auditor require the completion of two on-site audits and submitting two reports. In addition, the LIDI Deputy Director and the EHL auditor (supervisor) evaluated the final report submitted by each candidate and their auditing skills and attitude, with a 70% or higher score as the passing score (Figure 22).

**Figure 22: Criteria for certification of EHL auditors (pass standard: 70% or higher)**

Category	Evaluation	Point
Practical skill at tanneries	Inspection visits and feedback to tanneries (first tannery)	20
	Inspection visits and feedback to tanneries (second tannery)	20
Reporting quality	Inspection visit report (first tannery)	15
	Inspection visit report (second tannery)	15
Lab result analysis skill	EHL certification score sheet (summary) (first summary) (first tannery)	15
	EHL certification score sheet (summary) (second summary) (second tannery)	15
<b>TOTAL</b>		<b>100</b>

After completing audits and writing reports for two companies, the four auditors who finally received passing scores were awarded certificates in January 2022 (Figure 23). Through these activities, six EHL auditors were certified in the second phase. JICA experts have also prepared a manual on the certification of EHL auditors and shared it with all concerned parties (Appendix 1).

**Figure 23 : EHL Auditors (Batch 2) (Certified on 31 January 2022)**

	Name	Organization / Position
1	Mr. Demissie Tsegaw Zenebe	Lead researcher, Leather Industry Development Directorate
2	Ms. Maereg Haile Nigatu	Lead chemical and instrumental laboratory expert, Research and Testing Laboratory Directorate
3	Mr. Wondimu Wolde Zegeye	Lead Leather Technologist/Researcher, Leather Industry Development Directorate
4	Mr. Wondwossen Mamuye Filate	Lead Leather Technologist/Researcher, Leather Industry Development Directorate









### 3) Operation system for EHL leather product brand use

The use of the EHL logo by companies that have used the EHL logo since the first phase of the project was continued in the second phase of the project. The conditions of use are as follows.


- The company using the logo must be a member of ELIA.

- EHL leather must be used in at least 50% of the materials used in the products bearing the logo.

However, the project produced the following promotional tools for EHL leather products (Figures 24 and 25).

Tools	EHL hot stamp (For leather tag)		EHL hot stamp (for products)	
	EHL hot stamp	Cutting die	EHL hot stamp	Cutting die
Images				
Example of use				

**Figure 24 : EHL tags**

Tools	EHL paper tag	
	Front	Back
Images		

**Figure 25 : EHL paper tag**

In the operating system developed in the first phase, applications for the EHL logo stamp use (for products), which is required in the manufacturing process, and applications for EHL paper tags use, attached after the final products are made, were conducted separately. However, many companies said this needed to be simplified. In addition, when using the paper tags, each company had to submit a quality control confirmation sheet (Appendix 2) before shipping the final product, but most companies could not do so. This was because many companies needed to use charts for quality control, and it was difficult for many line workers to fill in numbers and letters on the charts. Therefore, in the second phase, the number of application forms for the EHL logo stamp use was reduced to only one and submitting a quality control confirmation chart was optional. The importance of quality control was disseminated through brand seminars to guarantee quality control and ensure that many companies could understand the importance of



quality control. In addition, it was noted in the EHL Brand Operation Manual that visualization of quality control leads to quality improvement and enhances the company's credibility so that the quality of EHL products will not be damaged.

Regarding the operation of EHL tags, in consideration of sustainability, ELIA does not order and manage all paper tags after the project is completed. Each company makes leather tags using scraps of sheep leather, a byproduct of the manufacturing process.

These operational systems for using EHL leather product brands are compiled in the EHL Brand Book, which users can refer to as appropriate (Appendix 4).

## **(2) Brand Management System Sustainability Reinforcement**

JICA experts have been collaborating with ELIA, who owns the EHL brand, from the beginning of the project to develop a budget plan and a royalty system to make the brand management self-sustaining. The JICA experts initially proposed charging a royalty fee for using the EHL brand logo, but ELIA said many member companies would complain. The main reason was that member companies would only be willing to pay such a royalty with an established evaluation of the EHL brand in the market. Thus, it will take some time before ELIA can gain royalties from brand use and leverage those royalties for brand management and promotional activities.

ELIA has also recognized and considered the importance of securing the budget and personnel to maintain the brand. In January 2023, ELIA began hiring Mr. Fitsum Arefeayne as the EHL brand manager, with the Master Card Foundation supplementing his salary. The project shared with Mr. Fitsum the value of the EHL brand and ELIA's role in the certification system. It supported him in developing ELIA's brand management structure in the future.

However, more stakeholder personnel have not previously participated in project activities from transfers and resignations. Brand workshops were organized in September 2022 and January 2023 to share the importance of the brand and the activities undertaken to date. Group work was conducted to deepen the understanding of the brand to enhance brand sustainability. Development partners such as the Dutch CBI<sup>6</sup>, KOICA, UNIDO, and ALLPI participated in the workshops to share the project's experience so that the EHL brand could be used in the activities of those development partners after the project was completed. (Photos 28,29, 37)

However, in September 2022, a seminar was organized to increase the number of certified tanners. LIDI and ELIA, and the project briefed six tanneries producing sheep leather, including foreign tanneries, about the brand, its certification procedures, and the project support system. Since then, LIDI and ELIA have continued promotional activities, including visits to tanneries clustered in Mojo City.

To this end, the JICA experts exchanged information with the CBI, which supports the promotion of the Ethiopian leather sector's exports to the European market, and with KOICA, which plans to provide technical support and promotional assistance to LIDI and Ethiopian companies, and invited them to the brand workshop hoping they will utilize the EHL brand in their promotional activities (photos 28 and 29)

ELIA has recognized the importance of having budget and personnel to maintain and manage the

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<sup>6</sup> <https://www.cbi.eu/projects/leather-products-ethiopia>

EHL brand. The MasterCard Foundation covers the personnel costs and implements activities to provide a permanent EHL brand administrator.

The project shared with the EHL administrator the value of protecting this brand and ELIA’s role in the certification system and worked to support establishing a brand management system within ELIA in the future.

### (3) Brand Promotion in Collaboration with Ethiopian Companies

Ker Ezhi Leather, a partner company that manufactures leather bags, received an order from the Prime Minister’s Office in 2020 for 3,000 sheep leather gift boxes for VIPs who visited Ethiopia.

The company requested the boxes be sold with EHL tags, and in consultation with ELIA, the JICA experts provided them (Figure 26). Through subsequent project activities and sales promotions, the company has sold 200,000 USD products with the EHL brand tag to domestic and international customers as of December 2022. This company has established a U.S. affiliate in cooperation with a U.S. business partner, through which it will begin selling its products in the U.S. market. It plans to treat EHL brand products as flagship models.

Other partner companies with a sales floor in the airport duty-free shop also utilize EHL leaflets and mention the brand to explain the high quality of Ethiopian sheep leather material to customers. In addition, ELIA has received inquiries from companies not involved in the project as partner companies about how they can use the EHL brand. Thus, the use of the EHL brand is beginning to spread among Ethiopian companies outside of project activities.

The value of the brand is enhanced by such exposure in markets. However, it will be necessary for ELIA to consider any means so that each company can use the brand appropriately and all stakeholders can maintain the brand’s value in the future. To this end, brand seminars should be held regularly for companies wishing to use the brand, and other efforts should be made.



Figure 26 : EHL paper tag and Ker Ezhi Leather original tag

### 3.5 Leather Products Promotion

#### (1) Numerical Target Setting, Performance Data Monitoring, and Status of Achievement

The project goals, results, and the status of achievement of each indicator are shown in Figure 27. The project target of annual exports of leather materials and products (USD)<sup>7</sup> has been followed up with the total value since March 2021, the start of the project's second phase. Because of the Corona disaster, two big external manufacturers (Chinese-owned Huajian and Taiwanese-owned George Shoe), which had accounted for more than half of Ethiopia's leather sector exports, stopped production. The impact was so severe that the March 2021-June 2021 export value target was significantly lower than the March 2021-June 2022 target. Under these situations, Ethiopia revised its target downward for the new fiscal year, July 2021-June 2022, but the actual export value was only 45% of the target; the real export value for July 2022-December 2022 was still 63% of the target, and the export value for March 2021-June 2022 was only 10% of the target.

The EHL material and product export figures could have been more precise if many companies had disclosed their results. Still, even with only data from a limited number of companies, the export value of materials was 147% of the target (Mar.2021-Feb.2023), and the export value of products was 653% of the target (Mar.2021-Feb.2023).

**Figure 27 : Indicators Achieved**

	Targets	Results
Project Goal: Leather Sector Export Promotion	<p>1. Export value targets for leather materials and products are as follows:</p> <p>March – June 2021: 48,313,103.48 USD</p> <p>July 2021 – June 2022: 90,240,073.84 USD</p> <p>July - December 2022: 27,353,497.72 USD</p> <p>2. Export of EHL material (Mar.2021-Feb.2023): 880,000 USD</p> <p>Export of EHL products (Mar.2021-Feb.2023): 164,500 USD</p>	<p>Export target achievement (%)</p> <p>March – June 2021: 13,647,885.36 USD (28%)</p> <p>July 2021 – June 2022: 40,514,805.22 USD (45%)</p> <p>July - October 2022: 17,349,219.46 USD (63%)</p> <p>EHL material: 1,290,000 USD (Only 1 tannery's data)</p> <p>EHL products: 1,074,232 USD (5 EHL partner companies)</p>
Component 1: EHL quality improvement	<p>1. 35 EHL partner companies will receive technical support from the project</p>	<p>A total of 27 companies were selected as partners: 13 for the French exhibition in February 2022 and 14 before the U.S. trade show in September. All received</p>

<sup>7</sup> LIDI sets annual export targets, which annually interview each domestic company to determine their export volume targets, which are combined into a total target.

		technical support from JICA experts.
	2. 12 LIDI staff members received instruction from JICA experts (5 in design, 5 in production technology, and 2 in EHL certification)	3 staff members received instruction in production technology, and 6 in EHL certification. In addition, 2 staff members participated in a market survey in Rwanda in cooperation with a JICA expert. (11 people in total)
	3. Training materials will be developed for LIDI staff	EHL certification criteria and audit manuals for LIDI staff were developed and shared with stakeholders in January 2022.
	4. An inspection check sheet (final version) is prepared for EHL products	The inspection checklist has already been prepared.
	5. EHL product quality will improve compared to before the start of the instruction.	The quality of the products of many small companies has improved. As evidence, they have been able to get orders at trade shows. However, it has been difficult for larger companies, which are line production oriented, to improve quality by spreading the technology of JICA experts throughout the entire line. Within large factories, the work is finely divided. However, JICA experts' methods are based on a style in which one craftsman is responsible for many processes.
Component 2: Proper management of the EHL brand	1. EHL certification criteria and processes will be finalized.	EHL certification was awarded to four tanneries on August 31, 2021. Certification criteria and process finalized and shared with LIDI and ELIA.
	2. EHL brand book will be prepared.	Based on 2-1, the EHL certification criteria and the system was finalized, and the brand book will be uploaded to ELIA's website in February 2023.
	3. EHL brand management manual will be prepared.	Ibid.
	4. A total of four tanneries will receive EHL certification.	Already achieved in August 2021.
	5. A framework for EHL royalty recovery will be established.	After discussions with ELIA in April 2022, it was decided not to collect royalties under the current situation where the brand is not fully developed.
	6. A draft budget plan for brand	At the Brand Workshop and JCC

	promotion activities by ELIA will be developed.	meeting, it was decided that ELIA and LIDI would work to develop a 5-year strategic plan for EHL. It will be completed in March 2023, and its budget plan will be included. Activities in the plan will be executed from April 2023.
Component 3: Promotion activities to increase EHL recognition	1. EHL promotional video will be created.	Completed in October 2021.
	2. The EHL website (updated version) will be uploaded.	Finalized in April 2022. For ELIA's e-commerce site, in July 2022, a local staff was hired to continue managing the site and updating contents until the project end. ( <a href="https://ethiopianleathers.com">https://ethiopianleathers.com</a> )
	3-1. EHL partner companies will have 200 B2B meetings at the trade show.	Company representatives were sent to the U.S. trade show in September 2022. They did not achieve 200 B2B meetings but received a record number of orders (606,000 USD).
	3-2. Participating companies in the African Market Promotion will have 250 B2B meetings at the trade show.	As for the African market, the company participated in the Rwanda-Kigali trade show in November 2022. 10 companies exhibited and had business meetings with 16 companies, including a wholesaler of shoes, an importer of shoes for school children, and a shopping mall owner.
	4-1. 70% of EHL partner companies will ship sample orders.	The number of companies that received orders at France and U.S. trade shows did not reach 70% (France 7/13, the U.S. 7/14), but all were firm orders, not samples.
4-2. 70% of the companies participating in the African market promotion will ship sample orders.	Two shoe companies have shipped shoe samples to a shoe importer for school children and are continuing business negotiations. In addition, one bag company has concluded negotiations with a new buyer in Kigali.	
5. EHL will be unveiled at IULTCS in 2021.	The project participated in IULTCS in November 2021 with a panel presentation and a booth.	

## **(2) Development and Implementation of Promotion Plans**

Regarding the promotion of leather products in general, including EHL, the following activities agreed upon at the first JCC meeting held in March 2021 were implemented.

### **1) African Market Development Promotion for Leather Products**

As part of the overall export promotion of the leather industry, the project supported promotion activities to the intra-African market. In consultation with counterpart, the project targeted one African country and exhibited at a trade show held in that country. The project also assisted ELIA in opening a duty-free shop at the Bole International Airport by providing support for the design and construction of the shop and subsequent enhancement of the sales staff's visual merchandising (VMD) skills.

#### **[Activity 1] Promotion Activities for the African Market in Collaboration with Ethiopian Embassies Abroad**

In anticipation of the launch of the AfCFTA, the JICA expert team worked with ELIA in discussions with the MoFA and the Ethiopian Ambassadors in Morocco, Uganda, South Africa, and Nigeria to consider the activities of the second phase at the end of the first phase. The leather industry in North Africa had high-quality national products for the European market. Although there are potential markets in West Africa, the project targeted East African countries in the belief there would be fewer logistical obstacles, given that each company would expand its trade area independently. Soon after the beginning of the second phase, the Ambassador of Ethiopia in Uganda, H.E. Ms. Alemtsehay Meseret, was very willing to cooperate with this project. The project began preparations to hold a trade show in the same country. The project held monthly management meetings with the Ethiopian Ambassador and the former secretary general of ELIA, Mr. Daniel Getachew, to proceed with plans to hold a B2B matching event in Kampala in late September/early October 2021. However, in mid-June of the same year, Uganda went into lockdown due to the expansion of COVID-19 and that plan unfortunately had to be canceled.

After the COVID-19 pandemic settled, the project resumed our discussions with Mr. Daniel. In the process, Mr. Daniel proposed participating in a trade show in Kenya in June 2022. Ambassador H.E. Ms. Alemtsehay Meseret remained open to cooperation, but it was unclear whether the trade show would take place during the project period. Therefore, the project decided to begin preparations for Kenya, which had already been selected to host the trade show. However, the Kenyan presidential election was held in September of the same year, and the trade show was postponed due to security concerns during the election campaign.

Next, in another discussion, the present secretary general of ELIA (since June 2022), Mr. Solomon Getu, suggested Rwanda as the next candidate site. Rwanda was expected to be a gateway to other East African countries and French-speaking Central Africa, such as the Democratic Republic of Congo, because it has a calm security situation and planning activities there it is easier. In August 2022, representatives from LIDI, ELIA, and ALLPI were dispatched for a market survey to assess the competitive environment and specify trade barriers for Ethiopian leather products (see pages 19–20 of this report) (Photos 33 and 34). After the market survey, the decision was made to participate in the Textile, Garment, and Leather Investment Forum (TALIF) to be held in Kigali, Rwanda, in November 2022, together with 10 ELIA-

member companies.

The Rwandan Ministry of Trade and Industry partnered with the Rwanda Convention Bureau to organize TALIF. The project covered the exhibition costs, and each company paid for the dispatchers' airfare, daily allowance, and lodging to participate (Photos 35, 36). The 10 participant companies consisted of four shoemakers, two tanneries, and four manufacturers of bags, small leather goods, and garments. They were invited separately from EHL's promotional partner companies. The project dispatched a VMD expert to assist with the product display at the site.

In the research, the organizer said that about 50 companies from East African countries would participate in the show. However, only JUKI from Ethiopia and a few companies from Rwanda participated, in addition to the companies from the project and several Rwandan SMEs sponsored by ALLPI. The project realized that it would be challenging to develop a market only by exhibiting at the trade show, so the project arranged business meetings with shoe importers and suppliers of uniforms and shoes for school children, as well as a visit to Tannery Park, which is under construction by the Rwandan government.

Rwanda banned imports of used clothing in 2017 and is working to develop its domestic industry under the Made in Rwanda slogan. However, the leather and sewing industry needs to be more mature and relies heavily on imports from India and China. Many of the shoes imported from such Asian countries that are distributed in the Rwandan market are of higher quality than those made in Ethiopia, making it difficult for Ethiopian manufacturers to compete. Nevertheless, Ethiopian Airlines offers two flights a day between Ethiopia and Rwanda. Many companies believe that with incentives such as the AfCFTA and other export tax exemptions, Ethiopian companies can enter the Rwandan market. In addition, no tanneries were operating in Rwanda due to strict environmental regulations. Therefore, constructing a tannery park with centralized sewage treatment facilities began as a government-led project. Ethiopian tanneries participating in this exhibition also expressed interest in establishing a tannery in Rwanda.

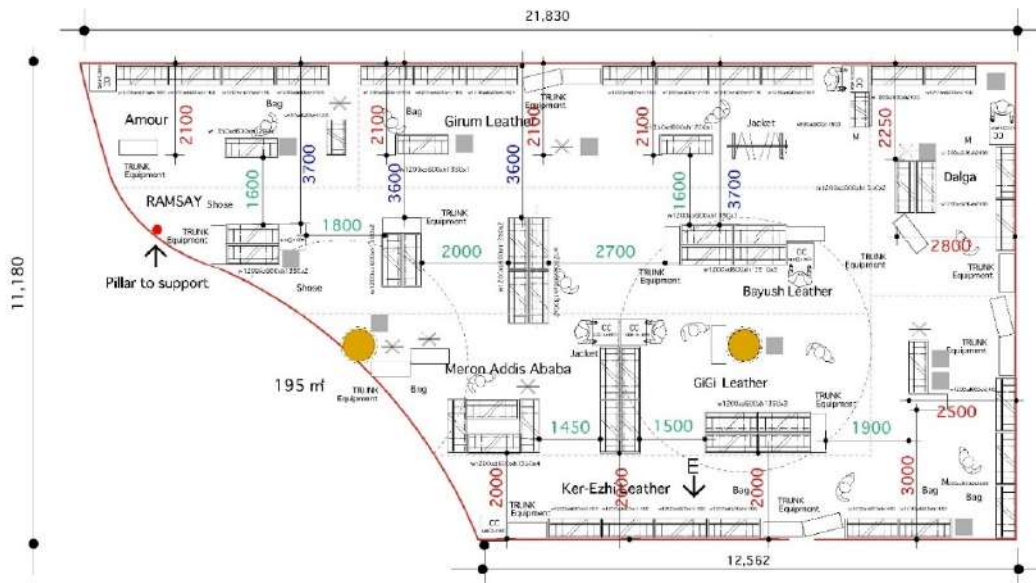
## **[Activity 2] Management of antenna shop at Bole International Airport**

ELIA has been planning to open a shop in the duty-free area at the Bole International Airport since 2020 with the support of the MoI. At ELIA's request, the project supported the design and construction of the shop as part of the overall export promotion of the leather industry. Tenant fees paid to Ethiopian Airlines (Bole International Airport is currently owned by Ethiopian Airlines) will be covered by the respective companies. Maintenance and management of the shop will be the responsibility of ELIA.

ELIA divided the floor into 10 equal lots and conducted a bidding process with the same minimum price (one-tenth of the total tenant fee). The bidding amount to exceed the minimum price is used to fund ELIA's future shop maintenance, management costs, and other promotional activities. As a result, eight companies<sup>8</sup> were selected, and two used two lots for their sales space. In April 2021, VMD and customer service seminars were held at the shop for sales clerks from these eight companies. Several company representatives also participated in the seminar, along with JICA experts who explained customer service.

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<sup>8</sup> The companies are Amour Leather, Ker Ezhi Leather, Meron Addis Ababa (the three partner companies in this project), Bayush leather, Dalga Leather, GiGi Leather, Girum Leather, and Ramsay Shoe.



**Figure 28 : Plan view of the ELIA Duty-Free Shop**

In September 2022, the opening ceremony was held with about 50 participants, including H.E. Mr. Melaku Alebel, the Minister of the MoI. However, it was delayed several months from the actual opening due to the participants' schedule adjustments (Photos 25). Facilitated by Mr. Solomon Getu, the ELIA Director General, the ceremony included an address by Mr. Tatek Yirgathe, the ELIA President; a report on the support from Mr. Noriyuki Nagai, chief advisor of the project; a speech by Dr. Katsuki Morihara, the JICA Ethiopia Office Representative; a speech by H.E. Mr. Melaku Alebel, the Minister of Industry; a ribbon cutting; and a tour of the shop by the participants.

The number of passengers at the international terminal in 2019 was 12 million, but after the outbreak of COVID-19, the number of passengers dropped to about 5%. Although the rent per lot (19.5 m<sup>2</sup>) is high, as of November 2022, seven of the eight companies were profitable (two companies still need to submit sales figures). However, differences in profitability exist due to the quality of customer service, product quality, and pricing strategies. All shelves in the shop are movable. To ensure that the layout is maintained as set initially, ELIA was given a detailed floor plan with shelf locations and aisle widths between shelves for continuous management (Figure 28).

**Figure 29 : Sales of ELIA-membership companies in the Duty-Free Shop**

	Product category	Total sales_May to November 2022
Company A	Bags ▪ Accessories ▪ Garments	89,000 USD
Company B	Bags ▪ Accessories	40,000 USD
Company C	Bags ▪ Accessories	21,000 USD
Company D	Bags ▪ Accessories	23,400 USD
Company E	Bags ▪ Accessories ▪ Garments	18,000 USD *Highest sales/month
Company F	Bags ▪ Accessories ▪ Shoes	22,300 USD
Company G	Bags ▪ Accessories ▪ Shoes	N/A
Company H	Bags ▪ Accessories ▪ Shoes	N/A



ELIA received a proposal from the airport at the end of 2022 to expand its sales floor area using 185 m<sup>2</sup> adjacent to its current shop. Eight participating companies have indicated their willingness to accept the expansion, and the expanded shop is expected to open within the next few months.

## **2) Promoting entry into the supply chain for leather products to the European and U.S. markets**

For Ethiopia to become a future off-shore production base for leather products for Western multinationals, the project identified goals and explored approaches to the targeted supply chain.

### **[Activity 1] Research and study on approaches necessary for supply chain entry**

As with the Global Organic Textile Standard for cotton, a certification organization called the Leather Working Group<sup>9</sup> (LWG) exists for leather materials. Formed in 2005 as a non-profit organization in the United Kingdom, the LWG was established as a joint initiative certification organization between leather goods manufacturers and footwear, apparel, and interior brands such as Adidas, Clarks, IKEA, Nike, New Balance, and Timberland. Beginning with environmental certification, the organization has expanded to include social responsibility issues such as traceability and labor environment. Today, it is the world's largest leather-industry-specific certification organization, with more than 1,800 member companies in more than 60 countries. Obtaining such certification is essential to begin doing business with Western multinational companies and delivering leather to them. However, the high cost of the certificate, including inviting auditors, and the need for regular renewal procedures have made it difficult for the project to support certification to international standards in the leather industry. As of December 2022, only one foreign-owned tannery in Ethiopia has obtained this certification<sup>10</sup>.

In interviews with experts in Japan, they say that “it is very significant to show that producers are not only following the rules set by developed countries but also making products according to the rules they have created themselves.” The project also reconsidered the brand value of EHL based on the lessons learned from the market research and promotional activities conducted in the first phase. Based on these lessons, the project continued to strengthen the EHL brand management system. To ensure that the EHL certification system is strictly maintained, the project cooperated with LIDI, the certification body, and ELIA, the brand owner, to hold seminars at AALF for companies and related organizations that are expected to use the brand and had brand workshops with partner companies, counterparts, and other development partners.

### **[Activity 2] Promotion activities of Ethiopian leather materials and products to suppliers in target countries**

In January 2022, Ethiopian companies were not dispatched to Paris to participate in the exhibition due to the state of emergency declared in Ethiopia. However, with the support of a local agent, the JICA

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<sup>9</sup> <https://www.leatherworkinggroup.com/> (Viewed January 5<sup>th</sup> 2023).

<sup>10</sup> Bahirdar Tannery, an EHL certified tannery, has begun efforts to obtain LWG certification with the support of the MoI. At the time of writing this report, February 2023, the company is still awaiting an audit and has not yet obtained the certification.

expert explained the project activities to the International/Project Director of the Fédération Française du Prêt à Porter Féminin (French Women's Prêt-à-Porter Federation). The Fédération Française du Prêt à Porter Féminin is a producer association that includes many French fashion brands. To promote EHL leather materials effectively in the target market, it is practical to disseminate the information to its member companies through this type of producer organization.

The EHL brand is named after its homeland, and the use of its products is a reflection of patriotism. Therefore, it is crucial to take advantage in countries with established diaspora communities with Ethiopian roots, such as the United States. EHL conducted an online interview with the Ethio-American Chamber of Commerce<sup>11</sup> (a chamber of commerce organized by Americans with Ethiopian roots) during the trade show in New York in September 2022 (Photo 32). The headquarters of the Chamber of Commerce is located in Washington, D.C., so a visit to the exhibition was not realized, but ELIA's explanation of the EHL brand and presentations from each company lasted more than an hour in Amharic, and the discussions were meaningful.

### **3) Promotion of EHL to Europe, the United States, and third countries (the East Asia region, including Japan and China, and the Southeast Asian region such as Vietnam)**

Among the export target of 100 million USD (FY 2021<sup>12</sup>), the target is 880,000 USD for EHL leather materials and 164,500 USD for EHL products. To achieve this target, the project tried to support sales promotion in the European and the U.S. markets and the Asian region.

#### **[Activity 1] Promotion support in third-country markets outside of Europe and the United States**

During the project period, the situation of the Asian manufacturing industry was still in flux due to COVID-19, so the project conducted promotional activities for Japanese companies that were more likely to obtain information. As part of sales promotion in Japan, promoting Ethiopian products was done to a Japanese brand, and a footwear company received an order for samples. However, this did not lead to any business afterward.

In addition, through Cross Brace Corporation, a company that invites Ethiopian athletes to Japan and deals with coffee beans, leather materials from two EHL-certified tanneries were introduced to two Japanese companies dealing with glove and leather materials for small leather goods. Each company is interested in differentiating its products using the EHL brand and is now considering ordering leather samples from EHL-certified tanneries.

#### **[Activity 2] E-commerce promotion and promotional support for exhibitions, individual business matching, etc.**

The use of e-commerce has been accelerating in the B2B market due in part to the COVID-19 outbreak. Although ELIA had established an e-commerce website with the support of an Italian NGO (<https://ethiopianleathers.com>), the website's content, such as each company's products, had yet to be developed.

<sup>11</sup> <https://ethioamericanchamber.com/> (viewed December 12<sup>th</sup> 2022)

<sup>12</sup> Gregorian calendar July 2021–June 2022

The project also needed to utilize the e-commerce site for promotion. The discussion with existing e-commerce sites in Ethiopia was ongoing to find a way to cooperate with them. ELIA consulted with the JICA experts on the enhancement of the content of the e-commerce site, and the expert team decided to utilize their e-commerce site. The project hired a staff member in charge of e-commerce websites to assist with satisfying content and photography techniques. Currently, the number of registered companies has increased to 64; 41 companies were assisted with content development and photo registration through the project.

During the project period, EHL companies participated in two international exhibitions. The exhibitions had been canceled one after another due to the COVID-19 outbreak, but after the second half of 2021, the international exhibitions returned to having people in them. Local agents were utilized to participate in each show, and promotional activities were conducted in advance to attract customers. First, EHL participated in the Who's Next in Paris at Impact area, which specializes in ethical brands/products, and created promotional materials to introduce EHL companies' environmental initiatives, job creation, use of recycled materials, etc. ELIA also developed a page on its website to explain EHL's ethical initiatives and the characteristics of EHL.

### **(3) Support for creating and updating publicity tools for Ethiopian Highland Leather**

EHL has promoted its brand image as a high-quality leather material by creating a new worldview of products from developing countries. However, due to the mainstreaming of ethical fashion in the fashion market, EHL decided to update its promotional materials, including the leaflet, website, and promotional video.

The first step in reorganizing the promotional materials was to review the brand value. Today, EHL's target developed markets require that brands contribute to society sustainably and ethically. To meet this basic market need, the objective was to review EHL's brand values and focus on the sustainable and ethical story of the EHL brand. The review was conducted in close consultation with the brand owner, ELIA, and LIDI, the certifying body for the brand certification.

Figure 30 shows the brand story in the brand book (Appendix 4) that was revised in this phase. The story describes the life of the Ethiopian people, the birthplace of humankind, where sheep slaughtered for food is used to make leather, how the sheep grow freely in nature, and how the culture of leather cultivated through the lives of these people has become a key industry in Ethiopia. The brand book also describes the eight stories and assets that differentiate the EHL brand.



**Figure 30: Brand story in the revised brand book**

To establish a cooperative structure after the project completion, the decision was made to consider subcontracting a local production company for the promotional materials, and Uppermost Media, Inc., was selected based on its achievements during the project research since 2013 and the quality of its production results. To express the worldview of the reconstructed brand story, a visual treatment (editorial policy) (Figure 31) and storyboard were created, and production proceeded with the approval of the counterparts. Weekly meetings were held with the production staff, and an expert team provided input on the editorial policy and design proposal.



**Figure 31: Visual treatment of promotional videos (editorial policy)**

The production of a leaflet (Appendix 5) was begun after the promotional video. The leaflet was designed to be used as an A2-size poster when unfolded. The Ethiopian side proposed this to encourage visitors to keep the leaflet longer than the various promotional materials they would receive at the exhibition. The inside of this leaflet included a reimagined brand story with additional appeal points such as the brand's

ethical, sustainable, and eco-friendly practices. In addition to the brand story, the results of joint research with the Tokyo University of Agriculture and Technology and the Tokyo Metropolitan Leather Technology Support Center in Phase 1 were mentioned as scientific evidence of EHL quality on the ELIA website.

#### **(4) Participation in exhibitions and other events**

EHL participated in two international exhibitions throughout the project: Who’s Next in January 2022 and Magic NY in September 2022. The main objectives of participating in the exhibitions were to promote the EHL brand, strengthen Ethiopian companies’ capacity (to improve the techniques and design skills of sample products), and improve their business skills.

##### **1) Who’s Next (Impact) January 21–24, 2022, Paris, France**

**Figure 32: Overview of Who’s Next in Paris**

Name of trade show	Who’s Next (IMPACT)
Period	From January 21–24, 2022 Hours: 9 am–7 pm (closing time of the final day was 5 pm)
Venue	Porte de Versailles, 1 Place de la Porte de Versailles 75015 Paris
Exhibitors	Around 750 <sup>13</sup>
Visitors	Around 120,000 <sup>13</sup>
EHL booth	HALL 6, U-60 (42 m <sup>2</sup> )
Achievement Pre-order	Number of orders including pre-orders: 15 (11,226.80 EUR)

In January 2022, EHL exhibited in the Impact area of Who’s Next in Paris, France (Photos 13, 14, 15, 16). JICA headquarters decided to refrain from dispatching Ethiopian delegates abroad, including France, due to the declaration of a state of emergency. Therefore, 11 companies agreed to entrust booth management to a local agent in France. Because the exhibition was held in France after the COVID-19 pandemic, most visitors were from France and neighboring countries, and the overall number of visitors to Who’s Next was lower than it was in the past. Therefore, although the exhibition did not return to normal, the support of local agents was also successful, and EHL obtained 15 firm orders (approximately 11,226.80 euros) in total. After that, contact between the clients and the companies was lost in some cases, and in the end, EHL, as a whole, generated sales of 6,076.6 euros. According to a local agent in France, European buyers are relatively slow to respond to e-mails in business communication. There are cases where they change their minds and cancel an order in the course of contact or place an order but then make a comprehensive judgment based on the status of other charges and decide whether to accept or reject it. However, SHIR SHIR received an order from Italian buyers to send line sheets for their next purchase.

Participation in Who’s Next made the project aware of the need to select exhibitors again according to the characteristic of the exhibition and to consider the product lines. Although EHL has targeted the high-end market in developed countries in the past and has considered participating in trade shows and selecting partner companies, it is necessary to continue to research design preferences according to the countries

<sup>13</sup> Source: Press release BILAN\_WHOSNEXT

where the shows are held and the expected visitors, and to select product lines strategically based on demand, although it is necessary to utilize the unique designs of each company. It is difficult for the volume footwear industry, which has no distinctive designs and has to rely on bulk orders, to obtain orders at this show. The project was aware of this point from the previous show, but a certified tannery wanted to exhibit shoes from their group companies. However, they were unable to obtain orders.

**Figure 33: Achievements of Who’s Next**

EHL Partner Company	Buyer’s Country	Buyer’s Business	Quantity	Total (Euros)
Company A_Bag	Italy	Retail	18	838.0
Company A_Bag	Italy	Retail/Wholesale	21	630.4
Company A_Bag	Italy	Retail	33	1,106.4
Company A_Bag	Greece	Retail/Wholesale	67	1,104.8
Company B_Bag	Italy	Retail/Wholesale	14	994.0
Company C_Bag	Greece	Retail/Wholesale	39	973.0
Company D Bag/Leather	Greece	Retail/Wholesale	32	430.0
Ground Total			224	<b>6,076.6</b>

**2) MAGIC New York Sept. 18–20, 2022, New York City**

**Figure 34 : Overview of MAGIC NEY YORK**

Name of trade show	MAGIC New York
Period	From September 18–20, 2022
Venue	Javits Center, 429 11th Avenue, New York, NY 10001
Exhibitors	400+ <sup>14</sup>
Visitors	7,100+ <sup>14</sup>
Booth	Accessory area 800 ft <sup>2</sup> : 10 companies Footwear area 300 ft <sup>2</sup> : 4 companies
Sales	Number of pre-orders: 8,000 (606,000 USD)

In April 2022, the partner companies were surveyed to determine their preference for exhibiting at Who’s Next (Impact) in Paris in September or MAGIC in New York (September) or Las Vegas (August). Because the majority preferred to exhibit in the United States, especially in New York, the decision was made to show at MAGIC New York (Photo 30). MAGIC New York is characterized by all exhibitors being brands and not exhibitors looking for OEM partners.

Obtaining a visa is an obstacle when providing support for exhibiting at an overseas exhibition. In the first phase, several companies were denied the Schengen Visa, an EU visa. This time, representatives from nine of the 14 companies and one representative from each of the three counterparts were unable to obtain a U.S. visa. Ethiopians who had previously obtained U.S. visas were able to renew their visas, which meant that they did not have to go through such a strict screening process. Some companies could send

<sup>14</sup> Source: MAGIC NY SEPTEMBER 2022 RECAP/Informa Markets

representatives by changing the person they had initially planned to send.

As a result, orders were received from seven of the 14 companies, totaling approximately 606,000 USD. JICA experts traveled to Ethiopia in October and November to provide final technical support for KOOTKEET, SHIR SHIR, Bahirdar, and Kinaff Leather. The client has not contacted Root in Style since then, so production is still pending. Tie-dyed products utilizing the softness of sheep leather, especially simple tote bags, were top-rated and reasonably priced, and many buyers picked them up. However, mesh products, which were very popular at the Who’s Next exhibition in January 2022, were only sometimes linked to actual orders, even though many buyers appreciated the excellent craftsmanship. Many buyers were similarly interested in a series of traditional Ethiopian woven patterns, but this did not lead to orders. Many buyers picked up sandals with beautiful beadwork.

More critical to the number of orders than the product features was the companies’ customer service. The representative of Zemen Amour Leather was the most successful, proactively approaching buyers in passing, making them stop, and taking pictures of them with the products in their hands. She received the most significant number of business negotiations with them. Other companies that have exhibited at similar shows in the United States in the past also created lookbook titled “2022 NY Collection” and posted QR codes leading to their websites, social networking sites, and lookbook. These companies’ lookbooks used models for product photography and were of high quality.

**Figure 35: Achievements of MAGIC New York (not including some pending orders)**

EHL Partner Company	Country	Business	Quantity	Total (USD)
Company A_Bag	United States	Retail	24	1,284.30
Company A_Bag	United States	Retail	10	557.14
Company A_Bag	United States	-	18	1,193.98
Company B_Bag	United States	Retail	10	438.00
Company B_Bag	United States	Retail	25	550.00
Company D_Glove	United States	Retail/Wholesale	180	3,160.00
Grand Total			267	7,183.42

\* Only those companies that were unable to dispatch a representative from the company, and where the expert provided customer service, as well as those companies that received assistance from the expert in the process of receiving the order.

However, because the show only dealt with brand-name products, many buyers were owners of select shops, private boutiques, or e-commerce sites, and many orders did not reach 1,000 USD per order. In many cases, the number of orders buyers’ desired did not match the MOQ (Minimum Order Quantity) set by Ethiopian companies. Companies expecting large orders, such as shoe manufacturing companies, recognized the need for a local distributor to hold local stock and sell their products to small buyers. KER EZHI has already established its own local company in the United States.

In exhibiting at the overseas exhibitions, the purpose was to involve the local Ethiopian Embassy business attachés in the activities; nevertheless, because the Ethiopian Embassy is located in Washington,

D.C., the Embassy officials could not visit the exhibition. However, a visit by two officials from the Permanent Mission of Ethiopia to New York was realized (Photo 31).

### **[Activity 1] Enhancement of business templates**

On the occasion of participating in two international exhibitions, the project worked on enhancing product catalogs and brand promotion materials. By incorporating advice from local agents specializing in the fashion sector, the project team could efficiently compile the information buyers were seeking. In addition, because Ethiopian companies could not be dispatched to France, an introduction page for each company was added to the brand presentation materials so buyers could understand each company's characteristics.

Based on the lesson learned from the French trade show, where it took time from the time an order was placed on the show floor to the time the order was confirmed between the company and the buyer, the order sheet was utilized to confirm the order at the U.S. trade show and contact the buyer right after the order was placed.



Company nam Shir Shir Ethiopia  
 Contact person Hirut Zeleke  
 Tel number +251 911615876  
 email Shirshirethiopia@gmail.com  
 Website www.shirshirethiopia








**Order Confirmation**

No. [Redacted]

Date : [Redacted]

Client Company Name : [Redacted]  
 Client Store Name : [Redacted]  
 Contact person : [Redacted]  
 Email : [Redacted]  
 Phone Number : [Redacted]

Invoice to: [Redacted] Shipping to: [Redacted]

Product No.	Product Photo	Size	Color	Unit Price USD	Qty	Amount USD
20ss 012		H 48 x W 41 x D 7 cm H 18.90 x W 16.10 x D 2.60 inch	Black	\$ -		\$ -
			Rooibos Tea	\$ -		\$ -
			Chive	\$ -		\$ -
			Golden Lime	\$ -		\$ -
			Veg 62	\$ -		\$ -
			light Brown (Veg)	\$ -		\$ -
20ss 014		H 28 x W 38.5 x D 9 cm H 11.00 x W 15.20 x D 3.50 inch	Black	\$ -		\$ -
			Rooibos Tea	\$ -		\$ -
			Chive	\$ -		\$ -
			Golden Lime	\$ -		\$ -
			Veg 62	\$ -		\$ -
			light Brown (Veg)	\$ -		\$ -
20ss 0013		H 25 x W 47 x D 12 cm H 9.80 x W 17.30 x D 4.70 inch	Black	\$ -		\$ -
			Rooibos Tea	\$ -		\$ -
			Chive	\$ -		\$ -
			Golden Lime	\$ -		\$ -
			Veg 62	\$ -		\$ -
			light Brown (Veg)	\$ -		\$ -
20ss 004		H 24 x W 24.5 x D 7.5 cm H 9.50 x W 9.60 x D 3.00 inch	Black	\$ -		\$ -
			Rooibos Tea	\$ -		\$ -
			Chive	\$ -		\$ -
			Golden Lime	\$ -		\$ -
			Veg 62	\$ -		\$ -
			light Brown (Veg)	\$ -		\$ -
22ss 017		H 26 x W 24 x D 0 cm H 10.20 x W 9.70 x D 0.00 inch	Black	\$ -		\$ -
			Rooibos Tea	\$ -		\$ -
			Chive	\$ -		\$ -
			Golden Lime	\$ -		\$ -
			Veg 62	\$ -		\$ -
			light Brown (Veg)	\$ -		\$ -
<b>Total:</b>					<b>0</b>	<b>\$ -</b>

Minimum Order Quantity: 1,000 USD in total

Delivery forecast 90 days after Deposit Payment

Please note that the delivery date may vary depending on the leather color availability.

Material composition: Sheep leather farmed in Ethiopia

All products are made in Ethiopia

Shipping term : EXW Ethiopia, Addis Ababa

Payment term: 30% when the order is confirmed / 70% before shipping

Bank info : Commercial Bank of Ethiopia

XXXXXX Branch  
 Account number XXXXXXXX  
 Account owner  
 Shirshir Yekoda Wutetoch  
 SWIFT Code CBETETAA

\*For payment, you can use wire transfer or international remittance services such as WISE

**Figure 36: Order sheet for the exhibition**

## [Activity 2] Thorough promotional preparation work

The contact list of customers who visited the EHL booth during their participation in the Who's Next Paris exhibition in the first phase of 2018–2020 was used to invite them to the January 2022 exhibition. At the same time, local agents selected potential customers and made them aware of the event in advance, aiming to attract more customers. In addition, Ethiopian companies sent invitations directly to customers with whom they had made connections at previous exhibitions.

The MAGIC New York exhibition in September 2022 was EHL's first participation in New York. Therefore, promotional activities were conducted to distribute EHL brand lookbooks to the list of visitors from the Las Vegas exhibition in 2020 and the list of apparel-related companies owned by local agents. Because representatives from each company participated in the New York exhibition, preparatory meetings and brand workshops were held several times before the dispatch. These included sharing points to keep in mind when conducting business negotiations in the United States, role-playing with JICA experts, and confirming EHL's brand concept and appeal points.

**Figure 37: Details of Preparatory Meeting for MAGIC NEW YORK**

Meeting	Contents
July 7, 2022 The first preparatory meeting 17 participants from each company to be dispatched	<ol style="list-style-type: none"><li>1. Review of the project's activities (sharing lessons learned to date, understanding the purpose of exhibiting, understanding the EHL brand message)</li><li>2. General information about MAGIC NEW YORK</li><li>3. Points of customer service</li><li>4. Schedule sharing</li><li>5. Tips of doing business in the United States</li></ol>
September 7, 2022, Brand Workshop 31 participants from counterparts, Partner companies, Development partners	Understanding of the EHL brand message and discussion of the brand's appeal points through the following group work: <ol style="list-style-type: none"><li>1. Whom do we want to approach?</li><li>2. What is the story we want to tell them?</li><li>3. How could we make EHL matter?</li></ol>
September 13, 2022 The second preparatory meeting 9 participants to be dispatched	<ol style="list-style-type: none"><li>1. Schedule of departure and local activities</li><li>2. Points of customer service</li><li>3. Role-playing</li></ol>

## (5) Promotion of Ethiopian Leather Products Utilizing Domestic Resources

The World Leather Congress (WLC) and the International Union of Leather Technologists and Chemists Societies (IULTCS) were held in November 2021 at the Skylight Hotel in Addis Ababa (Photos 17 and 18). According to the organizer, more than 200 people participated online, while about 50 people attended the WLC and 70 people attended the IULTCS. Most of the research presentations were related to environmentally friendly practices in the leather industry. The JICA booth displayed products from companies for which the project is providing technical support, panels introducing project activities, and promotional materials. If LIDI continues to participate in IULTCS to present research results related to EHL in the future, it will contribute to improving EHL's brand value.

In December 2021, EHL participated in the AALF held at the Skylight Hotel in Addis Ababa (Photos 19, 20, 21). The original plan was for JICA experts to provide preparatory support on-site; however, due to an emergency evacuation request from Ethiopia, this was done remotely. Support from the project consisted mainly of booth design and seminar programs. In addition to the products of eight partner companies, a newly completed leaflet and promotional video were also presented to visitors at the booth. On the third day, LIDI and ELIA presented the EHL brand concept and the results of comparative research with other leathers. At the same time, tanneries and companies gave a presentation on their sustainable initiatives. After the presentations, the panelists and all participants actively had a 2-hour discussion.

AALF, scheduled to be held in November 2022, has been postponed to February 2023. Because it was after the JICA experts had completed their local activities and the JICA experts could not support them as a project, the project team provided the booth design. AALF is hosted by ELIA and held annually, which will be an excellent opportunity to promote EHL in Ethiopia. The AALF is expected to be an opportunity for ELIA to take the lead in promoting EHL and increasing ELIA membership.

### **3.6 Overall Promotion of Champion Products**

#### **(1) Organization of National Branding**

First, the JICA experts confirmed with each counterpart the structure and respective roles of the Creativity in Motion site<sup>15</sup>, the ELIA website, and the ELIA e-commerce site. To sustain the project's supportive effect, the project has proposed placing a banner that links to the Creativity in Motion site within the MoTI site. However, discussions were suspended due to a long-term business trip of the MoTI staff member (Ms. Haimanot Tibebe) in charge of the Dubai International Expo, which was to be held from October 2021. The project planned to resume the discussions after she came back from Dubai. However, with the reorganization of the ministry, the person in charge was replaced, and the staff member who had been in the order of the discussions left the ministry. In addition, a representative of MoTRI (Mr. Bereket Yohannes) sent to the U.S. trade show had not returned to Ethiopia after the exhibition until the end of the project. Therefore, efforts were made to establish new relationships with the new officials. The JICA experts submitted the completion report of the first phase and the progress report of this phase to Mr. Petrose Akliro, Director General of the newly established Export Promotion Advisory Desk within MoTRI, and Dr. Henok Seyoun, Advisor to the Minister of State. The JICA expert team explained the project to them and tried to build a new relationship.

The Creativity in Motion brand was developed before the start of this project, with EIC as the counterpart during the project research period, which began in 2014. As its promotional materials, a promotional video and a website were created with the concept of telling the story of Ethiopia as it is today, along with leather, textiles, flowers, coffee, honey, opals, and tourism, which were all candidates for Ethiopia's champion products at that time. The video was subsequently aired on Ethiopian Airlines' airplanes and used by the MoFA to introduce its industry at international conferences and to foreign guests. Therefore, the brand did not reflect MoTI's intentions in its development, and it was not positive to accept repeated proposals to use Creativity in Motion as a national brand. In addition, it was difficult for MoTI to

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<sup>15</sup> <https://ethiopiancreation.com/>

promote Creativity in Motion as the national brand because the Land of Origin brand, which was developed mainly for Tourism promotion, was already being used in overseas promotional activities for agricultural products, which had been under MoTI’s jurisdiction for some time.

**(2) Trademark Registration of a National Coffee Brand in Japan**

In December 2020, the Ethiopian Coffee and Tea Authority (ECTA) filed an application to register the national brand “Ethiopian Coffee” as a trademark in Ethiopia, and a trademark registration certificate was issued in May 2021. The brand is owned by the ECTA, and the registration was completed as a combined trademark under the international categories 30 (coffee, roasted coffee beans, and coffee beans) and 35 (advertising services). In the Japanese trademark registration, the patent attorney concluded that the

name “Ethiopian Coffee” was not a trademark (a sign to distinguish products) and applied for registration under Class 30 as a graphic trademark. The Japan Patent Office approved the roster in March 2022 in the 30th category (coffee, roasted coffee beans, coffee beans, etc.). For the next 10 years, the logo mark below will be managed as a graphic trademark for Ethiopian coffee beans in the Japanese market.

Since using this logo mark at the Ethiopian booth at the Specialty Coffee Association Japan exhibition held in Tokyo in September 2019, the logo mark has been widely used, including on the door to the ECTA headquarters (Photo 22). The logo mark is spreading, including its use in the packaging design of coffee used as a novelty at the African Olympic Committee meeting in Addis Ababa in 2021 and at the Tokyo Olympics to be held that year. In addition, GIZ has begun to consider supporting trademark registration in the EU, and the ECTA plans to promote the registration of the logo in countries other than Japan. However, because this project’s scope was to



**Figure 37: Logo for Ethiopian Coffee**

support the selection of a brand logo, establishing a brand promise and quality control standards for using the brand logo has been suspended.

**3.7 Identify Procedural and Institutional Issues in Import/Export Transactions and Promote Problem-Solving through the Use of Other Components**

The project supported business communication of Ethiopian companies with each customer after exhibiting at the French and U.S. trade shows. The JICA expert team reported the progress and problems such as receipt of remittances and import of intermediate goods with other components and worked to develop measures to resolve issues.

## **Chapter 4. Activities Related to Operations**

### **4.1 Efforts to Achieve Results and Improve Sustainability (Exit Strategy)**

Exit strategies to ensure the continuation of the project's effectiveness after its completion were examined from the beginning of the second phase. The project discussed with the counterparts, MoTI (current MoTRI), LIDI (current LLPIRDC), and ELIA the activities that need to be done after the project completion (what is necessary and feasible for export promotion) in the leather sector for export promotion, quality improvement, and brand management of EHL, respectively. The discussion with the counterparts clarified the institutions and capacities needed to implement these activities to fill the gaps in the future.

The discussion began with a review of “who” and “what” is currently responsible for each of the activities in the second phase of the project. Then, we discussed the desired post-project state, the division of roles and budget sources for that state, and what should be done during the project period to achieve that state. The discussion included the need for MoTI to promote the EHL brand when exhibiting at trade shows, for ELIA and LIDI to share EHL's certification system with tanneries' management, and for ELIA to develop an annual plan for continued EHL promotion after the project completion. In the remaining project period, activities to enhance the sustainability of such activities include sharing with ELIA the promotional and explanatory materials created by the project, setting up a preparatory committee of companies participating in trade shows, making EHL certification a regular task of LIDI's leather technology development department and testing laboratory, and holding brand workshops to promote internal branding. As for activities not limited to EHL, the need to support ELIA in building an e-commerce site was identified. Efforts were made to reflect the content of these discussions in Phase 2 activities as appropriate. However, the reorganization of ministries and agencies made it difficult to continue discussions with MoTI. The establishment of a preparatory committee by participating companies also did not materialize due to the cancellation of the dispatch to French trade show in January 2022 and the fact that few companies wished to join the committee when it was dispatched to the United States.

Meanwhile, the project held a brand workshop with the counterparts, the partner companies, and other development partners in January 2023 and discussed the 5-year mid-term goals. After the discussion about the needs for cooperation with other stakeholders and development partners, the EHL brand logo misuse, and the royalty system establishment, ELIA Director General Solomon proposed the creation of a 5-year strategic plan to address these issues and achieve the goals. Mr. Mihsamo, the team Leader of the Leather Development Department of LIDI, agreed to draft the document. Mr. Solomon proposed the items and framework to be included in the plan, which was decided to be developed jointly by ELIA and LIDI. At the third JCC meeting in the same month, Mr. Solomon shared the items and framework, and a schedule for their preparation was decided with completion at the end of March 2023 and activities would begin in April 2023.

### **4.2 Collaboration with Other Development Partners**

Some development partners have made efforts to develop enterprises and promote exports in the Ethiopian leather sector. The project actively exchanged information with each partner to achieve synergies among activities. KOICA will begin technical support, including the establishment of a Business Innovation

Center in LIDI, with a 4-year plan starting in 2023 (budget: USD 10 million)<sup>16</sup>. The support will be comprehensive, including the promotion of Ethiopian leather products to overseas markets. To this end, preparatory meetings and interviews were conducted to explore the possibility of continued utilization of the EHL brand that the project has developed. The project also asked them to participate in the branding workshop that the project is conducting, where they had the opportunity to discuss EHL with participants from other Ethiopian institutions.

CBI, a Dutch organization, has supported the leather sector for 4 years, beginning in 2020, to promote exports to the European market. The project requested that CBI representatives participate in the EHL brand workshop to share a better understanding of the project's efforts to date. CBI invited Ethiopian companies to LINEA PELLE, a leather products exhibition held in Milan, Italy, in September 2022 and conducted an orientation. In September 2023, Ethiopian companies will be supported by CBI to participate in Who's Next in Paris, France, which this project has experienced four times since the first phase. CBI also supports six out of 14 project partner companies. Therefore, they can take advantage of their previous experience exhibiting in Paris. Continuous exchange of information was conducted until the end of this project so that the promotion of EHL could continue in the exhibition.

With the support of Bridge, a project implemented by the Master Card Foundation for job creation, ELIA hired Mr. Fitsum as EHL Brand Manager from January 2023. JICA experts provided technical transfer to Mr. Fitsum through participation in the brand workshops and meetings.

#### **4.3 Collaboration with Other Components of the Industrial Promotion Projects**

The Industrial Promotion Project has three components: (1) Industrial Policy Dialogue, (2) Investment Promotion and Industrial Park Development, and (3) Export Promotion. In Phase 2, the export promotion component, which dispatched experts to the field before the other two components, shared information on infectious disease control and safety management during the COVID-19 pandemic and the prospects for the project extension. In addition, the JICA expert participated in the Investment Promotion and Industrial Park Development Component's JCC meeting as an observer and reported on the progress of its activities to the Industrial Policy Dialogue Component.

#### **4.4 Utilization of Local Consultants and Other Resources**

Based on their experience, the following personnel were employed in this phase (Figure 39).

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<sup>16</sup> "Ethiopia Receives \$10mln Backing From KOICA to Promote Leather Industry," October 22, 2022 Fana Broadcasting Corporate S.C. <https://www.fanabc.com/english/ethiopia-receives-10mln-backing-from-koica-to-promote-leather-industry/>

**Figure 39: Local Consultants and Other Local Resources Utilized in the Project**

Title	Responsibilities and past experiences
Senior Project Officer	Engaged in overall follow-up of activities and management of technical support to the partner companies in the absence of JICA experts in Ethiopia. He has experience working as a project officer during the implementation of the “CPA Project Study Phase 2” (2014–2017), which preceded this project.
Project Officer①	Engaged in secretarial work such as gathering information on the counterparts and the partner companies and coordinating meetings between the JICA expert team and counterparts. She has experience working on JICA projects in the past. She was also engaged in the first phase of this project.
Project Officer②	Engaged mainly in EHL’s brand management activities, including liaison and coordination with the counterparts, relevant ministries and agencies. He has served as the Secretary General of ELIA in the past and he understands EHL’s brand management well. He also has a network within the relevant ministries and institutions.
Amharic interpreter	Engaged in Amharic interpretation to facilitate JICA experts’ technical support. He was involved in the CPA Project Study Phase 1 and Phase 2 (2014-2017), as well as the first phase of this project, and he is familiar with the highly specialized terminology used in leather product production and in VMD.
EC site construction staff	Engaged in the creation of companies and their products’ introduction pages on the ELIA’s e-commerce site. He has been involved in the construction of the e-commerce site from the initial stages.
Local advertising company	Engaged in the production of a promotional video, website, brand leaflets, and booth decorations for the trade shows to promote EHL. The project was outsourced to a local advertising company for sustainability after the project was completed. Uppermost Media, Inc. was selected as the subcontractor because of its experience in producing corporate advertising materials as well as editing <i>Addis Life</i> magazine and <i>Selamta</i> , the Ethiopian Airlines’ in-flight magazine. For details of the outsourced work to Uppermost Media, see “(3) Support for Creating and Updating Ethiopian Highland Leather’s Promotional Tools.”

#### 4.5 Organizing JCC meetings

In the first phase, the JCC was held once every 6 months, but at the beginning of the second phase, a counterpart proposed that the JCC should be held once a year, and after consultation among the counterparts, the JCC was held once a year in this phase as proposed. The JCC during this phase was held as follows as shown in Figure 40 (Photos 1, 23, 38).

A monthly progress report was emailed to the stakeholders, and their comments and questions were collected. During the chief advisor’s business trips, he had been meeting with ELIA, the owner of the EHL brand and the main promoter of EHL and the leather industry, almost every week. In addition, he has had opportunities to meet with LIDI’s deputy director general or director general when he arrives and leaves Ethiopia. He has visited them as necessary to seek advice and direction on the project activities.

**Figure 40: Main Agendas in the JCC meetings**

Date	Main Agendas
First JCC Meeting (March 30, 2021)	1. Consensus building on activities and schedule for Phase 2 2. Discussion of issues in the leather industry's value chain as input for activities
Second JCC Meeting (April 13, 2022)	1. Reporting on activities from March 2021 to March 2022 2. Consensus building on the activity plan for April 2022 to January 2023, following the decision to extend the project period
Third JCC Meeting (January 24, 2023)	1. Reporting on the achievements and the challenges related to project activities (focusing on activities from March 2022) 2. Discussion and confirmation of the schedule for the preparation of the 5-year strategic plan

#### 4.6 Public Relations Activities

**Figure 41: Content of Newsletters <sup>\*17</sup>**

Date of Issue	Content
April 2021	First JCC meeting announced
May 2021	LIDI staff conduct audit visit to tanneries for EHL brand certification
June 2021	The results of a meeting conducted to select partner companies for technical support
July 2021	Launch of online technical support to the partner companies
August 2021	Video shoot of training materials at Japanese tanneries to provide technical assistance to improve the quality of leather materials
September 2021	Determination of four additional partner companies and initiation of technical support in Ethiopia
October 2021	Production of a promotional video for EHL
November 2021	Introduction of EHL at WLC/IULTCS
December 2021	A technical seminar to improve finishing techniques for sheep leather materials
January 2022	EHL participates in the AALF
February 2022	EHL participates in the Paris trade show
April 2022	The second JCC meeting announced
July 2022	Completion of the EHL website
July 2022	Technology transfer between the partner companies
November 2022	Launch of Duty-Free Shop for Ethiopian Leather Products at Bole International Airport
December 2022	Rwanda Market Visit: Exploring the Potential of Ethiopian Leather Products
To be uploaded	EHL participates in the NY trade show
To be uploaded	The Completion of Project Activities

A monthly newsletter was published to promote the project. An Amharic version of the newsletter

<sup>17</sup> Available from the website and Facebook of JICA Ethiopia office as follows:

Facebook: <https://www.facebook.com/jicaethiopia>

Website: [www.jica.go.jp/ethiopia/office/information/event/index.html](http://www.jica.go.jp/ethiopia/office/information/event/index.html)



was also posted on the bulletin board of LIDI to increase understanding of the project among staff other than those involved in the project. The Japanese and English versions were posted on the JICA Ethiopia office Facebook page and website (Figure 41).

#### 4.7 Challenges, Solutions, and Lessons Learned in the Operation

In this phase, there was a period when support from Japan was not available due to the continued spread of COVID-19 infection. Operations began at the end of February 2021, and the first field trip was planned to begin in late March, but the trip was canceled due to the re-spread of COVID-19 in Ethiopia. After the first trip in August 2021, a second field mission was planned for late October 2021. However, the declaration of a state of emergency on November 2, 2021, resulted in an emergency return to Japan. After resuming the trip in April 2022, there were about 3 weeks from June to July 2022 and approximately 1 month from December 2022 to January 2023 without a JICA expert. However, during the rest of the period, at least one JICA expert was dispatched until January 2023, when the bilateral agreement under the record of discussion expired.

Various challenges to implementing the work effectively and efficiently as well as to realizing and sustaining the benefits of each activity arose under the circumstances. Figure 42 summarizes the challenges faced in implementing this project and the measures and lessons learned in dealing with them.

**Figure 42: Challenges, Solutions, and Lessons Learned in the Operation**

1	Challenge	Due to the conditions that prohibited travel to Ethiopia, it was necessary to provide effective technical support for leather materials from Japan.
	Solution	Based on the upgrading method considered by the JICA experts using crust leather produced in Ethiopia, a video was produced and sample leathers from each process were used as instructional materials, and online seminars were conducted.
2	Challenge	Due to the conditions that prohibited travel to Ethiopia, it was necessary to select the partner companies and provide effective technical support for leather products from Japan.
	Solution	For the selection of the partner companies, samples submitted by each potential company were shipped to Japan for screening. Because this was the first time the JICA experts had provided technical support remotely, they first selected only those companies whose samples were of extremely high quality and began providing support. In providing support, the JICA experts requested that each company prepare two samples so that the two countries could hold the actual samples in their hands and talk about them with each other.
	Lessons learned	After the first samples were submitted, 2 weeks were required for custom clearance and to reach Japan. After providing online technical support, it took another month for the second sample to be prepared, shipped, and received. Such online support proved to be much more time-consuming than providing the support in the field. It is necessary to plan implementation with enough time to complete tasks before the target or milestone such as trade shows.
3	Challenge	In the online technical support, conveying detailed nuances in discussion for

		product improvements was challenging. As a result, it was difficult to exchange opinions smoothly.
	Solution	JICA experts requested that each company produce two duplicates of the same sample. One of the duplicates was shipped to Japan in advance, so that both parties could discuss the detailed nuances while holding the actual sample in their hands. Amharic interpreters were also utilized to ensure that the Ethiopian side understood every detail of the experts' comments.
	Lessons learned	In the online technical support, more differences occurred in the Ethiopian side's ability to understand the experts' advice than would have occurred face-to-face. In these situations, in addition to the aforementioned means, communication through Amharic will be more useful.
4	Challenge	The schedule for promotional opportunities, such as trade shows, was very fluid. This made it difficult to set goals and make preparation schedules. It is difficult to grasp the latest trends and recent schedules only by desktop research.
	Solution	At the timing of the spring/summer and fall/winter exhibitions, the JICA experts interviewed the trade show organizers about market trends, the latest exhibition attendance, and future plans. JICA experts also discussed with some agents the possibility of holding showrooms.
5	Challenge	Due to the spread of COVID-19 and political instability in Ethiopia, it became impossible to dispatch representatives of Ethiopian companies to the trade show in Paris.
	Solution	JICA experts decided to exhibit on behalf of the Ethiopian companies through a local agent in Paris, who prepared the booth and managed its operation during the show.
	Lessons learned	The utilization of an agent with knowledge of the French market was very useful in terms of business negotiations. Ethiopian companies tend to dislike using intermediaries, but it is important to understand that the utilization of such local agents in overseas business development can be useful.
6	Challenge	It was necessary to consider ways to promote Ethiopian products in the venue where the representatives of Ethiopian companies were not able to welcome buyers.
	Solution	The booth concept focused on messages from the workers of each company, and message boards from them were prepared and displayed along with the products they made.
	Lessons learned	Although these efforts had a certain effect on attracting buyers' attention, it was difficult to lead them to actual business negotiations unless the design, quality, and price of the products were attractive. The importance of improving product design and quality was once again confirmed.

#### 4.8 Work Schedule

Figure 43 shows the implementation period of each activity during this phase. Figure 44 shows the timing and duration of the field activities of the JICA experts dispatched for the activities.





## **Chapter 5. Challenges and Lessons Learned**

### **5.1 Challenges and Lessons Learned from EHL Component**

A certification system for brand use must be sustained locally after the completion of this project. Because LIDI and ELIA were able to take leadership in establishing a system for the certification of tanneries during the project period, it is expected that the EHL brand will continue to be used and will be an asset to the Ethiopian leather industry to penetrate the global market in the future. The duty-free store that opened in the Bole International Airport is also expected to grow as a place where the leather industry can contribute to earning foreign currency for Ethiopia more directly. It is beginning to expand its sales area after receiving an offer from Ethiopian Airlines.

As shown in Figure 25, regarding the indicator that the project contributed to increasing the export value of Ethiopian leather products and achieving the annual target value set by the government, the project did not reach it, because the COVID-19 pandemic had a significant impact on the international leather market and the project activities. However, the project was able to achieve its export target of 880,000 USD for leather materials and 164,500 USD for leather products under the EHL brand, with the actual export value of 1,290,000 USD for leather materials (data from one tannery only) and 1,074,232 USD for leather products (data from five EHL partner companies only). After participating in the overseas trade shows, problems that could only be solved involving the government and related ministries and agencies, such as overseas remittances and product shipments, were revealed. However, the number of orders received confirmed the competency of EHL-brand products in overseas markets. For example, buyers who picked up EHL's products generally appreciated the softness and quality of the leather, and some even asked if it was genuine leather. Some customers were also surprised that such a high-quality leather product was available at such an affordable price. However, because the price strategies of the companies using the same EHL material differed significantly, some companies that set a relatively high price range suggested that the price of products using EHL material should be consistent as a brand strategy.

Challenges and lessons learned in continuing to promote the EHL brand and the Ethiopian leather industry were discussed with respect to each of the outputs set for the project.

#### **(1) Challenges and Lessons Learned from Output 1 “Quality EHL Branded Finished Leather and Leather Products Are Available”**

##### **① Set Appropriate MOQ According to Buyers’ Segments in the Trade Show**

Setting MOQs at 1,000 EUR and 1,000 USD per company at the French and U.S. trade shows made it possible to accumulate small orders. Because many of the buyers visiting the booths were owners of small specialty stores, and large orders could not be expected, the project set the MOQ as such with the consensus of each partner company.

However, because 10 to 11 companies were represented in one booth, many buyers wanted to order products in combination from several companies. In this respect, even the MOQ setting of 1,000 USD/EUR per company was a high hurdle for buyers. Although the above MOQ was set, the amount of orders received per company was often less than 1000 USD/EUR. Most Ethiopian companies accepted such small orders in anticipation of future business development. However, companies that did not accept orders below the

MOQ did not receive any orders in the French trade show. Even if the initial order quantity is small, it is necessary to consider the possibility of continuing business with the client.

## **② Develop a Strategy According to the Characteristics of the Trade Show**

In this phase, EHL brand participated in Who's Next in France and MAGIC NY in the United States. At Who's Next, EHL exhibited in IMPACT, an area that requires products to appeal to eco-friendly and ethical aspects. The booth featured messages from workers and posters promoting eco-friendly initiatives and contributions to the SDGs. Leaflets also promoted upcycled and recycled materials. However, at MAGIC NY, the emphasis was on the individuality of each company's brand. In this regard, the organizers repeatedly checked with each company's line sheets. The booths were divided into sections so that each company's characteristics could be clearly identified, and the EHL brand was only partially introduced, with each company's message being the main focus.

At each of the exhibitions, many visitors, such as boutiques, select shops, and e-commerce owners, were looking for unique products, and companies that lacked design features did not attract their customers' attention. Thus, the selection of companies and the product lines were not sufficient for this phase of the exhibition.

Considering group exhibitions such as EHL, it is also necessary to select exhibiting companies according to the nature of the exhibition and to consider the product lines to be exhibited. Exhibiting companies need to decide which products to exhibit based on the characteristics of the exhibition. The companies also need to research the design preferences of the countries where the exhibition will be held and the expected visitors, and strategically select product lines that will be in demand.

As e-commerce becomes the dominant consumer purchasing channel and the consumer experience becomes an essential part of increasing product value, the story behind the product becomes increasingly important. Companies from developing countries will have more opportunities to exhibit as a group, with support from governments and international development partners. It is important for the image strategy of each company to tell its story as a whole booth. Alternatively, IMPACT, the name of one area in Who's Next, was focused on ethical products, but few buyers focused on the EHL story to place an order. Buyers seemed to judge products first based on their quality. Thus, orders were concentrated on specific companies and products, and several products did not receive any orders at all. If the products are well made, it is possible to obtain orders from European buyers without setting up a booth designed by the JICA expert.

One way to focus further on the ethical aspects of EHL is to participate in exhibitions such as Neonyt in Germany, where the venue is dedicated to ethical and eco-friendly themes. In doing so, it is necessary to demonstrate the company's commitment to the environmentally friendly EHL certification standards and its strict adherence to these standards. In addition, the company needs to limit the materials used to vegetable tanning, or if it proposes chrome tanning, which is an environmentally hazardous process, then it needs to promote tie-dyeing technology, which can add value to low-grade leather. Such extreme strategies need to be developed with the consent of the Ethiopian leather industry as a whole.

## **③ Improve Quality of Customer Service**

The difference in customer service among companies is clear, and it directly affects the number of

orders received. At one company, the person in charge did not even stand up when a buyer entered. The person in charge of the other company actively talked to buyers passing by, made them hold the company's products, and took pictures of them to show them. In this way, they made buyers stop, they told their company's story, and they linked it to orders. Customer service is not easy unless a person has a personality that is suited to do it and does it regularly. However, many managers with decision-making authority were dispatched to foreign trade shows, and many were unfamiliar with customer service. Each company needs to take the importance of customer service in promotional activities seriously.

The project held several preparatory meetings with the companies to explain the business practices and points to keep in mind as the exhibitors and prepared for immediate face-to-face responses on delivery dates, product development, prices, etc. In addition, a form of order confirmation was designed to ensure that information would not be lacking when conducting business negotiations at a later date. By enhancing such information and structure, efforts were made to standardize the quality of customer service. In the preparatory meetings, in addition to lectures, role-plays with JICA experts were conducted to improve the customer service skills of each company's staff.

#### **④ Manage Orders after Trade Shows**

Managing orders after trade shows involves three main challenges: (1) delays in the delivery of leather materials arranged to meet orders by foreign buyers, (2) troubles related to international remittances, and (3) poor business communication skills of Ethiopian companies.

(1) Regarding the problem related to leather arrangements, if each EHL partner company tries to order leather individually, the amount of leather ordered will not be sufficient to meet the tannery's minimum order quantity. All of the EHL partner companies should place orders together. However, the timing of leather orders from each buyer cannot be harmonized, so the partner companies must be handled individually. Another problem is the unstable procurement of tanning chemicals. Once the chemicals run out and become difficult to obtain, leather production stops. If the partner companies do not know the production schedule of leather when they present delivery dates to buyers or receive requests for delivery dates from buyers, they may not be able to meet the deadlines. Another issue is that communication between the companies and tanneries does not proceed smoothly, and it takes time to place orders and confirm delivery dates.

(2) Regarding the problem related to overseas remittances, buyers have a tendency to avoid using bank remittances because of the high commission fee. In many cases, the Ethiopian side does not accept credit card payments or other private remittance services, and buyers sometimes request remittance methods other than bank transfers. This cannot be resolved through project activities or Ethiopian corporate efforts.

A company that received a large order at an exhibition in the United States was asked to use PayPal for payment, but it was difficult for the company to accommodate this request. As for measures that Ethiopian companies can take, in the case of bank remittances, instead of requesting two separate remittances (i.e., one for the deposit and one for the payment before shipment), the fees could be combined into a single remittance. It is also essential to explain the situation in Ethiopia to buyers in advance, because the country has strict rules for handling foreign currency. For example, when remitting payment for products from overseas to Ethiopia, if the buyer does not clearly state the reason for the remittance, problems will

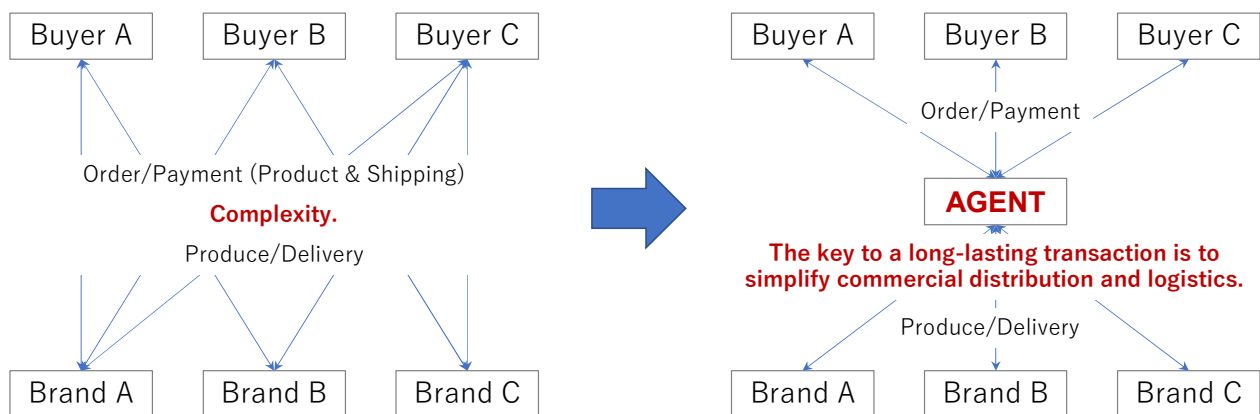
arise when the Ethiopian company receives the payment. Even though the companies strongly requested that buyers state the reason, in some cases, the remittance was sent without stating the reason, and the Ethiopian company had difficulty receiving the remittance.

(3) Regarding the business communication skills of Ethiopian companies, the companies that follow the JICA expert advice well are relatively successful in communicating with their buyer. However, some companies waited for buyers to respond and did not try to speak spontaneously. When they did speak, they sent e-mails with content that completely lacked a customer service perspective, and the JICA experts had to provide hand-holding instruction. The skill of dealing with overseas buyers is an issue that needs to be improved.

### ⑤ Establish Simple Commercial Negotiation Channel and Logistics

Some companies are preventing the challenges mentioned above from their buyers. One company divided the timing of payment into two payments as others did, one for the deposit and the other before shipment, but handled it by setting the amount of the first remittance as small as 15% of the total order amount or by leaving it to the discretion of the buyer. In addition, the company had a business partner in the United States and asked buyers to make payments to that partner. This way, the U.S. buyers would be more willing to make payments, even if it was their first time doing business with the Ethiopian company.

In addition, if all shipments from Ethiopia were made to the partner and then shipped to other locations that buyers requested, the shipping costs charged to buyers would be reduced. Buyers can also receive refunds from the partner in case an order is canceled. (Once the money has been remitted to Ethiopia, it cannot be refunded in USD.)



**Figure 45 : Simplified Commercial Distribution and Logistics Using Local Agents**

It is difficult for one SME in Ethiopia to contract with such an agent or importer due to the commission. The reason for the meeting with the Ethio-American Chamber of Commerce in the United States was to see if Ethiopian companies could reach a U.S. company that would value the EHL brand and be able to create a simple commercial and logistical link between buyers in the United States and Ethiopian companies. It is undeniable that Ethiopians, by nature, are uncomfortable having such intermediaries in their business. However, such a system is essential to ensure that orders are not lost and to make the business



relationship long-lasting.

## **(2) Challenges and Lessons Learned from Output 2 “EHL Brand is Properly Managed and Internationally Recognized”**

### **① Continue to Work on the EHL Internal Branding**

Compared to the beginning of the first phase in 2017, the counterparts, ELIA, and LIDI had a better understanding of brand promotion, and the opposition to the project proposal, including the determination of specific activities and target markets, was resolved. From 2019, activities related to EHL brand management could be initiated. Ethiopian governmental agencies such as LIDI and MoTI did not have the necessary knowledge and experience to support ELIA’s management of the EHL brand. With the gaps kept in mind, the JICA experts continued to develop standards while determining the appropriate level of maintenance and management on the Ethiopian side in this second phase. They developed a brand certification procedure using the standards. Exposure to trade shows and presentations at AALF increased awareness of the EHL brand and companies’ willingness to participate in the project.

In the past, the EHL brand tag was sometimes attached to products not made of sheep leather. The importance of brand recognition for manufacturers, who are the users of the EHL logo, was also re-recognized. The EHL logo stamp was initially planned to be managed by ELIA and loaned to EHL partner companies, but due to a change in the person in charge at ELIA and the person’s absence, the EHL logo stamp was managed by the project. However, an EHL brand manager was hired at ELIA and took over the management.

Brand sustainability will be achieved by continuing the cycle of brand promotion activities shown in Figure 2 rather than thinking of brand management in isolation. To this end, it was important that EHL-branded products actually sell in the marketplace. The EHL brand strengthened its ethical approach to responding to market trends where social contribution, including the SDGs, was a motivating factor in consumers’ product choices. While responding to consumer preferences, such promotional activity will continue. In addition, the motivation of managers is essential to maintain the brand management system established in the project.

### **② Commitment from Both Government and Industry**

By including the ministry in charge and sectoral associations and research institutes under the ministry in the counterparts, the project activities could be carried out with the intentions of both industry and government. However, when establishing multiple counterparts, it is necessary to consider which ministry should represent the government, whether the ministry has good relationships with other counterparts and other factors that may affect project management.

Although one of the counterparts for this component was MoTI, it had no experience developing and validating CPAs in project studies or developing EHL brands. It took time to understand the approach during Phase 1. Originally, MoTI was a separate organization, MoT, and MoI, with MoT being the organization primarily responsible for the export promotion of agricultural products. In 2022, MoTI was separated into MoT and MoI, and export promotion was placed under the cross-sectoral supervision of the MoT. Furthermore, the MoT was reorganized into the MoTRI. Despite these changes, the MoI consistently

took the initiative in promoting the leather industry. LIDI is affiliated under the MoI, and ELIA has strong ties to the MoI. They will be responsible for the brand management of EHL in the future. When considering future support for the leather industry, it is essential to consider which ministry can be the counterpart to obtain active involvement in the sector's promotion and align priorities within the ministry. The quality of leather materials is also greatly affected by the condition of the skin (parasites and scratches) of sheep and cow when they were kept as livestock, and by the way the raw skins and hide are preserved after slaughter. In order to improve the quality of raw hides, which is the pre-tanning stage, it will be important to consider a framework that includes technical transfer to the MoA.

In the technical transfer to LIDI experts, which was important for obtaining their commitments to the project, there were differences in the acceptance of support by JICA experts between leather material development experts and leather product development experts. For the development of leather materials, trade with foreign countries has been historically implemented in Ethiopia. Therefore, the LIDI experts who were relevant to leather material development had a good understanding of the technology required for Ethiopian tanneries and were willing to accept the support of JICA experts. Tanning techniques require internationally common knowledge of chemistry, and international standards are also numerically clear, so it was easy to establish how to move closer to them. As a result, the project was able to achieve results, including the creation of brand certification standards and systems as well as participation in auditing activities. However, the main market for leather products was still domestic. The LIDI experts who supported companies in such an environment and JICA experts differed in their perception of the skills LIDI's experts lacked to penetrate overseas markets. Many LIDI experts were proud of having studied leather product manufacturing at university. They thought that what was lacking was "information" on overseas trends and "equipment" such as CAD software, so JICA experts struggled to involve them in the project activities. In the first phase, LIDI experts were dispatched with JICA experts to four European countries to conduct market research and encourage understanding of the market demands, but this was not enough to obtain participation in subsequent technical support. More time should have been spent on sharing perceptions with JICA experts prior to the start of technical support. Consequently, the project had to decide to switch to marketing support in African countries in response to the growing expectations for trading in the African market.

In providing support to an organization such as LIDI that is involved in export promotion from a technical perspective, it is necessary to start by confirming that each department has an objective understanding of the country's problems in quality based on its experience in dealing with overseas markets. Then, sufficient time should be spent in discussion with JICA experts and learning to understand the necessary support, which will be important in achieving results in the subsequent technical support activities.

## **5.2 Challenges and Lessons Learned from Export Promotion of the Whole Leather Sector**

### **(1) Bottlenecks in Promotional Activities in the African Market**

In this phase, the project collected information to organize and exhibit at trade shows in Uganda and Kenya as well as participated in a trade show in Rwanda. Despite preliminary market research that led to the decision of which trade show to exhibit at, the trade show itself was far from well planned. However, the research revealed that shoes and leather materials had particular potential. By using this information to

determine the composition of exhibitors, the project could set up business meetings outside effectively other than exhibition visitors.

The African market still needs to develop the infrastructure for promoting each country's products to stimulate intra-regional trade. However, with the AfCFTA going into effect, the intra-regional trade promotion will continue to gain momentum. In the movement, the difficulty in obtaining information on trade opportunities in each country may become a bottleneck that hinders the promotion of intra-regional trade. In cooperation with producers' associations, governments need to work actively to develop information networks and infrastructure for business promotions such as trade shows.

## **(2) Potential of the Ethiopian Leather Sector in the African Market**

Because Rwanda is working to promote domestic industry and import substitution under the banner of "Made in Rwanda," it can be assumed that a movement to encourage trade within the region under the banner of "Made in Africa" will take place in the future. As indicated by the fact that the headquarters of ALLPI is located in Addis Ababa, Ethiopia is one of the leading countries in the leather industry in Africa. In addition to exporting its products, Ethiopia needs to work on technological cooperation and investment in neighboring countries and establish supply chains that leverage the resources available in the neighboring countries.

Most trade shows would be B2C events aimed at sales to consumers, and there are only a few opportunities for B2B business negotiations to be conducted collectively in the African countries. African countries' governments will need to cooperate with producers' associations and actively work on the development of such information networks and infrastructure for business promotions such as trade shows for B2B business negotiations.

## **5.3 Challenges and Lessons Learned of New Champion Product**

### **(1) Challenges and Lessons Learned of Output 3 "Another Champion Product Brand Is Developed"**

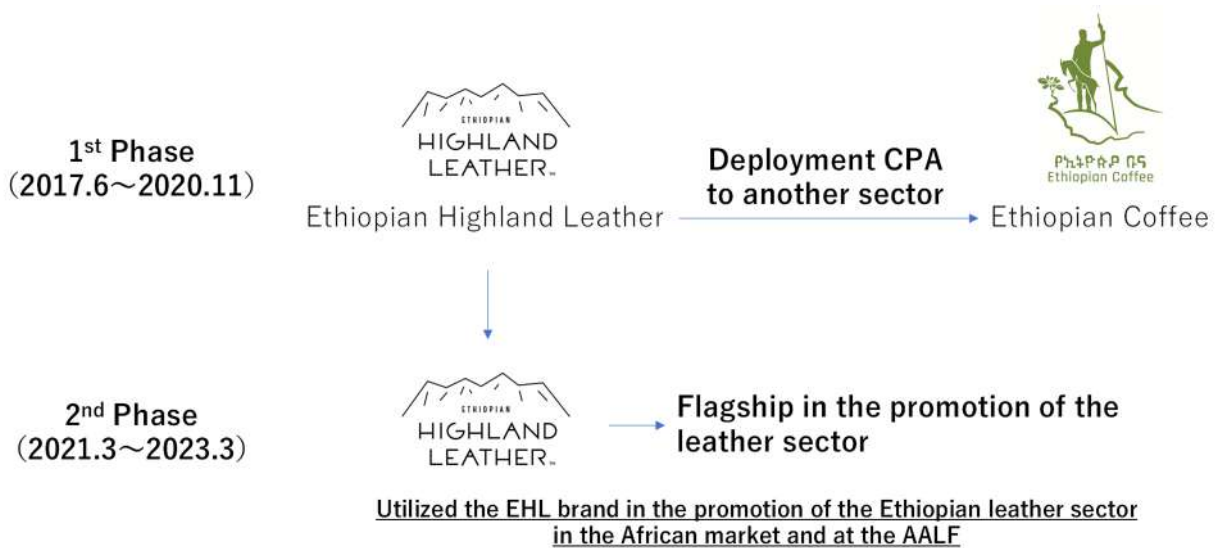
In the second phase, the project focused on support for the leather sector. The only activity planned for the coffee sector was support for trademark registration in Ethiopia and Japan. However, due to a large number of stakeholders, coordination on the Ethiopian side took time and was likely to be left untouched. The decision to register a trademark is made by the intellectual property office of the country where the application is filed, and the intellectual property office of the applicant country does not take the initiative. However, because this project needed to work for the registration as a national brand, it was necessary to include the EIPO and other related organizations in the activities.

From the experience of registering the EHL trademark in Europe taking a long time to coordinate with the Ethiopian government institutions, the JICA expert team tried to identify an organization that would function as the owner of the national brand and proceeded with discussions with them to complete the application during the project period without making the discussions any longer than necessary.

### **(2) Utilize Champion Products as Flagship Products**

In the second phase, the project provided promotional support for the whole leather industry, mainly

within Africa, instead of the coffee branding support. In the promotional activity, EHL-branded products were utilized as the flagship products of the Ethiopian leather industry and a symbol of the quality of Ethiopian leather products.



**Figure 46: From Expansion to Other Sectors to Utilization within the Same Sector**

Although there were concerns about whether the EHL brand logo would be used correctly, the logo and the leaflets were used only by some companies selling EHL products in the duty-free shop at the Bole International Airport, and no problems occurred when the project was completed. At the Rwanda trade show, EHL’s products were displayed as flagships of the Ethiopian leather industry and attracted the interest of many visitors. The brand’s quality control was presented with scientific evidence at AALF seminars and other events. The evidence was used to demonstrate the quality of the Ethiopian leather product and create a positive image.

In CPA’s export promotion strategy, brand development is an important step in promoting champion products to the market. By developing brands across various industries, a country’s potential industries can be widely introduced. However, branding some high-quality products as champion products in a particular industry can also enhance the industry’s overall image. EHL is a brand limited to sheep leather, recognized as a high-quality product in the Ethiopian leather industry. It is not a brand for the entire industry. However, ELIA’s introduction of EHL as a commitment to high-quality Ethiopian leather products and the companies’ promotion of EHL-branded products as their high-end models have made EHL a flagship that symbolizes the quality of the Ethiopian leather industry.

end



## Appendices

The appendices in this report are as follows

Appendix 1 Ethiopian Highland Leather brand certification system for auditor

Appendix 2 EHL quality check sheet

Appendix 3 EHL certification format

Appendix 4 EHL brand book

Appendix 5 EHL leaflet

Appendix 6 Report on the participation in Who's Next (IMPACT)

Appendix 7 Report on the participation in MAGIC New York

Appendix 8 Report on the participation in TALIF, Rwanda

Appendix 9 First JCC meeting minutes

Appendix 10 Second JCC meeting minutes

Appendix 11 Third JCC meeting minutes



# Ethiopian Highland Leather (EHL) Auditor Certification System

For auditors



Ethiopian Leather Industries Association (ELIA)  
Leather Industry Development Institute (LIDI)

Version 1

January 2022



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# 1 Ethiopian Highland Leather (EHL) Auditor Certification System

### 1.1 What is the EHL Auditor Certification System?

- ◆ EHL auditor certification system is developed to ensure the sustainability of EHL brand management.
- ◆ Human resources who are knowledgeable and experienced about the EHL certification in LIDI are the key.
- ◆ Through the system, LIDI would be able to provide quality EHL auditing service to tanneries as well as contribute to the sustainable certification system.

*Note: Please refer to 'Ethiopian Highland Leather (EHL) Brand Usage Manual' for detailed information about the EHL brand management.*

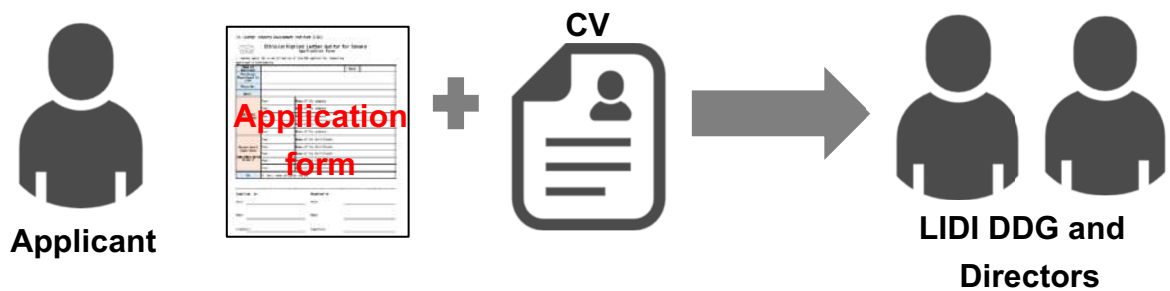
### 1.2 Criteria for EHL Auditor Certification

Table 1: Criteria for EHL auditor certification

Category	Criteria
Eligible Applicant	LIDI staff in Leather Industry Development Directorate, and LIDI staff in Research and Testing Laboratory Directorate
Education	BSc in Chemistry, Chemical Engineering or a field(s) relevant to a leather sector
Work Experience	Work experience in tanneries more than 4 years Or work experience in LIDI's Research and Testing Laboratory Directorate more than 4 years Or equivalent experience in the leather sector
EHL audit experience	Conducting EHL inspection visits more than <b>2 times</b> .
Audit Experience (*preferable criteria)	Audit experience in QMS/EMS/LSM/LWG and other relevant certifications
Validity period	2 years from the month of the certification

### 1.3 How to apply for EHL Auditor Certification?

- ① LIDI posts an official announcement about the calling for EHL auditor application on the LIDI bulletin board.
- ② Submit an application form (**Annex-A1**) and your CV to LIDI Deputy Director-General of Leather Technology Sector and a director of the department to which you belong.



③ LIDI selects applicants according to the criteria, if necessary.

④ Selected applicants conduct **2 times** of inspection visits with the assistance of the EHL auditor supervisor (who are experienced in EHL audits).

◆ Orientation session:

- Overview of EHL brand management
- How to conduct inspection visits and write reports

◆ Inspection visits and lab tests:

- Use a checklist (**Annex-A2**) for conducting **2 inspection visits** at tanneries
- Implement lab tests according to the certification standards for EHL finished leathers.

◆ Reporting: Compile the following reports by each candidate

- 1) Inspection visit report (**Annex-A2**)
- 2) EHL Certification Score Sheet(summary) (**Annex-A3**)

◆ Feedback: Provide feedback to tanneries based on the report and lab test results  
<Documents to be provided to tanneries>

- 1) Inspection visit reports
- 2) EHL Certification Score Sheet (summary)
- 3) LIDI's Laboratory test results



⑤ Evaluate the candidates' performance in accordance with the following criteria (Table 2) by LIDI DDG, directors and the EHL supervisors.

Table 2: Evaluation criteria of EHL auditor

Category	Evaluation	Point
Practical skill at tanneries	Inspection visit and feedback to tanneries (1 <sup>st</sup> tannery)	20
	Inspection visit and feedback to tanneries (2 <sup>nd</sup> tannery)	20
Reporting quality	Inspection visit report (1 <sup>st</sup> tannery)	15
	Inspection visit report (2 <sup>nd</sup> tannery)	15
Lab result analysis skill	EHL certification score sheet(summary) (1 <sup>st</sup> tannery)	15
	EHL certification score sheet(summary) (2 <sup>nd</sup> tannery)	15
TOTAL		100

- ⑥ Award certificates of EHL auditor to the successful LIDI staff who **pass more than 70%** of evaluation criteria. The validated period of the certificates is 2 years.
- ✓ Completing 2 times of inspection visits and compiling reports (inspection visit report and EHL certification score sheet) are compulsory.

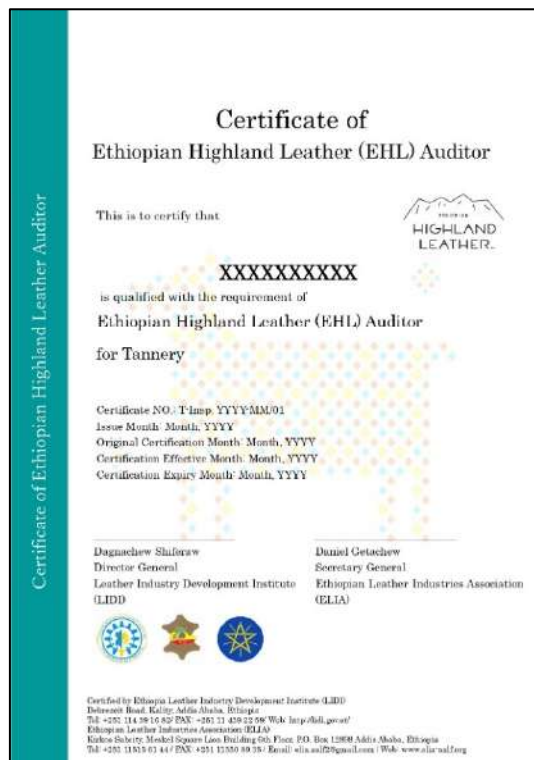


Figure 1: EHL auditor certificate

## 2 How to implement EHL inspections in tanneries

## 2.1 EHL Certification Criteria

- ◆ Eligible applicants:
  - ✧ ELIA members
  - ✧ Companies that produce finished sheep leather from sheepskins sourced from Ethiopian highland areas
- ◆ Certification requirement: Pass both 1) inspection visit and 2) laboratory tests.
  - ✧ If the company fails any test item, it is acceptable to implement another lab test within one month at the company's cost after receiving a test result (one time only).
- ◆ Validated period: One year
  - ✓ Apply for renewal of certification 6 months prior to expiration month.
- ◆ Fee: Applicant company bears the following costs or provides in-kind for the visit based on the discussion with LIDI.

Table 3: Cost for the EHL certification process

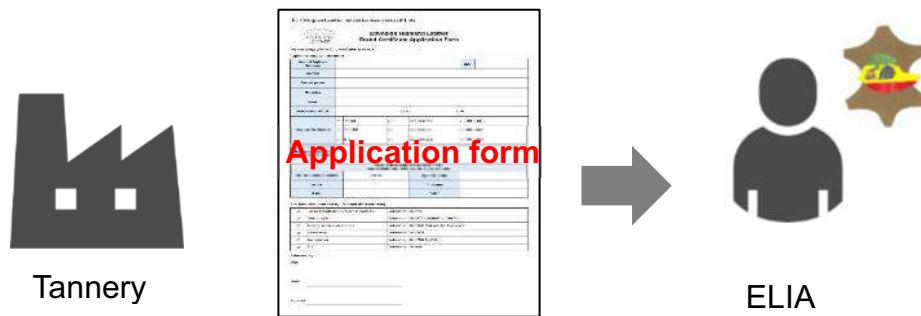
Category	Items
Inspection visit (1-2 ppl)	<ul style="list-style-type: none"> <li>● Air fare fee</li> <li>● Transportation</li> <li>● Lunch (if the inspection continued for 1 day)</li> </ul>
Lab test at LIDI *Price is subject to change	<ul style="list-style-type: none"> <li>● Tensile strength: 200 ETB</li> <li>● Tear strength: 200 ETB</li> <li>● Rubbing fastness (dry and wet): 200 ETB</li> <li>● Chromium VI: 258 ETB</li> <li>● Formaldehyde: 500 ETB</li> <li>● PH: 50 ETB</li> <li>● Moisture: 50 ETB</li> </ul> <p>TOTAL: Approximately 1,458 ETB / sample (4,374 ETB / 3 samples)</p>

## 2.2 EHL Certification Process

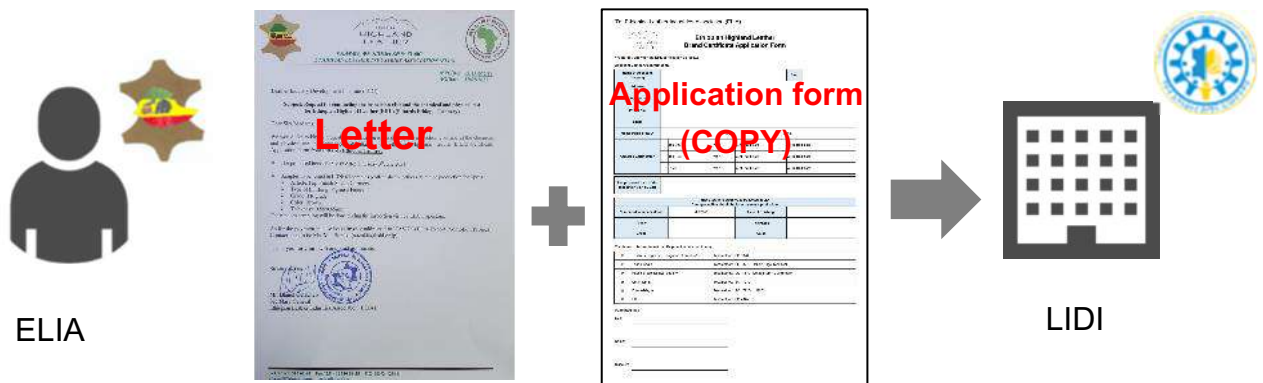
- ① LIDI and the applicant tannery schedule inspection visit date.



② The applicant tannery completes an **application form (Annex-T1)** and submits it to ELIA.



③ ELIA writes a letter to LIDI about conducting an inspection visit and sample leather testing.



④ LIDI conducts an **on-site inspection visit** at the tannery and **gets 3 pcs of sample leather**.

<Inspection visit using check sheet by EHL auditors from LIDI>

- ◆ Tanning ~ Finishing facility
- ◆ Origin of raw sheepskin
- ◆ Process Quality Control (production / water treatment system)
- ◆ Implementation of Management System (Environmental ISO14001 and Quality ISO9001 Management Systems)
- ◆ Reach certified chemicals
- ◆ Random leather sampling from the tannery's major production (3 pcs)

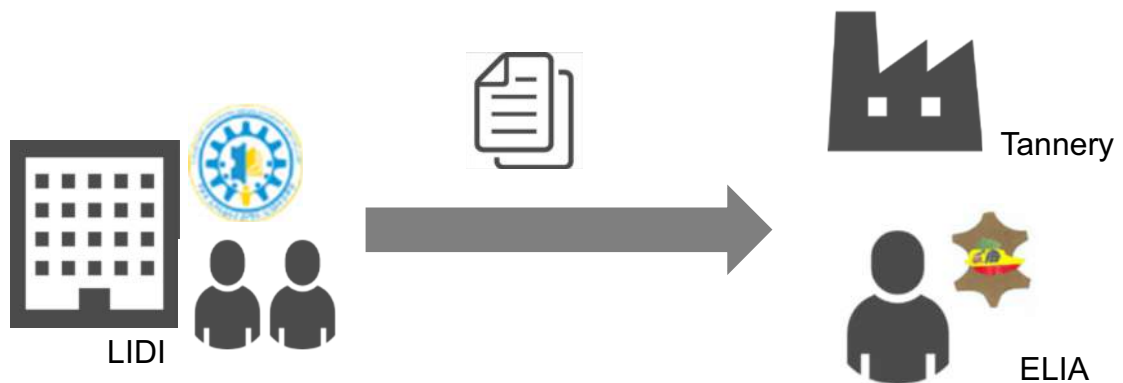




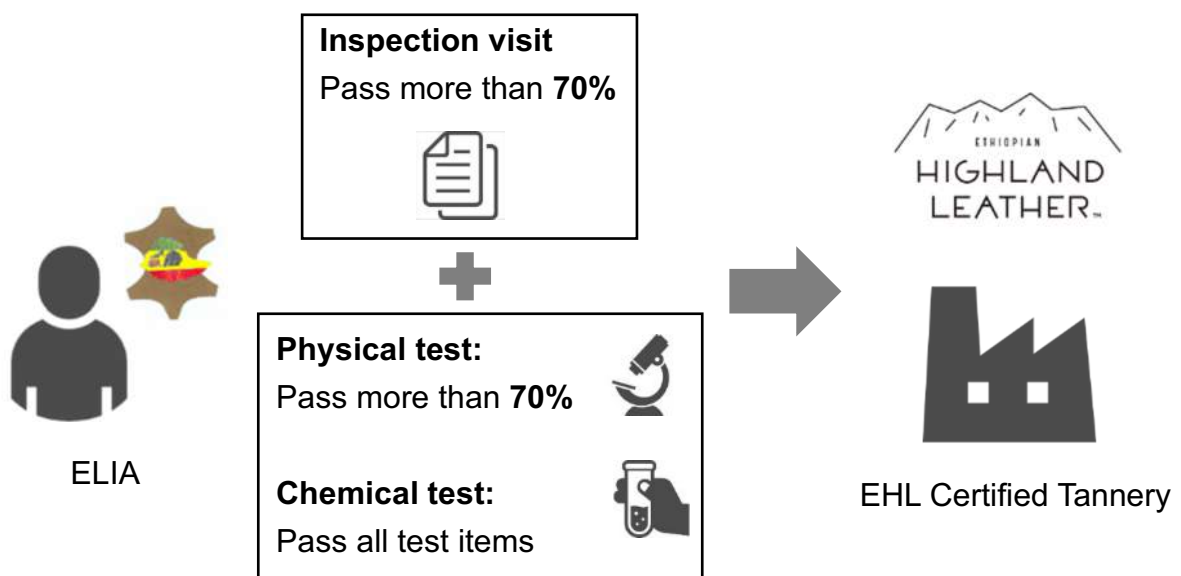
- ⑤ LIDI conducts laboratory testing of sample leathers based on the EHL standard.
- ◆ Chemical test (Chromium VI, Formaldehyde, PH)
  - ◆ Physical test (color fastness, tensile, tear strength)



- ⑥ LIDI provides feedback to tanneries with 1) the results of the inspection visit report 2) the laboratory result and 3) the score summary sheet. LIDI also reports the results to ELIA.



- ⑦ ELIA provides an EHL certification (1 year) to the applicant tannery if the result of the on-site inspection visit and the laboratory testing results surpass the EHL standard.



### 2.3 EHL certification standard

- ◆ The following are the certification standards for EHL finished leathers (version1).
- ◆ Each standard is based on other international leather standards. The EHL standards are subject to change by the improvement of quality management.
- ◆ It is required to refer to the standard according to the type of article you sample at the inspection visit.

Table 4: Certification standards for EHL finished leathers

No.	Category	Criteria	Standard	Methodology	Reference
1	Physical test (lab)	①Tensile strength(N/mm <sup>2</sup> )	Finished leather for: ①Tensile strength ●Shoe upper/bag/leather goods: more than 15* ●Garment: more than 15** ●Glove: more than 15**	ISO 3376	*Indian Standard: 5914:1970 **Indian Standard:11230-2003
2	Physical test (lab)	②Elongation at break (%)	②Elongation at break (%) ●Shoe upper/bag/leather goods: more than 35* ●Garment: More than 40** ●Glove: More than 40**		
3	Physical test (lab)	③Tear strength (N/mm)	Finished leather for: ③Tear strength (N/mm) ●Shoe upper/bag/leather goods: more than 15* ●Garment: more than 35 ●Glove: more than 35	ISO 3377-2 * double edge tear test	International Union for Leather Technologists and Chemists Society (IUP/IULTCS) *Indian Standard:5914:1970
		④Rubbing fastness (dry and wet)  *dry 10cycle/ wet 10 cycle	<Dry fastness> ①pigment finish: at least 3-4 grade ②Pale shade and natural finish: at least 3-4 grade ③Dark shade and natural finish: at least 2-3 grade <Wet fastness> ①pigment finish: at least 2-3 grade ②Pale shade and natural finish: at least 2-3 grade ③Dark shade and natural finish: at least 2 grade	ISO 11640	Japan eco leather label <a href="http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/">http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/</a>
No.	Category	Criteria	Standard	Methodology	Reference
4	Chemical test (lab)	①Chromium VI	-For adult (skin contract and non skin contract): Not detectable at the time of test *  *A detection limit: 3mg/kg	ISO 17075	Japan eco leather label <a href="http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/">http://japan-ecoleather.jp/english-3/japan-eco-leather-standard-jes/</a>
5	Chemical test (lab)	②Formaldehyde	-For adult (skin contract ): 75mg/kg -For adult (skin non contract): 300mg/kg	Formaldehyde: ISO 17226-1(HPLC)	
6	Chemical test (lab)	③Ph	Ph ≥ 3.5 (for all leathers)	ISO 4045	ISO14930 : 2012 (dress glove)

## 2.4 Important checkpoints when to implement the inspection visit

- ◆ LIDI auditor conducts the on-site inspection visit at tanneries using the checklist (**Annex-A2**).
- ◆ Important checkpoints are as follows (see Table 5).

Table 5: Check items at the inspection visit

Section	Important checkpoints	Points
1. Origin of raw hair sheepskin	<ul style="list-style-type: none"> <li>● Confirm that the tannery procures Ethiopian hair sheepskins by observation.</li> <li>● Confirm the purchase record of raw skins from the highland area.</li> </ul>	25
2. Quality control process	<ul style="list-style-type: none"> <li>● Confirm the parameters are properly recorded and managed at each production process.</li> <li>● Confirm the wastewater treatment plant is operating and managed according to the criteria.</li> </ul>	25
3. Implementation of management system	<ul style="list-style-type: none"> <li>● Confirm the validated certification of ISO14001 and ISO9001</li> </ul>	25
4. Chemicals	<ul style="list-style-type: none"> <li>● Confirm the REACH certified chemicals are used for the sheep leather production</li> </ul>	25
TOTAL		100

## 2.5 Leather sampling

◆ Process: Based on the application form submitted by a tannery (A tannery specifies article, color, grade, finishing, grade and thickness), among the category, LIDI randomly choose sample leathers (finished sheep leather) from their major production during the inspection visit

- ◆ Sample size: min. 3 pcs / leather article
- ◆ Color: 3 pcs should be the same color.

Dark shade colors are preferable for checking wet rubbing fastness.

## 2.6 Report writing tips: Inspection visit report

- ◆ It is important to evaluate objectively based on the records or evidence.
- ◆ To make the report more convincing, attach the evidence you collected on the report.  
This is also helpful when you give feedback more precisely and specifically.
- ◆ Make sure to write your remarks in each questionnaire.
- ◆ Do not forget to attach photos at the end of the report.

2.7 Report writing tips: EHL Certification Score Sheet (summary)

- ◆ Before compiling the summary sheet, you need to finalize 1) inspection visit report and 2) physical and chemical test report

① Inspection visit report score

To: XXXXX Tannery  
From: Leather Industry Development Institute (LIDI)

**EHL certification score sheet (summary)**

No.	Item	Score allotment (points)	Company's result (points)
1	Inspection visit	100	XX points
<b>TOTAL</b>		100 <i>*more than 70% is pass</i>	XX points

Transcribe the score from the inspection report

② Physical test

- ◆ Since the physical strength varies due to the natural characteristic of leathers and types of chemical/tanning methodologies, points will be awarded according to the average score.

Lab test			
No.	Item	Score allotment (points)	Company's result
1	Tensile strength	35 35: $X \text{ (average)} \geq \text{standard}$ 25: $\text{standard} (-10\%) \leq X \text{ (average)} < \text{standard}$ 15: $\text{standard} (-20\%) \leq X \text{ (average)} < \text{standard}(-10\%)$ 0: $X \text{ (average)} < \text{standard} (-20\%)$	XX points
2	Elongation at break (%)	20 20: $X \text{ (average)} \geq \text{standard}$ 15: $\text{standard} (-10\%) \leq X \text{ (average)} < \text{standard}$ 10: $\text{standard} (-20\%) \leq X \text{ (average)} < \text{standard}(-10\%)$ 0: $X \text{ (average)} < \text{standard} (-20\%)$	XX points
3	Double Tear strength	35 35: $X \text{ (average)} \geq \text{standard}$ 25: $\text{standard} (-10\%) \leq X \text{ (average)} < \text{standard}$ 15: $\text{standard} (-20\%) \leq X \text{ (average)} < \text{standard}(-10\%)$ 0: $X \text{ (average)} < \text{standard} (-20\%)$	XX points

Calculate the average value and insert points according to the score allotment

- ◆ How to calculate the score of physical tests:
  - Example: Tensile strength (see Figure 2)
    - ✧ Standard (Shoe upper): 15 N/mm<sup>2</sup>
    - ✧ Standard \*-10%: 13.5 (15\*0.9)
    - ✧ Standard\*-20%: 12 (15\*0.8)
  - Test result (Average): (13.3+14.3+10.4)/3=12.6

⇒ **The company's result is above the -20% of the standard = 15 points**

S/ N o	Type of sample	Customer Code	Lab. Design. Code	1. Tensile strength & percentage elongation at Break		2. Tear Load (Double edge tear)				3. Color fastness to and fro rubbing*			
				Tensile strength [N/mm <sup>2</sup> ]	Elongation at Break [%]	2.1) Mean Tear load in Newton (parallel to the back bone) [N]	2.2) Mean Tear load in Newton (Perpendicular to the back bone) [N]	2.3) Average Tear load (Arithmetic mean of 2.1&2.2) [N]	2.4) Tear Load [N/mm]	Dry at 10 cycle		Wet at 10 cycle	
										Test piece (Grade)	Felt pad (Grade)	Test piece (Grade)	Felt pad (Grade)
1.	Delice Sheep Nappa	Sample 01	P-16599	13.3	41.8	27.4	27.7	27.6	24.7	5	5	3	1
2.	Delice Sheep Nappa	Sample 02	P-16600	14.3	44.2	27.4	25.3	28.0	24.4	5	5	3	1
3.	Delice Sheep Nappa	Sample 03	P-16601	10.4	42.0	28.1	26.6	27.3	24.7	5	5	3	1

Figure 2: Laboratory test result

③ Rubbing fastness

- ◆ If 3 pcs of leathers are above the standard for both dry and wet fastness, the company will get a full score.

4 <sup>↔</sup>	Rubbing fastness <sup>↔</sup> (dry & wet) <sup>↔</sup>	10 <sup>↔</sup> 10: 3pcs ≧ standard <sup>↔</sup> 7: 2pcs ≧ standard <sup>↔</sup> 4: 1 pc ≧ standard <sup>↔</sup> 0: 0 pc ≧ standard <sup>↔</sup>	XX points <sup>↔</sup>
TOTAL <sup>↔</sup>		100 (*more than 70% is pass) <sup>↔</sup>	XX points <sup>↔</sup>

Calculate the total score of the physical tests

④ Chemical Test:

◆ Each sample must be above the standard.

5	Chromium VI	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
6	Formaldehyde	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
7	ph	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
<b>RESULT</b>			<b>Pass / Fail</b>

*\*The company which scores more than 70 points as well as pass all the chemical tests is entitled to receive EHL certification*

Circle one of them

## 3. Annex

<For Auditors>

Annex-A1: EHL Auditor Application Form

Annex-A2: EHL Inspection Visit Checklist\_ January 2022

Annex-A3: EHL Certification Score Sheet(summary) \_January 2022

<For Tanneries>

Annex-T1: EHL Brand Certificate Application Form\_ January 2022



To: Leather Industry Development Institute (LIDI)



## Ethiopian Highland Leather Auditor for Tannery Application Form

I hereby apply for a certification of the EHL auditor for tanneries.

**Applicant's information**

<b>Name of Applicant</b>		<b>Date</b>	
<b>Position/ Department in LIDI</b>			
<b>Phone No.</b>			
<b>Email</b>			
<b>EHL Audit experience</b>	Year:	Name of the company:	
	Year:	Name of the company:	
	Year:	Name of the company:	
	Year:	Name of the company:	
	Year:	Name of the company:	
<b>Recent Audit experience (QMS/EMS/LSM/LWG etc.)</b>	Year:	Name of the Certificate:	
	Year:	Name of the Certificate:	
	Year:	Name of the Certificate:	
	Year:	Name of the Certificate:	
	Year:	Name of the Certificate:	
<b>CV</b>	<input type="checkbox"/> Yes I have attached the CV		

**Submitted by :**

**Received by :**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

## Ethiopian Highland Leather (EHL) Brand Certificate Inspection Visit checklist for Tannery

Compiled Date:

Inspection date:

Name of the Inspector:

Applicant Company's Information	
Company Name	
Contact Person	
Contact Person's phone number	
Production capacity (Sheepskin)	
Main products	
Export Destinations	

### I. Origin of raw sheepskin (25/25pts)

No.	Checkpoint	Evaluation	Score
1	Does the tannery procure `Ethiopian hair sheep` skin (highland sheepskin)? <b>【Mandatory Criteria】</b>  <i>*Check by observation and confirm the procurement record of raw skins.</i>	<input type="checkbox"/> Yes  <input type="checkbox"/> No (No need for further inspection)	/
Remarks:			

No.	Checkpoint	Evaluation	Score
2	Does the tannery keep procurement records according to the region/suppliers?  <i>*Check the records for the past year.</i>	<input type="checkbox"/> Records are kept and all information is written for the past year. (Good: 3pts)  <input type="checkbox"/> Records are kept but some information is not written. (Fair: 2pts)  <input type="checkbox"/> Records are not kept and not sufficient information is available. (Poor: 1pts)	/3
Remarks:			

No.	Checkpoint	Evaluation	Score
3	1) Where are the main areas of sourcing sheepskins for the past year?  <i>*Altitude above 1500m is the definition of Highland.</i>  2) How much is the procurement ratio (%) in each sourcing area for the past year?	1) Main sourcing area:  2) <input type="checkbox"/> All the skins are from the highland areas. (Good: 9)  <input type="checkbox"/> More than 70% is from the highland areas. (Fair: 6)  <input type="checkbox"/> Less than 70% is from the highland areas. (Poor: 3)	/9
Remarks:			

No.	Checkpoint	Evaluation	Score
4	How does the tannery implement the segregation system of raw sheepskins in order to ensure traceability?	<input type="checkbox"/> The system is well developed and well managed. (Good: 5) <input type="checkbox"/> The system is developed and managed, but room for improvement. (Fair: 3) <input type="checkbox"/> No segregation system and no implementation. (Poor:1)	/5

Remarks: (Explain the segregation system and how it is implemented)

No.	Checkpoint	Evaluation	Score
5	Are selection and grading done with respective origins/supplier? How does the tannery implement? (poor: 1pt, fair: 2 pts, good: 3pts)	<input type="checkbox"/> The system is well developed and well managed. (Good: 3) <input type="checkbox"/> The system is developed and managed, but room for improvement. (Fair: 2) <input type="checkbox"/> No segregation system and no implementation. (Poor:1)	/3

Remarks: (Explain the selection and grading system and how it is implemented.)

No.	Checkpoint	Evaluation	Score
6	Are selection and grading results communicated to the supplier?	<input type="checkbox"/> The system is well developed and communication is done. (Good: 5)  <input type="checkbox"/> The system is developed and communication is done but room for improvement. (Fair: 3)  <input type="checkbox"/> No system and no communication to the suppliers. (Poor:1)	/5
Remarks: (Explain the selection and grading system and how they communicate with the suppliers.)			
<b>TOTAL</b>			<b>/25</b>

## II. Production Process (25/25pts)

### I.1 Core production processes (15/15pts)

No.	Checkpoint	Beam-house	Tanning	Re-tanning	Crusting	Finishing /QC	score
1	Pre-defined criteria are set.	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)	<input type="checkbox"/> Yes (1) <input type="checkbox"/> No (0)	/5
2	Process parameters are checked and recorded according to the criteria daily.	<input type="checkbox"/> Good (2) <input type="checkbox"/> Fair (1) <input type="checkbox"/> Poor (0)	<input type="checkbox"/> Good (2) <input type="checkbox"/> Fair (1) <input type="checkbox"/> Poor (0)	<input type="checkbox"/> Good (2) <input type="checkbox"/> Fair (1) <input type="checkbox"/> Poor (0)	<input type="checkbox"/> Good (2) <input type="checkbox"/> Fair (1) <input type="checkbox"/> Poor (0)	<input type="checkbox"/> Good (2) <input type="checkbox"/> Fair (1) <input type="checkbox"/> Poor (0)	/10
	parameters to be examined, but not limited	Bomie, PH, Temp.	Bomie, PH, Temp.	Bomie, PH, Temp.	Thickness	Grade, Rubbing fastness	
Sub-TOTAL							/15

Remarks:

## 1.2. Effluent Treatment Plant (10/10pt)

No	Checkpoint	Evaluation	Score
0	Which treatment plant does the tannery have? (check (✓) the applicable parts)  <i>* Installment of a Primary and a Secondary Treatment Plant is mandatory.</i>	<input type="checkbox"/> Primary Treatment plant <b>【Mandatory】</b> <input type="checkbox"/> Secondary Treatment plant <b>【Mandatory】</b> <input type="checkbox"/> Tertiary Treatment plant	/
1	Treatment plants are operating daily.	<input type="checkbox"/> Yes (2) <input type="checkbox"/> Not satisfactory (1) <input type="checkbox"/> No (0)	/2
2	In-house criteria are set.	<input type="checkbox"/> Yes (2) <input type="checkbox"/> Not satisfactory (1) <input type="checkbox"/> No (0)	/2
3	Parameters are checked and recorded according to the in-house criteria.	<input type="checkbox"/> Well recorded and managed. (Good: 3) <input type="checkbox"/> Recorded and managed but room for improvement. (Fair: 2) <input type="checkbox"/> Not recorded and managed properly (Poor: 1)	/3
4	The external regulatory body (i.e., e.g., EPA) audit is implemented periodically and records are kept properly. Is there a lab report on the effluent water analysis done by a third party?	<input type="checkbox"/> Yes (Good: 3) <input type="checkbox"/> Yes, but not periodically (Fair: 2) <input type="checkbox"/> No / no satisfactory evidence (Poor: 1)  <b><u>(For regulatory Body, i.e., EPA)</u></b> Date of Audit:  Name of auditor:  Result of the audit:  <b><u>(For the third-party effluent analysis lab report)</u></b> Date of report:  Lab designation code:	/3
Sub- TOTAL			/10
TOTAL			/25
Remarks:			

### III. Implementation of Management System (25/25pts)

#### I.1 Leather Working Group

No	Checkpoint	Evaluation	Score
1	<p>Is the tannery certified Leather Working Group (LWG)?</p> <p><i>*Confirm the certificate.</i></p>	<input type="checkbox"/> Certified and not expired <input type="checkbox"/> Certified BUT expired <input type="checkbox"/> No / In progress <hr/> Reference number: Rating: Expiry date:	/
Remarks:			

#### I.2 ISO 14001/ ISO 9001 (20/20 pts)

No	Checkpoint	Evaluation	Score
2	<p>Is the tannery certified the latest ISO?</p> <p><i>*Confirm the certificates</i></p>	<p><b>ISO 14001 and/or ISO 9001</b></p> <input type="checkbox"/> ISO 14001 and ISO 9001 certified and both NOT expired: 20 <input type="checkbox"/> ISO 140001 certified BUT ISO 9001 expired: 18 <input type="checkbox"/> ISO 140001 expired BUT ISO 9001 certified: 16 <input type="checkbox"/> ISO 14001 and ISO 9001 both certified BUT both expired:14 <input type="checkbox"/> ISO 14001 certified ONLY: 12 <input type="checkbox"/> ISO 9001 certified ONLY:8 <input type="checkbox"/> ISO 14001 certified but expired: 8 <input type="checkbox"/> ISO 9001 certified but expired:6 <input type="checkbox"/> No management system: 0 <hr/> <p><b>ISO 14001</b></p> Year: Date of certification:	/20

		Expiry date:	
		<b>ISO 9001</b> Year: Date of certification: Expiry date:	
		Other international certificates (If any):	
		Year: Date of certification: Expiry date:	
Remarks:			

### I.3 Working condition for workers (5/5 pts)

No	Checkpoint	Evaluation	Score
3	What kind of measures are taken for the employees' safety and health in the working area?	<input type="checkbox"/> Sufficient and appropriate protective equipment is provided for workers' health and safety. (Good: 5)  <input type="checkbox"/> Basic protective equipment is provided. (Fair: 3)  <input type="checkbox"/> Protective equipment is not provided or less than a minimum level. (Poor: 1)	/5
Remarks:			
TOTAL			/25



**IV. REARCH certified chemicals (25/25pts)**

No	Checkpoint	Evaluation	score
0	List name of the major chemical suppliers that the tannery purchases from.  <i>* Check by observation/by records.</i>	Name of chemical suppliers:	/
1	Does the chemical list the country of origin?	<input type="checkbox"/> Yes, all of them: 10 <input type="checkbox"/> Yes, but only some: 5 <input type="checkbox"/> No /not sure: 1	/10
2	Are certificates of analysis provided by suppliers?	<input type="checkbox"/> Yes, all of them: 10 <input type="checkbox"/> Yes, but only some: 5 <input type="checkbox"/> No /not sure: 1	/10
3	Is the confirmation of analysis reports done by the local laboratory (such as LIDI and ECAE)?	<input type="checkbox"/> Yes, all of them: 5 <input type="checkbox"/> Yes, but only some: 3 <input type="checkbox"/> No /not sure: 1	/5
TOTAL			/25
Remarks:			

**Sampling (random sampling by the inspector)**

Item	Description
Article	
Type of finishing	
Grade	
Color	
Thickness	
No. of piece	

**VI. Final Remark**

*Recommendation:*

In conclusion, **XXXX (Name of the tannery)** fulfills **XX%** of the basic EHL brand requirements according to the overall inspection findings.

Hence, the company **passes/fails** the EHL inspection criteria.

Section	Points	Company's score
I. Origin of raw hair sheepskin	25	
II. Process quality control	25	
III. Implementation of management system	25	
IV. Chemicals	25	
<b>Total</b>	<b>100</b>	

*\*The company which scores more than 70 points passes the EHL inspection criteria and fails if otherwise.*

Compiled by:

---

Leather Industry Development Institute (LIDI)

Attachment: Photos

To: XXXX Tannery

From: Leather Industry Development Institute (LIDI)

**EHL certification score sheet (summary)**

No.	Item	Score allotment (points)	Company's result
1	Inspection visit	100	
<b>TOTAL</b>		<b>100 (*more than 70% is pass)</b>	

<b>Lab test</b>			
No.	Item	Score allotment (points)	Company's result
1	Tensile strength	35 35: X (average) $\geq$ standard 25: standard (-10%) $\leq$ X (average) < standard 15: standard (-20%) $\leq$ X (average) < standard(-10%) 0: X (average) < standard (-20%)	XX points
2	Elongation at break (%)	20 20: X (average) $\geq$ standard 15: standard (-10%) $\leq$ X (average) < standard 10: standard (-20%) $\leq$ X (average) < standard(-10%) 0: X (average) < standard (-20%)	XX points
3	Double Tear strength	35 35: X (average) $\geq$ standard 25: standard (-10%) $\leq$ X (average) < standard 15: standard (-20%) $\leq$ X (average) < standard(-10%) 0: X (average) < standard (-20%)	XX points
4	Rubbing fastness (dry & wet)	10 10: 3pcs $\geq$ standard 7: 2pcs $\geq$ standard 4: 1 pc $\geq$ standard 0: 0 pc $\geq$ standard	XX points
<b>TOTAL</b>		<b>100 (*more than 70% is pass)</b>	<b>XX points</b>
5	Chromium VI	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
6	Formaldehyde	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
7	ph	Pass: All above the standard Fail: All/some below the standard	Pass/ Fail
<b>RESULT</b>			<b>Pass / Fail</b>

\*The company which scores more than 70 points as well as pass all the chemical tests is entitled to receive EHL certification

To: Ethiopian Leather Industries Association (ELIA)



## Ethiopian Highland Leather Brand Certificate Application Form

We hereby apply for the EHL certification as follows.

**Applicant Company's information**

<b>Name of Applicant Company</b>		<b>Date</b>		
<b>Address</b>				
<b>Contact person</b>				
<b>Phone No.</b>				
<b>Email</b>				
<b>Membership of ELIA</b>	<input type="checkbox"/> Yes		<input type="checkbox"/> No	
<b>Acquired Certification</b>	<input type="checkbox"/> ISO 9001	year :	Certified date:	validated date:
	<input type="checkbox"/> ISO 14001	year :	Certified date:	validated date:
	<input type="checkbox"/> Other:	year :	Certified date:	validated date:
<b>The proposed date of the inspection visit by LIDI</b>				

Sheep leathers samples to be tested in LIDI <i>* sample leather should be from the major production</i>			
<b>Number of sample leathers</b>	3 pieces	<b>Type of finishing</b>	
<b>Article</b>		<b>Thickness</b>	
<b>Grade</b>		<b>Color</b> <i>* All should be the same color</i>	

**Test items to be conducted by LIDI (check all the test items)**

<input checked="" type="checkbox"/>	Tensile strength and Elongation at breaks (%)	Test method: ISO 3376
<input checked="" type="checkbox"/>	Tear strength	Test method: ISO 3377-2 Double Edge Tear Test
<input checked="" type="checkbox"/>	Rubbing fastness (wet and dry)	Test method: ISO 11640 Wet and Dry 10 cycle each
<input checked="" type="checkbox"/>	Chromium IV	Test method: ISO 17075
<input checked="" type="checkbox"/>	Formaldehyde	Test method: ISO 17226-1(HPLC)
<input checked="" type="checkbox"/>	PH	Test method: ISO 4045

**Submitted by :**

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature \_\_\_\_\_

Appendix 2

Quality Check Sheet for EHL ለ EHL ምርት የጥራት መፈተሽ ሰንጠረዥ

Company Name የካምፓኒ ስም		Inspected by ፍተሽ የካህደው ስው		Submission Date ቀን		Defect Ratio (%) (③÷①) * 100						
Delivery date የማስረከቢያ ቀን												
Inspection date ፍተሽ የተካሄደበት ቀን	Style No. ስታይል ቁ.	Color የምርት ቀለም	QTY order ብዛት	①QTY Inspected ፍተሽ የተካሄደበት ምርት ብዛት	②QTY Accepted ተቀባይነት ያገኘ ምርት ብዛት	③QTY Rejected ተቀባይነት ያጠጋ ምርት ብዛት	Inspection Result የምርት ፍተሽ ውጤት			Signature		
							Body / Lining አካል/ሽፋን	Shape ቅርፅ	Sewing ስራት		Metal Accessories ብረት ነክ መለያዎቹ	Brand mark የብራንድ ምልክት
							Stain(leather) Stretches, Wrinkles, Fold, Glue stain/Blue overglow ቆሽሽ፣ ጭረት፣ ጭረት፣ መጨመሪያ፣ እጥፋት፣ የማስተካከል ተርፎ፣ መታዩት	Asymmetry / Distorted-Shape, Incorrect size የተዘለ ቅርፅ የያዘ፣ ያልተተካከለ መጠን ያለው	Accuracy/Defective Thread trimming በትክክል መሰላቱን ማረጋገጥ ከከፈት በኋላ የክር እቆራረጥ/መከርከም ስህተት	Rust, Scratches ዝግት፣ ጭረት	Movement is smooth? (magnet, straps, Zipper) በጠፋ ሁኔታ ሊደ ይገኛል? (የቁልፍ ማግኔት፣ ዘለባቱ ዚፕ)	Incorrect position/size/shape በትክክል ስታ ሊደ/ መጠን/ቅርፅ ያለመቆጣጠር
<b>TOTAL ጠቅላላ</b>												
<b>Remarks አስተያየት</b>												

# Certificate of Registration



This is to certify that the company:

**XXXX Tannery**

Addis Ababa, Ethiopia

Complies with the requirement of

**Ethiopian Highland Leather Quality Standard**

Ref: YYYY-MM/01

for the following scope of certification:

**Manufacturing Finished Sheep Leathers**

Certificate NO.: YYYY-MM/01

Issue Month: MM YYYY

Original Certification Month: MM YYYY

Certification Effective Month: MM YYYY

Certification Expiry Month: MM YYYY

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Rediman Chala

President

Ethiopian Leather Industries Association (ELIA)







Brand Book

2022.09.06 | Ver 2.0

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# Introduction

- What this book is for
- Message from ELIA

## Introduction | What this book is for.

---

This book is to share the brand principles of Ethiopian Highland Leather with every stakeholder of the brand. It will provide brand guidelines and management rules to help the usage of our brand identity.

Our story, vision, logos, and styles are important assets that will represent our uniqueness around the world. The guidelines outlined in this book are designed to help you to be consistent in all branded activities, including production, sales, communication, and promotion of Ethiopian Highland Leather.

The book will also outline the brand management and certification rules to sustainably operate and safeguard the brand.

It is our great pleasure to introduce Ethiopian Highland Leather (EHL) to the world.

Ethiopian Highland Leather (EHL), as a national brand of quality sheep leather material, was developed in 2015 and was registered its trademark in Ethiopia and Japan in 2016, EU in 2020. Trademark registration is expanding in the US and other countries.

Ethiopian sheep skins living in the highland areas have the scientifically-proven unique characteristic, which is thin yet strong. It can be up to 0.35mm thickness with reliable strength and softness. This is a natural gift from Ethiopia.

EHL is produced by only EHL-certified tanneries that have passed on-site inspections and laboratory tests conducted by the Leather and Leather Product Industry Research and Development Center (LLPIRDC), a nation-owned laboratory with international accreditation of scientific study and inspection.

Our mission is not only to provide trustworthy quality assurance to customers based on the EHL standard but also continuously strive to improve the brand value together with LLPIRDC, certified tanneries, leather manufacturers, and all the other relevant stakeholders.

This manual aims to provide a comprehensive understanding and practical guidance on EHL brand management for tanneries and manufacturers. The contents are to be revised from time to time for improving our brand value.

We would like to express our gratitude for your great cooperation with the EHL and your efforts in brand promotion.

**Tetek Yirga**  
President  
Ethiopian Leather Industries Association (ELIA)

## Our Story

- Brand Concept
- Branded Assets – 8 Stories of EHL
- Brand Vision
- Key Differentiators

The cradle of mankind, Ethiopia.

It is the land where Lucy, the most early human ancestor, was discovered.

The legendary discovery made Ethiopia to be known as the land where mankind first started creation.

Traced back in the earliest times of the nation's history, sheep leather has been one of the major industries of Ethiopia. Made from a celebrated type of hair sheep in the vast highlands, sheep leather produced in Ethiopia is 100% byproduct of traditional Ethiopian food culture. It has been a sustainable industry, deeply rooted to the culture and lifestyle of Ethiopia.

We proudly introduce the highest quality sheep leather brand 'Ethiopian Highland Leather' to the global market. Its surprisingly light, strong, and eco-friendly. It allows leather to be applied for various purposes, expanding its demand globally and supporting Ethiopia's economic growth.

6

## Highland Leather

Cradle of mankind, Ethiopia —

As the nation's history goes back to the very beginning of human beings, sheep is also known as the oldest livestock of history.

Over time, sheep have naturally blended into Ethiopia's traditional culture. It was natural for the people of Ethiopia to start creating various leather products out of sheepskin that was a usable byproduct of everyday food culture.

Sheep that live in the Ethiopian highlands is a celebrated breed with amazingly thin skin, which enables the quality of leather to be thin, light, yet durable.

Today, the industry has evolved into a flourishing industry in Ethiopia. But we never underestimate the impact towards the environment. We strongly believe that protecting the environment will also help protect the health of sheep that freely feed on natural grass.

Ethiopian Highland Leather — from a sustainable lifestyle of the vast Ethiopian highlands.

## 1. CRADLE OF MANKIND, ETHIOPIA.

Ethiopia is the birthplace of humanity. It is the land where humans first started creating. In producing new inventions like coffee one after another, Ethiopia has always created new things that never had existed in the world.

## 2. WORLD-CLASS POPULATION OF SHEEP.

Ethiopia's sheep population is a world-class figure, and the highest in Africa. Sheep is known as the oldest livestock of history. It has been an important part of Ethiopian people, culture, and lives for a long period of time.

## 3. SUSTAINABLE LIFESTYLE.

Over time, sheep have naturally blended into Ethiopia's traditional culture. It was natural for the people of Ethiopia to start creating various leather products out of sheepskin as a byproduct of everyday food culture.

## 4. CELEBRATED BREED.

Sheep that live in the Ethiopian highlands of over 3,000 meters in elevation have no need to protect their bodies from bitter cold. The unique geography and climate have bred a special type of hair sheep with amazingly thin skin.

## 5. THIN AND LIGHT. YET, STRONG AND DURABLE.

The skin of this special sheep defines the extraordinary quality of leather. Ethiopian Highland Leather has a significant difference in tensile strength due to its dense fibers. While maintaining its durability, it can be thinned down to approximately 0.35 mm.

## 6. CRAFTSMANSHIP AND PRIDE.

Ethiopian highland leather is finished by skilled craftsmanship of certified tanners. The delicate texture and flexibility enables more freedom to be used to create innovative products, previously unheard of leather.

## 7. ECO-FRIENDLY.

Our production process should not jeopardize the lives that flourish on this beautiful highland. Caring for the environment also means caring for the sheep. Strict control of waste-water is taken.

## 8. IMPROVING LIVES.

From a shepherd to a shoe maker Ethiopian Highland Leather encourages entrepreneurship and job creation of Ethiopia. The industry has kept promoting the sustainable economic growth of the country, improving the lives of millions.

## 1. We create with sustainability.

Ethiopian Highland Leather aims to maintain the sustainable and eco-friendly production process that has culturally been established in Ethiopia. Our sheep leather is and will be 100% byproduct of the Ethiopian food culture, and the production process will remain to keep take extra care for the environment.

## 2. We create a new standard.

Ethiopian Highland Leather is an important piece of Ethiopia's export strategy to uplift the image of 'Made in Ethiopia', and to contribute as an endorser of the country's rapid growth. It will continue to embrace new demands and lead the innovation of the leather industry in the global premium market.



## 3. We create with craftsmanship and pride.

Ethiopian Highland Leather should be a showcase of our craftsmanship and pride. Every aspect of the brand from production, sales channels, to promotion, should be handled with the passion to bring our craftsmanship to life.

## 1. Ethiopian Highland Leather is made of a special sheep species unique to the Ethiopian highlands.

- It is a 'hair sheep' with straight hair, not a 'wool sheep' with curled hair.
- The structure of its skin is very strong to adapt to the severe climate of the highland even though it is soft and thin.
- It can be up to 0.35mm thin with reliable strength and softness (i.e., The majority of golf/dress glove is made with Ethiopian sheep).



## 2. Quality control is led by committed producers and the laboratory with international standard

- It is produced by only EHL-certified tanneries that have passed on-site inspections and laboratory tests conducted by the Leather and Leather Product Industry Research and Development Center (LLPIRDC), a nation-owned laboratory with international accreditation of scientific study and inspection.
- The on-site inspection checklist includes traceability of raw materials, certification of ISO 9001 / ISO 14001, use of REACH-certified chemicals, and wastewater treatment system, etc.
- The laboratory tests cover chemical tests (Chromium VI, Formaldehyde, PH) and physical tests (colorfastness, tensile, and tear strength) on sampled leathers in accordance with international standards of sheep leather articles.





### 3. Research has scientifically revealed the thin and strong quality of EHL. Our leather has proven significant difference in tensile strength.

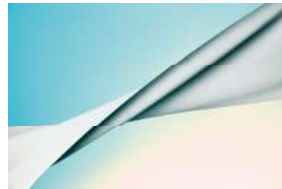
- EHL was scientifically researched and compared its fiber structure with Indonesian and South African sheepskin crust leathers by the Tokyo University of Agriculture and Technology in Tokyo, Japan on December 7, 2018.

#### Research Methodology

The physicochemical property of Ethiopian highland sheep leather was compared with sheep leathers from other regions. Raw hides from different origins (**Ethiopia, Indonesia, and South Africa**) were tanned and tested in the same methods.

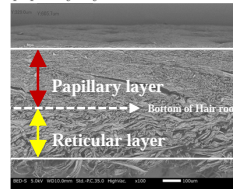
#### Physical Test:

Density, Specific gravity, Tensile strength, Elongation, Tear strength, Softness test



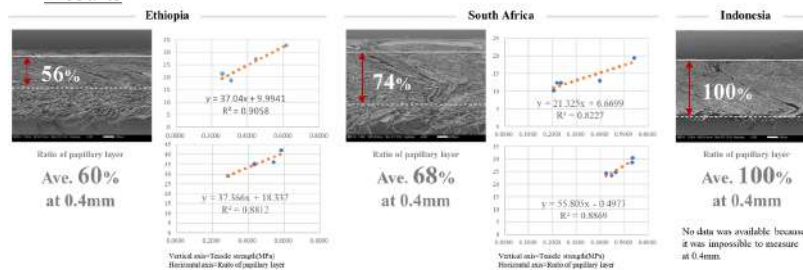
#### Electron Microscope Observation:

Shave to 0.7 and 0.4 mm and examine the percentage of each papillary layer



- Research results showed that EHL has a unique fiber structure with a higher ratio of reticular layers than the others. The thinness of the papillary layer is the reason why Ethiopian highland sheep leather can be made thinner and still maintain its durability. EHL retained its high physical strength even when it is thinned down to 0.4mm.

#### Results



	Ethiopia		Indonesia		South Africa	
	0.4mm	0.7mm	0.4mm	0.7mm	0.4mm	0.7mm
Tensile strength(MPa)	28	35	11	9	13	26
Tear strength(N/mm)	32	38	7	10	30	41
Elongation (%)	72	76	48	58	65	74
Specific gravity(mg/cm <sup>2</sup> )	29	44	26	38	26	46
Density (g/cm <sup>3</sup> )	0.62	0.59	0.50	0.49	0.50	0.54

For the 0.4 mm leather from Ethiopia, the correlation between the ratio of the reticular layer and the tensile strength was calculated. There is correlation between the reticular layer and the tensile strength, extremely strong correlation with  $R^2 = 0.91$ . That is, the tensile strength tended to become stronger as the ratio of the reticular layer became larger. Other cases were similar.

# Brand Style Guideline

- Our Logo
- Brand Toolkit
- Trademark
- Website

## Brand Style Guideline | Our Logo

---



The EHL logo is a symbol of assurance.  
It is designed to...

- To assure your product's quality
- To enhance your product/company's recognition, good image to Ethiopian products
- To improve customer satisfaction, motivate your employees
- To create new value for your products, overcome price competition



The logo design is derived from the unique landscape of the Ethiopian plateaus. The modern and sophisticated tone represents a 'new standard' of leather.

Color Scheme



BLACK



GRAY 50%



WHITE

\*The basic 3 colors will be BLACK/GRAY/WHITE, but the logo color should be adjusted accordingly.



When using the logo, allow a certain area of isolation (protected area) around the logo.



4 logo variations are available depending on the size of application.  
 <Small> and <Mini> size logos should be applied at smaller usage to ensure the logo's legibility.  
 <Micro> size logos are to be applied at small places where other sizes can not be applied.  
 i.e. a tag inside a glove product



Keep the original proportions.  
 Don't stretch or condense.



Don't place the logo on top of another graphic



Don't use a different text font.



Don't use two or more different colors.



Don't redraw the logo.



Secure enough space at the edge of the logo.

The EHL logo can be used only for the EHL certified products. Using the EHL logo for other leather products/non-leather products are strictly prohibited.

\*For certification details, see page xx.

#### Official Hot Stamps

Labeling our products is a way of quality assurance. We recommend to label EHL certified leather and products with the official logo hot stamp.



\*See page xx for usage details.

Partnerships and collaborative relationships with designers, brands, and retailers will help our brand to become visible to consumers around the world.

#### Partnership Example:

In a partnership, it is important to give equal emphasis to both logos, to make the collaboration visible.



Logos placed in the same label



Logos placed side-by-side

The Brand Toolkit is a set of promotional tools, design elements, and visuals of the EHL brand to be utilized for multiple business purposes.

Promotional tools are to be used in business meetings, exhibitions, and various sales points to support the effective story telling of EHL.

Design elements and visuals could be used in multiple forms, such as business presentations, letter formats, and e-mail.

The kit includes the following:

Promotional Tools	Design Elements	Visuals
<ul style="list-style-type: none"><li>- Brand movie</li><li>- Leaflet</li><li>- EHL Explanation Sheet (as of January 2022) _English</li><li>- EHL Explanation Sheet (as of January 2022) _French</li></ul>	<ul style="list-style-type: none"><li>- Logo (4 types)</li><li>- Design elements</li></ul>	<ul style="list-style-type: none"><li>- Leather images</li><li>- Tanneries &amp; manufacturers</li><li>- Ethiopian highlands</li><li>- Ethiopian hair Sheep etc...</li></ul>

Brand Movie



Leaflet/ Poster



①



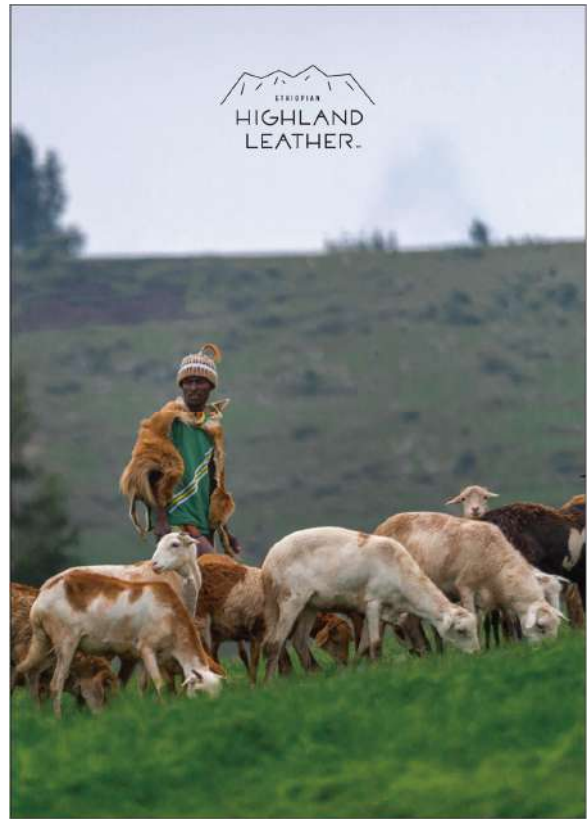
②



③

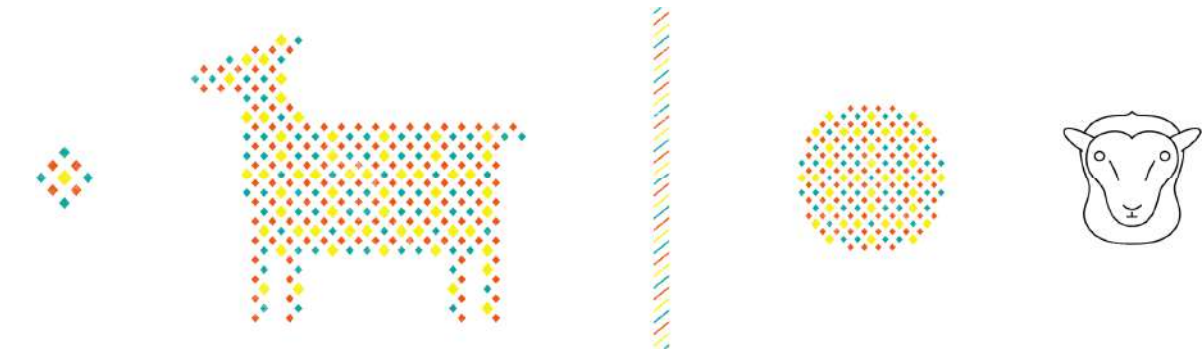


④



⑤

<Normal>	<Small>	<Mini>	<Micro>



Photos



1\_highland\_leather01



1\_highland\_leather02



1\_highland\_leather03



1\_highland\_leather04



1\_highland\_leather05



1\_highland\_leather06



1\_highland\_leather07



1\_highland\_leather08



1\_highland\_leather09



1\_highland\_leather10



1\_highland\_leather11



1\_highland\_leather12



2\_ethiopian\_highlands01



2\_ethiopian\_highlands02



2\_ethiopian\_highlands03



2\_ethiopian\_highlands04



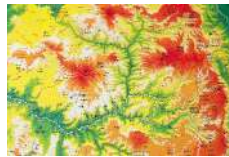
2\_ethiopian\_highlands05



2\_ethiopian\_highlands06



2\_ethiopian\_highlands07



2\_ethiopian\_highlands08



2\_ethiopian\_highlands09



2\_ethiopian\_highlands10



2\_ethiopian\_highlands11



2\_ethiopian\_highlands12



3\_ethiopian\_hair\_sheep01



Photos



3\_ethiopian\_hair\_sheep02



3\_ethiopian\_hair\_sheep03



3\_ethiopian\_hair\_sheep04



3\_ethiopian\_hair\_sheep05



3\_ethiopian\_hair\_sheep06



3\_ethiopian\_hair\_sheep07



3\_ethiopian\_hair\_sheep08



3\_ethiopian\_hair\_sheep09



3\_ethiopian\_hair\_sheep10



3\_ethiopian\_hair\_sheep11



4\_tanneries01



4\_tanneries02



4\_tanneries03



4\_tanneries04



4\_tanneries05



4\_tanneries06



4\_tanneries07



4\_tanneries08



4\_tanneries09



4\_tanneries10



4\_tanneries11



4\_tanneries12



4\_tanneries13



4\_tanneries14



5\_manufactures01

Photos



5\_manufactures02



5\_manufactures03



5\_manufactures04



5\_manufactures05



5\_manufactures06



5\_manufactures07



5\_manufactures08



5\_manufactures09



5\_manufactures10



5\_manufactures11



5\_manufactures12



6\_lidi01



6\_lidi02



6\_lidi03



6\_lidi04



6\_lidi05



6\_lidi06



6\_lidi07



6\_lidi08



6\_lidi09



6\_lidi10



7\_other\_ionic\_visuals01



7\_other\_ionic\_visuals02



7\_other\_ionic\_visuals03



7\_other\_ionic\_visuals04

Photos



7\_other\_ionic\_visuals05



7\_other\_ionic\_visuals06

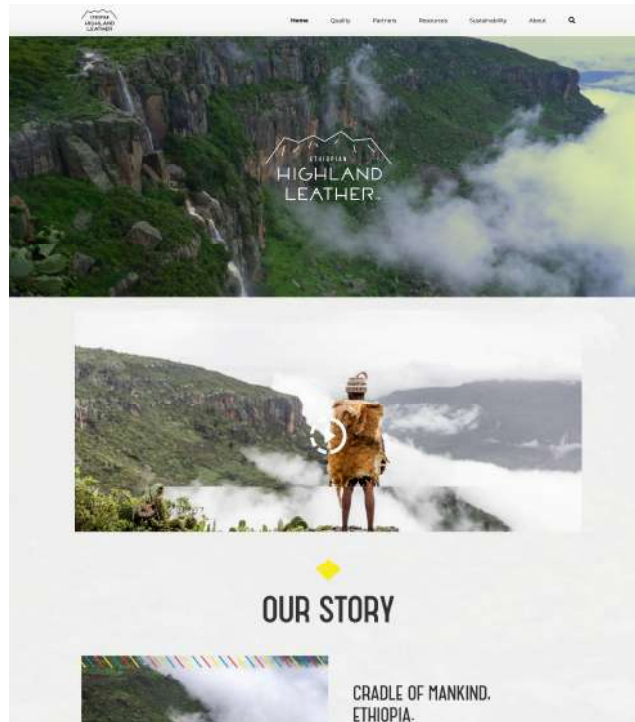


7\_other\_ionic\_visuals07

The following is the information on EHL trademark registration. The trademark of EHL was registered in Ethiopia, Japan, the EU and the UK. Trademark registration in the US is in progress.

Registered country	Ethiopia	Japan	European Union United Kingdom	USA *Application has been filed
Trademark				
Registration number	LTM/2219/08	5817743	018105486	Filing No. 97145807
Registration date	September 29, 2015 (18/01/2008 E.C)	January 8, 2016	January 11, 2020	November 29, 2021 (Filing date)
Expiry year	September 27, 2022 (17/01/2015 E.C)	January 8, 2026	August 08, 2029 (Renewal due date)	
International Classification Class	09: Computers, Software and Electronics and the like 14: Jewelry, Precious Metals and Stones and the like 16: Paper, Books, and Stationery 18: leather, bags, and the like 25: gloves, clothing, shoes, and the like	18: leather, bags, and the like	18: leather, bags, and the like 25: gloves, clothing, shoes, and the like	18: leather, bags, and the like 25: gloves, clothing, shoes, and the like

The Ethiopian Highland Leather website is under ELIA's website. It introduces the brand story along with our partner companies and registration information.



Website URL:  
<https://elia-aalf.org/ehl/>

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## Brand Management Guideline

- How we manage our brand
- How to get EHL certification
- How to use EHL logo

Brand management of Ethiopian Highland Leather is led by Ethiopian Leather Industries Association (ELIA), with support of the Ethiopian Government (MOTRI) and the Leather and Leather Product Industry Research and Development Center (LLPIRDC).

Roles and Responsibilities of Brand Management of Ethiopian Highland Leather	
<p><u>Ethiopian Leather Industries Association (ELIA)</u></p> <ul style="list-style-type: none"> <li>• Owner and manager of Ethiopian Highland Leather</li> <li>• Chair periodical meetings with stakeholders of the brand</li> <li>• Develop / implement promotion of Ethiopian Highland Leather with support of LLPIRDC</li> </ul>	
<p><u>Leather and Leather Product Industry Research and Development Center (LLPIRDC)</u></p> <ul style="list-style-type: none"> <li>• Main supporter of Ethiopian Highland Leather</li> <li>• Set and check consistent quality standard of Ethiopian Highland Leather</li> <li>• Support development and implementation of promotions</li> </ul>	<p><u>Ministry of Trade and Regional Integration (MOTRI)</u></p> <p>Overall project endorser and supporter of Ethiopian Highland Leather</p>

- Eligible applicants:
  - ELIA member
  - Companies that produce finished sheep leather from sheepskins sourced from Ethiopian highland areas
- Certification requirement: Pass both 1) inspection visit and 2) laboratory tests.
  - If the company fails any test item, it is acceptable to implement another lab test within one month at the company’s cost after receiving a test result (one time only).
- Validated period: Two year
  - \*Apply for renewal of certification 6 months prior to expiration month.
- Fee: Applicant company bears the following costs or provides in-kind for the visit based on the discussion with LLPIRDC.

Cost for the EHL certification process

Category	Items
Inspection visit (conducted by EHL auditor 1-2ppl)	<ul style="list-style-type: none"> <li>● Air fare fee</li> <li>● Land transportation</li> <li>● Lunch (if the inspection continued for 1 day)</li> </ul>
Lab test at LLPIRDC *Price is subject to change	<ul style="list-style-type: none"> <li>● tensile strength: 200ETB</li> <li>● Tear strength: 200ETB</li> <li>● Rubbing fastness (dry and wet): 200ETB</li> <li>● Chromium VI: 258ETB</li> <li>● Formaldehyde: 500ETB</li> <li>● PH: 50ETB</li> <li>● Moisture content: 50ETB</li> </ul> <p>TOTAL: Approximately 1,458 ETB/sample (4,374ETB/3 samples)</p>

2022.7

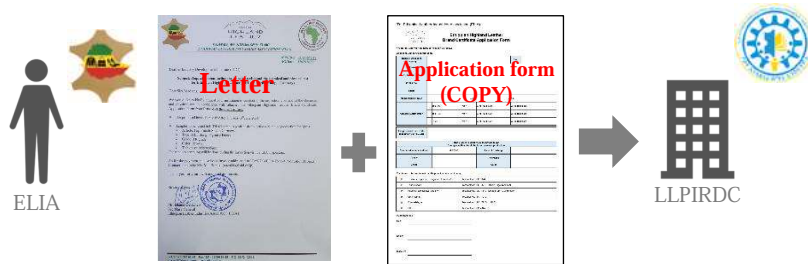
1. LLPIRDC and the applicant tannery schedule inspection visit date.



2. The applicant tannery completes an application (Annex-T1) form and submits it to ELIA.



3. ELIA writes a letter to LLPIRDC about conducting an inspection visit and sample leather testing.



4. LLPIRDC conducts an on-site inspection visit at the tannery and gets 3pcs of sample leather.

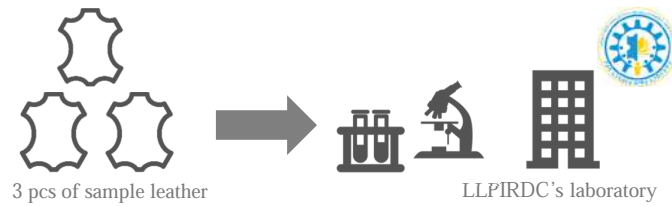
<inspection visit using check sheet by EHL auditors from LLPIRDC >

- Tanning ~Finishing facility
- Origin of raw sheepskin
- Process Quality Control (production/water treatment system)
- Implementation of Management System (Environmental ISO 14001 and Quality ISO 9001 Management Systems)
- Reach certified Chemicals
- Random Leather sampling from the tannery's major production (3 pcs)

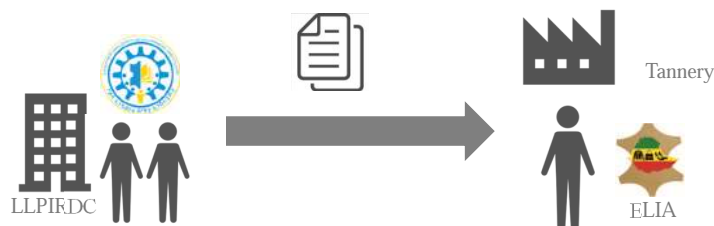


### 5. LLPIRDC conducts Laboratory testing of sample leathers based on the EHL standard.

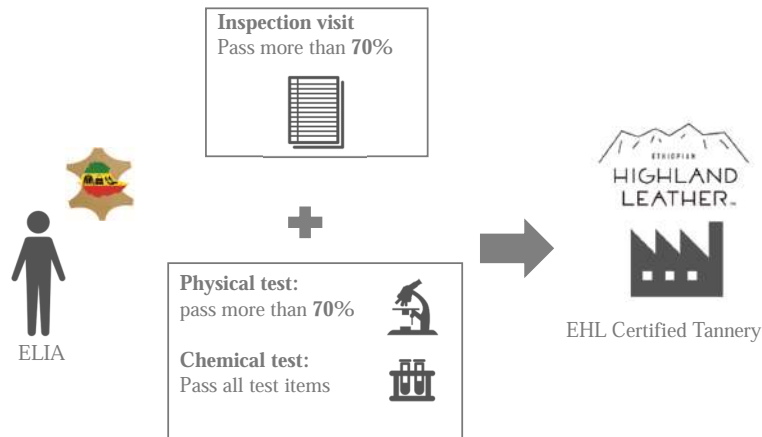
- Chemical test (Chromium VI, Formaldehyde, PH),
- Physical test (color fastness, tensile, tear strength)



6. LLPIRDC provides feedback to tanneries with 1) the results of the inspection visit report 2) the laboratory result and 3) the score summary sheet within 3 months after conducting the inspection visit. LLPIRDC also reports the results to ELIA.



7. ELIA provides an EHL certification (2 years) to the applicant tannery if the result of the on-site inspection visit and the laboratory testing results are above the EHL standard. ELIA provides the certificate within 2 weeks after receiving the result from LLPIRDC.



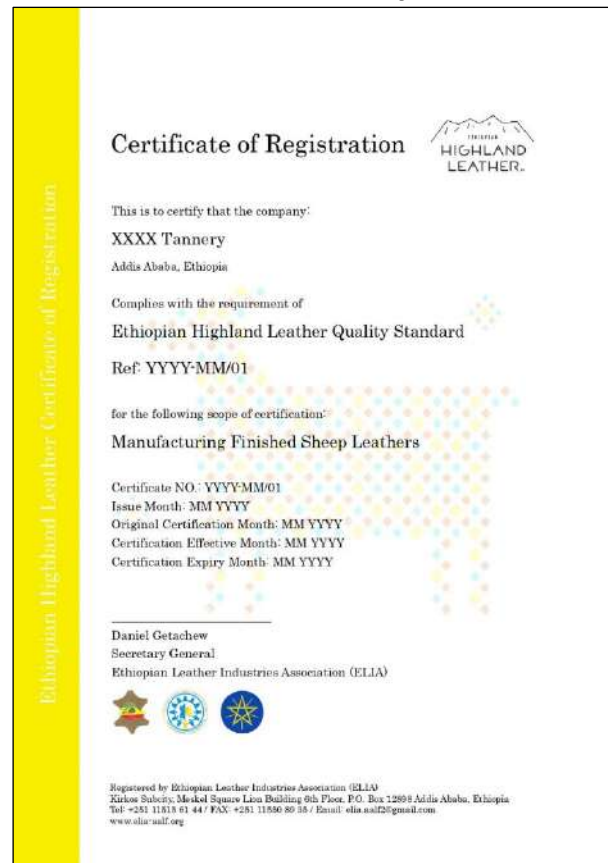
The following is the certification standards for EHL finished leathers (version1). Each standard is based on other international leather standards. The EHL standards are subject to change for the improvement of quality management.

Certification standards for EHL finished leathers

No.	Category	Criteria	Standard	Methodology	Reference
1	Physical test(lab)	1.Tensile strength(N/mm <sup>2</sup> )	Finished leather for; 1. Tensile strength -Shoe upper/bag/leather goods: more than 15* -Garment: More than 15** -Glove: More than 15**	ISO 3376	*Indian Standard: 5914:1970 **Indian Standard: 11230-2003
2	Physical test(lab)	2.Elongation at break(%)	2.Elongation at break(%) -Shoe upper/bag/leather goods: more than 35* -Garment: More than 40** -Glove: More than 40**		
3	Physical test(lab)	3.Tear strength(N/mm)	Finished leather for; 3. Tear strength(N/mm) -Shoe upper/bag/leather goods: more than 15* -Garment: More than 35 -Glove: More than 35	ISO 3377-2 *double edge tear test	International Union for Leather Technologists and Chemists Society(IUP/IULTCS) *Indian Standard:5914:1970
		4.Rubbing fastness(dry and wet) *dry 10cycle/wet 10 cycle	<Dry fastness> 1.Pigment finish: at least 3-4 grade 2.Pale shade and natural finish: at least 2-3 grade 3.Dark shade and natural finish: at least 2 gtade	ISO 11640	Japan eco leatherlabel <a href="http://Japan-ecoleather.jp/english-3/Japan-eco-leather-standard-jes/">http://Japan-ecoleather.jp/english-3/Japan-eco-leather-standard-jes/</a>
4	Chemical test(lab)	1.ChromiumVI	-For adult(skin contract and non skin contract): Not detectable at the time of test*  *A detection limit: 3mg/kg	ISO17075	apan eco leatherlabel <a href="http://Japan-ecoleather.jp/english-3/Japan-eco-leather-standard-jes/">http://Japan-ecoleather.jp/english-3/Japan-eco-leather-standard-jes/</a>
5	Chemical test(lab)	2.Formaldehyde	-For adult(skin contract): 75mg/kg -For adult(skin non contract): 300mg/kg	Formaldehyde: ISO 17226-1(HPLC)	
6	Chemical test(lab)	3.Ph	Ph>=3.5 (for all leathers)	ISO 4045	ISO14930 :2012(dress glove)



EHL certification (sample)



Eligible applicants:

- ELIA member.  
A Manufacturer who has experience in producing leather products made of sheep leathers and also who has proof of firm order from clients.  
An exporter/importer/retailer/wholesaler/distributor who can provide evidence that the products have been manufactured using EHL.
- The proportion of the EHL must be more than 50% (shoe upper, bags, garment, leather goods) if the products are made with other materials.

### 1. An applicant company buys sheep leathers from EHL-certified tanneries.

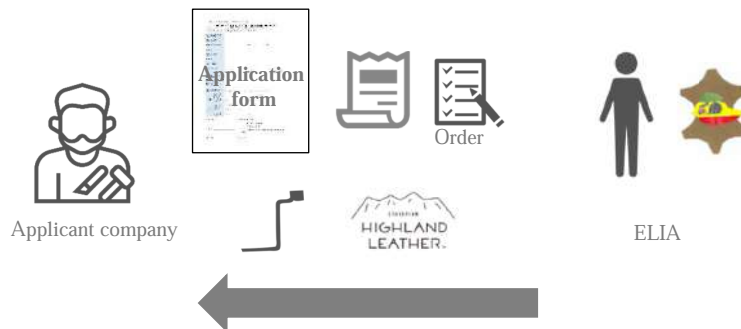
\*Must have proof that the leather is manufactured by the EHL-certified company.



### 2. An applicant company submits the following to ELIA.

- Application form (Annex-M1)
- Receipt from EHL certified tannery (copy) ,
- Proof of firm orders from clients







### 3. ELIA lends EHL hot stamps according to the application form.



There are 2 different types of hot stamps available. These hot stamps can be borrowed upon submission of an application form (Annex-M1) to ELIA.

\*EHL brand mark can be used only for the EHL products. Using the EHL logo for other leather products/non-leather products are strictly prohibited.

EHL hot stamp (for products)

Purpose	For inner pocket of bags, garment tag, stamp on insoles of shoes etc.	
Picture	EHL hot stamp 	Cutting die 
	Size 14mm x 25mm	35mm x 30mm
No. of pcs	9 pcs	9 pcs
Usage Example	<i>For bags, garments, leather goods, etc.:</i> Size: 35x 30mm Stamp the EHL logo on the fan-shaped leather (see below) and stitch on your products.	
	 Size: 35x 30mm	
Usage Example	<i>For shoes:</i> Directly stamp the EHL logo on insoles.	
		

EHL hot stamp (for leather tag)

Purpose	For hang tags made of leather	
Picture	EHL hot stamp 	Cutting die 
	Size 23.9mm x 40mm	35mm x 55mm
No. of pcs	15 pcs	15 pcs
Usage Example	Hang the leather tag with a leather strap on the outside of the products,	
		

- Quality Control is the key to ensuring the brand value of EHL. It is strongly recommended that manufacturing companies conduct strict quality checks prior to shipment.
- The following are the essential checkpoints but are not limited to. You can use the quality check sheet (Annex-M2) when you conduct a quality inspection of the EHL products.

EHL quality checkpoints

No.	items	Essential Checkpoints
1	Body/Lining	Stain(leather), Scratches, Wrinkles, Fold, Glue stain/Glu overflow
2	Shape	Asymmetry/Defective Thread trimming
3	Sewing	Accuracy/defective Thread trimming
4	(Metal)Accessory	Rust, Scratches Movementis smooth?(Magnet, straps, zippers)
5	Brandmark	Incorrect position/size/shape

## Key Contacts of Highland Leather

### ETHIOPIAN LEATHER INDUSTRIES ASSOCIATION (ELIA)

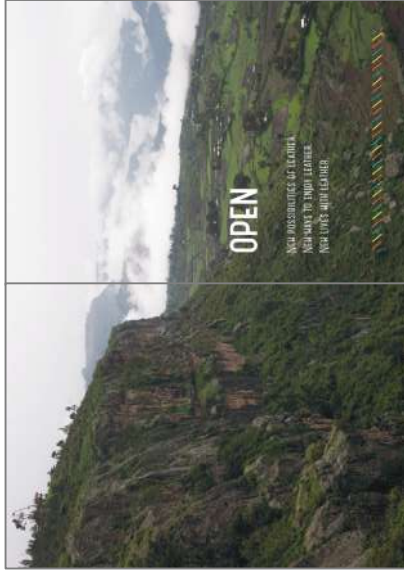
Tel	+251115156144	Address	P.O.Box 12898.addis Ababa. Ethiopia
E-mail	elia.aalf2@gmail.com		Lion Building. 6th Floor
Web	www.elia-aalf.org		(in front of Meskel Square)

EHL Brand Leaflet



Cover (A5)

Back Cover (A5)



Title page (A4)



Open from the Brand Story Poster (A2)



Open from the Brand Story (210\*588)

## Report on the participation in Who's Next (IMPACT)

Ethiopia Industrial Promotion Project (Export Promotion)

Noriyuki NAGAI

Shigetaka KUROKI

Yumiko YOSHIZAWA

### 1. Overview

Name of trade show	Who's Next (IMPACT)
Period	From 21 <sup>st</sup> January to 24 <sup>th</sup> January 2022 Opening hours: 9 am-7 pm (Closing time of the final day is 5 pm)
Venue	Porte de Versailles - 1 Place de la Porte de Versailles 75015 Paris
Exhibitors	Around 750 <sup>1</sup>
Visitors	Around 120,000 <sup>1</sup>
EHL booth	HALL 6, U-60 (42 m <sup>2</sup> )
Achievement	Number of orders : 15 (11226.80EUR)

### 2. Background

As part of project activities targeting markets in the Western countries for export promotion, EHL has participated in Premier Classe in 2018, Who's Next in September 2019 and January 2020 in France. Due to the pandemic of COVID-19, many trade shows were cancelled and the project couldn't provide technical support in Ethiopia in the second half of 2020 and 2021, therefore EHL refrained from participating in trade shows. However, some trade shows have been re-opening on-site, and visitors are also coming back, thus the project decided to participate in trade shows again.

Who's Next is an international trade show of fashion clothes and accessories held twice a year. It is a place to present unique and stylish collections by brands on-site that were selected through a strict screening process. International buyers visit from all over the world, and it is known as a must-see trade show for the fashion industry to know the trend of the future. The IMPACT area of Who's Next is where the brands which are focusing on ethical or sustainable activities on their production gather.

So far, the representatives of Ethiopian companies joined trade shows aiming at improving their business negotiation skills through communication with clients. The project intended to join the trade show with Ethiopian companies this time as well, however, due to the situation of the civil war in Ethiopia and the pandemic of COVID-19, JICA headquarters determined not to dispatch the Ethiopian delegation to France.

Due to this decision, the Ethiopian companies had discussed whether they should participate in the trade show by entrusting a French agent or cancel the participation altogether. As a result, 11 partner companies determined to showcase their products. The project started online technical support to the companies in

<sup>1</sup> Source: Press release BILAN\_WHOSNEXT

the middle of December. Until the middle of January, each company worked hard to produce sample products, compile catalogs, and prepare for the event.

### **3. Preparation**

- (1) Beginning of October 2021: Started contacting the French agent
- (2) October 2021: Registration of Who's Next (IMPACT)
- (3) From the middle of December 2021: Online technical support for sample products
- (4) 27th December 2021: Orientation session to the Ethiopian partner companies (Confirmation of the schedule, instruction of making line sheets, training of business manners)
- (5) From 13<sup>th</sup> to 17<sup>th</sup> January 2022: Shipping sample products to France
- (6) Preparation in Paris
  - 1) 19<sup>th</sup> January 2022: Checking sample products, finalizing line sheets and promotion materials, briefing sales staff including master course students regarding EHL and JICA project
  - 2) 20<sup>th</sup> January: Finalizing line sheets, delivering sample products and furniture or small items to the venue, setting up the EHL booth

### **4. Booth management**

#### **(1) Staff allocation**

- (FASID) Noriyuki Nagai, Shunji Nagai, Kuroki, Yoshizawa: stationed at all times  
Soga: Checking the display and managing the whole booth condition and visited the Ethiopian embassy to fix the EHL showcase set in January 2020.
- (LCM) Mr. Olivier, Ms. Abe, Ms. Laurence, Ms. Bonnie: stationed by shifts
- (Student) Ms. Virginia, Ms. Grace, Ms. Suprinya: stationed at all times

#### **(2) Overview of the booth management**

The booth's big panels were designed using photos of Ethiopian nature and the partner companies' workers with their messages. The display of sample products was arranged based on VMD instructions by Soga. EHL secured 42m<sup>2</sup> of space, and this was wide enough to showcase 11 companies' products.

Before opening, Shunji gave a briefing to the sales staff regarding each companies' sustainable activities and features of their products.

On the 21<sup>st</sup> January, it was the first day of Who's Next, Ambassador Henok, Embassy of Ethiopia in France visited the EHL booth. Nagai and Mr. Olivier with Ms. Sandrine, who is Director of Promotion in France and Abroad from WSN, the organizer of the trade show, accompanied the Ambassador. The expert team had gotten information from the project's Ethiopian staff that the Ambassador has a good reputation as a diplomat in Ethiopia. Ambassador Henok is often featured in French media, and he was asked to take pictures with some other visitors. The Ambassador invited JICA experts for lunch, then Nagai and Kuroki visited the embassy and enjoyed their time with the Ambassador and other staff members of the embassy.

There were few visitors on the first two days of the trade show, so just some other exhibitors dropped



by the EHL booth. On the other hand, some people were interested in the EHL products, and some orders have been completed. On the third and fourth days, the number of buyers was increasing, and the EHL booth was becoming more active. It was triggered by the LCM staff's communication with buyers in a professional manner, hence a certain number of orders have been received in the latter half of the trade show.

On the last day of the trade show, Ms. Anne-Laure Drugue, International/Project Director from Fédération Française du Prêt à Porter Féminin visited the booth, and then Nagai and Mr. Olivier explained about the JICA project to her. Fédération Française du Prêt à Porter Féminin is an organization that has a lot of fashion brand members in France. It is crucial to promote EHL to the members by OEM order through this kind of organization. Mr. Inoue and Ms. Goto from the JETRO office in Paris also visited the EHL booth. Nagai explained JICA's activities in Ethiopia to them.

## **5. Evaluation of each participant**

For this show, there were many companies whose sample production took until just before shipment (the project needed to arrange the shipments three times due to the delay of their submission), and there were companies that could not provide a sufficient number of samples. As a result, the expert team had to exhibit almost all the samples that were sent to us in the same model in different colors, and there was a gap in the number of samples exhibited among the companies.

### **Amour Leather**

Amour Leather exhibited about 10 products, which main design motif was the swirl when baking Injera, which is one of the Ethiopian traditional dishes. Some customers were interested in the Injera motif, but it didn't lead to many orders. The lineup of samples wasn't completed until just before this trade show as Amour was participating in other events, thus some products were not perfect. Many visitors were fascinated by the uniqueness of the painted leather, which was not a tie-dye. If the quality of the products had been improved a little more, they might have led to more orders.

### **Davimpex Enterprise Bahirdar Tannery**

Davimpex Enterprise Bahirdar Tannery displayed 7 gloves and leather materials. Although some buyers showed interest in the gloves and picked them up, only a few asked for the price. It was difficult to say that the gloves were high quality, as they had not been finished with rushing until just before shipping and the experts had not been able to offer any advice to improve the quality. In a lot of cases, buyers were interested in the final products first and then shifted their interest to the leather material. Since almost all the final products were made of ELICO's leather materials, more buyers showed interest in ELICO's leather material. At this point, it was difficult for our staff to introduce the Bahirdar Tannery's leather material to the buyers.

## **ELICO group**

ELICO Universal Leather showcased enough volume of products mainly designed with pleats, and the products were highly evaluated by Japanese experts. However, only one company placed an order. For the next trade show, Universal Leather needs to consider how to propose its products, such as using tie-dye leather, which was well-received by buyers. Another company also had a model with similar pleats with a different design of the handle and used tie-dye, and many customers showed interest (its cheap price-setting would also be the reason).

Regarding its shoes, only four models were showcased, and the designs were not distinctive. There were no buyers who showed interest in them. In this trade show, all the shoe companies failed to get orders this time. Especially for products such as ELICO, which cannot differentiate by design or manufacturing method, it would be difficult to get orders even if they continue to participate in this trade show. Rather, it would be better to focus on trade shows such as SOURCING in MAGIC, where the project participated in the US in 2020<sup>2</sup>.

Regarding the leather material, tie-dye attracted the interest of many buyers. This product is easy to tell the story of upcycling, so the development of this product is expected to continue. On the other hand, a certain buyer was interested in the quality of semi-aniline. He wanted to sell the materials to luxury brands because of its delicate touch, but the selling way to make grades 1-5 leather one package as TR grades should become a bottleneck.

## **Kinaff Leather**

Kinaff is the only garment maker, and 5 jackets were displayed. Kinaff didn't get orders this time. One of the possible reasons Kinaff didn't get orders is that it could be because of a small number of sample collections. A full-length mirror should have also been prepared. Some visitors touched the jackets, however, only one client tried it on (as far as the expert team knows). This could be a chance to improve communication with visitors. There were some jackets that the project supported remotely by using patterns drawn in Japan, and customers would have felt how comfortable they are. Another factor may also have been that the booth did not have mannequins this time, and the space was limited to a hanger rack and was located on the hind side.

## **Kootkeet**

In total about 20 items were showcased and many of them were the same as the previous participation. Most of the orders were for simple tote bags and a pleated handbag using tie-dye (The handbag's price was more reasonable comparing other products). In addition, one item which was designed from the scratch by its worker employed as the designer could get one order. This could be a big step forward, considering that this company had never received orders for any products designed

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<sup>2</sup> When the EHL participated in the show in 2020, MAGIC has the area named FOOTWEAR SOURCING which was focused on volume shoes. However, the area will be merged with areas that showcased other materials as SOURCING in 2022.

by the designer. As a result, after Shirshir Ethiopia, Kootkeet was the second most-ordered company as same as Meron Addis Ababa.

### **Meron Addis Ababa**

Meron Addis Ababa showcased about 20 pieces, mainly simple bags. The collection consisted of its existing models, and no particular technical support was given as a project because the expert team has evaluated its products has reached a level that can be sold in Europe and the United States. Meron's items had positive feedback, and buyers preferred the simple tote bag especially. The French agent also evaluated that the reputation could understand well because of "minimalism" Europeans loved a lot in its products. However, the price point is slightly higher than others. There were tote bags with small pouches attached by leather belts, and two small tote bags were sewn together, but these products would be better to produce separately and make the price lower.

### **MSGANA Shoe**

The shoes and sandals using beadwork and old tires for the outsole were mainly showcased. However, MSGANA couldn't get any orders. As for our impression, shoes that give a delicate-crafted impression with such beadwork were not seen in the IMPACT area. At the latest successful market for sneakers, the expert team felt that comfort and functionality were also highly required. In addition, the fact that MSGANA makes products using old tires should be an effective appeal, considering that many other exhibitors were doing as well. MSGANA should have prepared other materials that could appeal to this point, such as the real old tires or videos of the manufacturing process.

### **Natural Footwear Studio (NFS)**

NFS couldn't get any orders. NFS also exhibited products with upcycling and eco-friendliness, such as old tires, vegetable leather, and hair sheep felt, but the appeal in that respect did not go effective. Seeing other exhibitors brought and showcased real tires, it was necessary to do such things to give much impression. This company got some sample orders at Magic Footwear Sourcing in January 2020 in Las Vegas. It is necessary to analyze whether this exhibition itself, exhibition part, or the European market does not match, or the promotion method was not good. On the other hand, some EHL brand logos stamped on inappropriate parts of the products, which could spoil the image of their products. In addition, many sample shoes were not paired, probably because it was easier to pass as a sample at customs, or because they did not have time. It was difficult to display these samples as the left and right were not unified.

### **Root In Style**

Root In Style showcased about 15 bags. There were concerns that some of the products might have to be excluded from the show because the quality of the products did not improve enough in the technical assistance which was continued before the shipping. However, the quality of the products

the expert team checked in Paris was improved more than expected and all of them could be showcased. Root In Style was the only company to use ethnic patterns in the EHL partner company, and the expert team was concerned about how much its products would be accepted by buyers, but it was able to get an order from one buyer. Some buyers like these ethnic motifs, so it is important to continue, and the US market may be more suitable than Europe. The French agent evaluated, “we could see the styles inspired by Ethiopian traditional cultures in its products and it was very nice to have the originality and uniqueness, but the price point was perhaps too high for the show.”

### **SAMRA Leather**

The owner has been hospitalized for a long period during the preparation phase, and the expert team could not give any advice in the important stage to develop the samples. As the result, only two samples were displayed which were not supported for improvement by the team. Unfortunately, Samra was the only bag manufacturer which didn't get an order.

### **Shirshir Ethiopia**

Shirshir Ethiopia was the company that received the largest number of orders this time. It was also the company that exhibited the largest number of products with around 25 samples. The products were improved from those that had a good reputation in a previous trade show, and some new products were added. This company was well-prepared and their quality was as high as Meron Addis Ababa. Additionally, their collection has been focusing on the mesh method since 2019, and it was apparent that their production technique has been improving. Many buyers loved their mesh bags, and Shirshirs' mesh bags are more reasonable compared to other mesh bags sold in Europe.

## **6. Contribution of the French agent**

At this trade show, the project worked with below local agent who specializes in supporting French and foreign companies to participate in fashion-related events in France.

Agent name: La Connexion Mode (LCM)

Representative: Mr. Olivier Klein

Person in charge: Ms. Junko Abe

Office location: Paris, France

LCM provided us with very efficient support at this exhibition, where Ethiopian companies were unable to travel due to the worsening situation in Ethiopia. The main services are as follows.

- Hotel arrangements
- Sharing timely local information
- Pre-acquisition of French Sanitary Pass
- Receiving and storing the samples sent by Ethiopian companies

- Arrangement of materials required for the booth
- Arrangement of 3 customer service personnel at the booth
- In addition to the 3 personnel, booth customer service by LCM employees
- Calling out to potential clients
- Order support
- PCR test support before leaving France
- Arrangement for samples return to Ethiopia after the trade show

Although LCM is not a big company, they have the know-how and personal connections of fashion-related events and organizations. Their service was professional, especially regarding customer service at the booth, they properly explained the story of EHL to the visitors and appealed the products in English, French, and Italian, thus, despite the small number of visitors overall, we could get more firm orders than ever.

## **7. Other Activities**

### **(1) Visit the Ethiopian Embassy in Paris**

The project received a visit from Ambassador Henok and Embassy staff in the morning time on January 21. On the same day's afternoon, Nagai and Soga visited the Embassy to check the operation of the EHL product display space. It had been installed in the conference room when the EHL participated in the same trade show in Paris in January 2020, but its location had been moved and the layout had been changed. According to the secretary in charge, Ms. Yetimwork, when there is an event at the banquet room downstairs, the EHL products are displayed in the room to be introduced as industrial products made in Ethiopia. Thus, the experts could confirm that they continued to use the items and the display. There was no major damage to the fixtures, and the experts corrected the layout, and gave advice to Ms. Yetimwork, and her colleague, Mr. Fikru about the arrangement of colors.

### **(2) Visit other trade show, Tranoï**

Tranoï is a trade show held at another venue (Palais de Tokyo) in Paris at the same time as Who's Next. 26 brands were exhibited and one of them was from Japan. Suggested by LCM, Kuroki visited the event with Mr. Olivier. Up-and-coming designers exhibited their works. Compared to Who's Next, each booth was smaller and they were clothing exhibits. The venue was divided into many floors, with exhibitions like contemporary art and catwalks, and there were many very artistic and avant-garde exhibitions overall. The experts did not have the impression that EHL should exhibit.

## **8. Countermeasures for COVID-19**

To enter the venue, it was limited to those who were carrying sanitary passes, which were issued to people who were vaccinated two times and had done the pre-registration. Sanitary passes were issued to 5 Japanese experts before entering France through the French agent to start our activities in Paris

smoothly. It was required to wear a face mask to enter the venue. (On the other hand, a lot of people noticeably didn't wear a mask in Paris.) Due to the outbreak of the coronavirus, almost all of the visitors were only from within France or neighboring countries and there were fewer visitors than past trade shows, therefore visitors could secure social distancing in the venue.

## 9. Lessons learned

As the end of this project will be one year after, it needs to improve the situation not to be able to produce products that can appeal to buyers and conclude the business meetings without the presence of experts on the site to give technical support and support customer service skills of Ethiopian companies' representatives. The achievements made us think about what the project should leave behind in terms of technical support for promotion in the future.

Due to the COVID-19 pandemic and the declaration of the state of emergency in Ethiopia, the project was unable to dispatch the expert team to the companies before the trade show. Thus, some products that were presented at the trade show were not at a level that the experts were 100% satisfied with. On the other hand, some companies did not receive any orders at all because their products did not match with the buyers' preferences even though they were of high quality.

This time several small firm orders have been achieved. However, it is doubtful that the same results would have been achieved if representatives from each Ethiopian company attended and negotiated with the buyers. Of course, there is the language barrier, but more than that, it is a matter of customer service skills to listen to the needs of the customers. Many of the business meetings were concluded due to the skillful customer service of the French agent staff. This result was not only due to the customer service skills but also to the result to accumulate small orders by setting the MOQ at 1,000 Euros per company. The majority of the buyers visiting the EHL booths were owners of select stores, and large orders were not expected. So, under the situation of eleven companies' products in one booth and the buyers wanted to order with combining some companies' products, a minimum of 1,000 Euros per company seemed to be expensive yet. If the EHL partner companies would participate in Who's Next continuously, they need to continue to discuss the way to set the MOQ.

It is necessary to give a chance to all EHL partners companies to participate in trade shows from the viewpoint of transparency and fairness. However, it is also necessary to select the companies and consider product lines according to the characteristics of the show. For this purpose, it is still necessary to continue the research of design preferences according to the country where the trade show is held and the expected visitors and consider the strategy of the companies and the product lines.

For example, due to the influence of COVID-19, most of the visitors to this trade show were mainly from France and neighboring countries (Italy, Spain, etc.). As a result, orders were unevenly distributed among companies, as simple designs were favored. Products with a strong identity of design or featuring ethnic designs did not attract a lot of buyers. This kind of bias in visitors may be limited to this time under the COVID-19 pandemic. However, this project needs to provide support for the development of product lines by confirming the buyers and the market demand although it is also necessary to leverage

the uniqueness of each company. It is difficult for the volume footwear industry to get orders at this trade show because it has no unique designs and has to rely on bulk orders. Despite the fact which was known in the previous participation, A certified tannery needed to showcase some pairs of shoes made by its group shoe companies. However, they did not attract the interest of buyers and did not get any orders.

Other shoemakers, although which produced unique products and set a small MOQ, could not take orders either. Shoes are more difficult to express EHL's characteristics of thin, soft, and strong than bags. And, the number of shoe companies among the partners was smaller than that of bag companies. As a result, the number of shoes exhibited was small and their presence was fading in the EHL booth. It is necessary to increase the matching with specific buyers who are interested in shoes by exhibiting in the shoe area of Who's Next. It is an alternative option to focus on promotion in the U.S. where some partner companies have already been able to achieve good results for shoes.

This time, there was no intervention or involvement of any counterparts. From now on, the involvement of counterparts (MoTRI, MoI, LIDI, ELIA) will be very important from the perspective of sustainability after the completion of the project, such as organizing the budget and logistics for the trade show, booth design, and communication and coordination with the organizers. In addition, there were buyers and booth visitors who were not yet ready to place orders but were interested and asked for contact information. This time, booth staff gave them the business cards of Japanese experts, but if a similar situation arises in the future, ELIA, as the representative of EHL, will need to be the contact.

## **10. Schedule after the trade show**

- (1) Final order confirmation, support for each manufacturer's production, support for business communication with buyers
- (2) Follow-up for the buyers who are considering placing an order
- (3) Sending appreciation emails to visitors who left their business cards
- (4) Reporting session with Ethiopian partner companies (The online meeting was held on 10<sup>th</sup> February)
- (5) Online meetings with each company to share feedback
- (6) Reporting to counterparts

## **11. Impressions**

IMPACT must be a place focusing on brands dealing with ethical products, however, only a few buyers were interested in the ethical aspect of EHL's brand story. Also trying to appeal under SDGs has not already been a trend. It has been noticed that buyers were judging only by quality and design of products, so buyers' orders were concentrating on specific companies or specific products, which is why a few companies didn't get any orders. However, if the products are satisfactory, it would be possible to get orders from European buyers without setting up a booth like this time. It was a very meaningful event to make way for the Ethiopian companies to participate independently in future trade shows after

the completion of the project.

On the other hand, if the project continues the EHL promotion focusing on the ethical aspect, one of the alternatives is to participate in Neonyt held in Berlin or trade shows which the theme is ethical or eco-friendly. In that case, it is necessary to highlight the companies' commitment to comply with the EHL standard for the certification. In addition, it is necessary to consider a strategy to exhibit only chromium-tanned tie-dye leather, which can be appealed as upcycled, and only vegetable-tanned products. However, such an extreme strategy would need to be agreed upon by the entire Ethiopian leather industry.

This time, three international students studying at the graduate school of the Marangoni Institute in Paris were engaged to assist with customer service at the booth. It was requested to the French agent to arrange students who are interested in social business and assist us with French. However, they were all international students and they didn't have French-speaking skills. The students worked hard even without speaking French, and it was fortunate that the prospects, who aim to be engaged in the fashion sector in the future, deepened their understanding of JICA's international cooperation.

Although there were some concerns on exhibiting at a time under the pandemic of COVID-19, where the number of positive cases continued to increase, receiving a certain number of small orders was a great achievement. It was successful to entrust a local agent which specialized in fashion trade shows. Ethiopian companies need to improve their business skills through on-the-spot experience, however, in this case, they were not able to attend the trade show. Regardless of the unavoidable situation, the results of entrusting the French agent on behalf of the Ethiopian companies were significant. In the remaining year of activities under the project, the expert team should not only provide technical support to local companies but also further work to improve the counterparts' ability to organize the branding of EHL.

## **12. Reporting session with Ethiopian partner companies**

The online meeting with Ethiopian companies was held on 10<sup>th</sup> February to report the result of Who's Next. This session was about the overview of the trade show and the entire achievement of entrusting the French agent on behalf of EHL. Additionally, the schedule for the companies which got orders has been confirmed. Some Ethiopian companies requested to have feedback on their products separately, so the project organized online meetings with each company.

The project also announced a one-year extension of the project period, and listened to their opinions of which trade shows they would like to participate in. Some companies have successfully received massive orders in the USA in the past, so there were strong requests to participate in a trade show held in the USA, especially in New York.

At last, looking ahead to the end of the project, the chief advisor conveyed his message, "A year from now, when the project is over, where do you want to be?", "It is very important to have a concrete image about your future, and work on your company's activities."



○Attachments;

1. Floor map
2. Ground plan, Elevation of the facade
3. Line sheets
4. Promotion materials (ENG, FR)
5. PPT for the report session to the Ethiopian companies

○Photos;



Checking sample products @ French agent office



Briefing to sales staff @ French agent office



Setting up the booth



Displaying the sample products



Front of the venue



IMPACT area



Briefing to sales staff (Master course students of design institute)



Whole view of the EHL booth



Ambassador Henok visited the EHL booth



Ambassador Henok visited the EHL booth



Business negotiation



Interview by a local journalist

Cluster Digital Africa Vice-president, Ambre Delcoix  
<https://www.facebook.com/pages/category/Entrepreneur/Ambre-Delcroix-103955078395547/>



Shoes display



Bags display



Jackets display



Leather materials display



Tranoï



Tranoï



EHL showcase in the Embassy of Ethiopia

END

## Report on the participation in MAGIC New York

Ethiopia Industrial Promotion Project (Export Promotion)

Noriyuki NAGAI

Shigetaka KUROKI

Yumiko YOSHIZAWA

Megumi SAKATA

### 1. Overview

Name of trade show	MAGIC New York
Period	From 18 <sup>th</sup> September to 20 <sup>th</sup> September 2022 Opening hours: 9 am-6 pm (Closing time of the final day is 4 pm)
Venue	Javits Center - 429 11th Avenue, New York, NY 10001
Exhibitors	400 + *
Visitors	7,100 + *
EHL booth	Booth No. 853 (ACCESSORIES AREA), Booth No. 961 (FOOTWEAR AREA)
Achievement	Number of pre-orders : 8,000 (606,000USD)

\*Source: MAGIC NY SEPTEMBER 2022 RECAP / Informa Markets

### 2. Background

In April 2022, the project surveyed Ethiopian partner companies to find out their respective opinions on which of the Paris exhibition or the New York exhibition to be held in September, and the majority preferred the New York one, which they decided to participate in. They believed that their products would be more accepted in the U.S. market, possibly due to the fact that many Ethiopian companies did not have a good impression of the Paris exhibition in January, which was not attended by any Ethiopian companies. The New York exhibition (hereafter referred to as "MAGIC New York") is characterized by the fact that all exhibitors are brands and buyers do not come to look for OEM suppliers, but rather to buy the branded products themselves.

### 3. Preparation

- (1) April 2022: Start contacting U.S. Agent for the tradeshow support
- (2) April 2022: Apply for the registration of MAGIC NY
- (3) From the end of June 2022: Confirm the participating companies and advanced booking for flight tickets
- (4) From early July 2022: Implement technical support for sample products
- (5) 7th July 2022: Hold an orientation session for the Ethiopian partner companies (incl. Overview of the Project, and MAGIC NY; Lecture about customer communication manner, and American business deals; Confirmation of the schedule; Instruction of preparing for line sheets)

- (6) From early July 2022: Research and negotiate for reasonable accommodation options within the budget
- (7) July 14<sup>th</sup> 2022: Request for providing support letter for US visa (from JICA to MOTRI)
- (8) July 17<sup>th</sup> 2022: Support letter for US visa (from Informa to US Embassy)
- (9) July 2022: Support letter for US visa (from MOFA to US Embassy)
- (10) From the end of July 2022: Support for the Ethiopian partner companies' delegates to obtain U.S. VISA against several refusals
- (11) August 8<sup>th</sup> 2022: Letter for reconsideration of US visa (from the event organizer, Informa to US Embassy)
- (12) Early September 2022: Finalization of the companies' delegates, call for assistance to a sales support agent for the companies who failed to acquire VISA.
- (13) 7th September 2022: Hold an EHL Brand workshop for the Ethiopian partner companies
- (14) 13th September 2022: Hold a last-minute preparatory meeting for the companies' delegates (incl. Announcement of the detailed schedules and tasks during/after the MAGIC NY, Lecture about important customer communication manner.)
- (15) Preparation in NY
  - 17th September 2022: Deliver sample products and supporting materials to the venue, Check sample products, line sheets, and promotion materials by each company, Make a briefing to the assistant sales staff. Set up the EHL booth,

#### 4. Booth management

##### (1) Participants allocation

Partner companies	Delegates	Booth
Bahirdar	Mr. Yigzaw Assefa Wonde	ACCESSORIES
ELICO FONTANINA	Mr. Abebe Teklu Gebreselassie	FOOTWEAR
ELICO UNIVERSAL	Ms. Ethiopia Tadesse Bishaw	ACCESSORIES
Natural Footwear Studio	Mr. Cheru Assefa Tadesse	FOOTWEAR
KER EZHI	Mr. Zelalem Merawi Kinfu	ACCESSORIES
Kinaff	Ms. Tsion Kinde Afrasso	ACCESSORIES
	Ms. Addishiwot Kinde Afrasso	
KOOTKEET	-	ACCESSORIES
Meron Addis Ababa	Ms. Selamawit Seid Ebre	ACCESSORIES
MSGANA SHOE	-	FOOTWEAR
Root in Style	-	ACCESSORIES
SAMRA LEATHER	Ms. Samrawit Mersiehazen Abebe	ACCESSORIES
SHIR SHIR	-	ACCESSORIES
VENUS SHOE	Mr. Tesfaye Yemaneberhan	FOOTWEAR
Zemen Amour Leather	Ms. Zemen Amour Tefera	ACCESSORIES

	Ms. Melaye Tessema Tadesse	
Counterparts	Delegates	
ELIA	Mr. Rediman Chala	-
LLPIRDC	Mr. Bereket Yohannes Someno	-

## (2) Overview of the booth management

At the Paris trade show, Who's Next, in January 2022, the project rented only one booth, and the difference between each brand was not clear and some buyers were confused. In order to avoid similar visitors' confusion, the project decided to rent two booths this time to create a display that clearly separates each brand. The detailed area of each booth was as follows:

- Accessories booth: 800 sqft (10 brands + VP space)
- Footwear booth: 200 sqft (4 brands)

The accessories booth was divided into 10 sections, each of which was an area for a different brand. The footwear booth was similarly divided into four sections, with a separate display for each brand.

The organizer of MAGIC New York was an event company called Informa, but it was another company called GES that took charge of the event operations, including booth setup, furnishings arrangements, and delivery of materials. As is typical of U.S. events, all arrangements functioned efficiently, and EHL's booth setup went smoothly.

Although the number of visitors to the event has not yet been officially announced by the organizer, the impression was that it was smaller than expected.

## 5. Evaluation of each participant

Due to difficulties in obtaining US Visas, the bag brands, KOOTKEET, SHIR SHIR, Root in Style, and the shoe brand, MSGANA SHOE were not able to dispatch the representatives. Japanese experts especially focused on these companies to support their sales promotions.

KOOTKEET was the most popular bag brand in the show. Its tie-dye items were eye-catching, and many buyers picked them up. Simple tote bags and cute round bags with designs that are relatively easy to coordinate with various types of fashion and not too expensive, were easily accepted by buyers.

SHIR SHIR, which was very popular in Paris in January, had a number of buyers who appreciated the excellent handwork of the mesh, but there were few cases that led to actual orders. This may have been partly due to the fact that SHIR SHIR's booth was located in an area that was a bit difficult to see from the main aisle.

Some buyers were attracted to Root in Style's creative and artistic design because of its distinctive style. Many were interested in the Ethiopian traditional woven pattern series, and the smaller items seemed more user-friendly among them. Its mountain series had a clear color contrast, and not many buyers picked up these items, perhaps because they felt their character was a bit strong.

Even though MSGANA SHOE was not ready for their line sheet on the first day, many buyers picked up the beautiful beadwork sandals, and the price questions were concentrated on those products. A buyer said that the leather insoles were thicker and easier to wear compared with Indian beaded sandals. Some buyers said that if there were other items such as brooches or charms with just the same beadwork, they would be sold well.

As for the other companies, representatives from each company were in charge of serving their customers.

Zemen Amour Leather was the company that conducted the largest number of business meetings, and its products were well differentiated from those of other companies and were well received by buyers who were looking for a slightly more luxurious design rather than a simple one. In addition, Zemen Amour Leather's skillful customer service, such as actively talking to buyers as they passed by and taking pictures of buyers holding the products in their hands, was the main reason why they were able to conduct the largest number of business meetings compared to other companies.

Regarding Meron Addis Ababa and SAMRA LEATHER, the companies had previously exhibited in similar exhibitions in the U.S., and the representatives had served buyers well and obtained orders. SAMRA LEATHER had prepared a lookbook titled 2022 NY Collection for this exhibition, although the company took time to prepare samples until just before the exhibition. Meron Addis Ababa also prepared the lookbook with image visuals using fashion models and distributed the data with QR codes displayed on the selves. Their promotional preparations for the exhibition were more complete than those of other companies.

Bahirdar was able to obtain an order for gloves. The company has exhibited samples of gloves several times at some exhibitions supported by this project, but this is the first time an order has been placed, and it was also the first time obtaining an order in the US market. For the preparation to participate in this exhibition, the company had been sending its technicians to another partner company in Addis Ababa to learn its mesh technique. This order is the result of those efforts.

Kinaff was also able to obtain orders for garments and bags. Kinaff had not been able to receive orders for garments in the past, but this time they were able to receive 161 pieces of orders from 4 buyers. It was also the first time to exhibit bags. The design of the bags, which successfully expressed the softness



of Ethiopian sheep leather, was highly evaluated by buyers and could obtain some orders.

The two bag manufacturers we observed that did not receive orders in this exhibition were ELICO UNIVERSAL and KER EZHI. Some buyers tried to place orders with ELICO UNIVERSAL, but the company declined due to the small order size. As for KER EZHI, it seemed that the number of orders desired by buyers did not reach the MOQ set by the company, and the representative commented that the buyers coming to the show did not match the company's desired clients. The quality of the products of both companies was NOT poor. As for KER EZHI, the company already has a sales representative and planned to establish a sales base in the U.S. It would be a good idea for the company to have its own outlet to sell its products when we consider its products' price range. As for ELICO UNIVERSAL, which would like to accept OEM production, it would be better to focus on exhibitions where the exhibitors aim to receive OEM production orders or to sell their own design under buyers' brands with a certain volume of orders.

## **6. PR activities**

To attract potential buyers in advance and increase the number of business meetings in the booth, the project executed PR activity. First, a landing page was prepared on the website to introduce EHL. To obtain information on buyers who visited that page and were interested in EHL, a process was established whereby buyers could obtain an EHL lookbook by entering their e-mail addresses and job titles. Until the first day of the exhibition, emails were sent to 752 buyers based on the client list of the Las Vegas exhibition in 2020 and who were considered suitable for EHL from the client list of a local PR firm. Of those, 168 visited the landing page, 28 of which resulted in lookbook requests.

In general, the average rate of reaching a landing page with such an e-mail PR activity is good between 17-28%. In the course of sending out several separate emails this time, there were times when the rate was as low as 5-7% and other times when the rate reached 47%. The reason for this is that the title of the email was changed from ETHIOPIAN HIGHLAND LEATHER to ECO LEATHER. Unfortunately, this leads to the inference that buyers are not very interested in "Ethiopia". However, for those who opened the email, the click rate is very good and much above the average of 2-4%, which means they liked what they saw on the landing page.

In addition, in order to obtain information from buyers who visited the booth but were not interested enough to conduct business meetings, a QR code was posted in the visual presentation space of the booth, and a system was created whereby buyers could obtain a lookbook by entering their e-mail addresses. However, only a few buyers used this system, perhaps because the size of the panel to introduce the QR code, A4 size, was too small to be noticed by those buyers.

## **7. Other Activities**

During this trip, meetings with potential partners were considered with a view to establishing a base for future transactions in the U.S. and finding agents. About a month prior to the trip, regular meetings were

held with counterparts LLPI and MOTI, but due to difficulties in obtaining participation from counterparts because of their busy schedule, no meetings or visits were confirmed in advance of the trip.

**(1) Meeting with the Ethio-American Chamber of Commerce**

In such a situation, the delegation members were able to have an online meeting with the Ethio-American Chamber of Commerce on the last day of the exhibition, which the project staff had been trying to contact continuously after the delegates departed to the US. The meeting was held by connecting the exhibition hall with members of the Chamber of Commerce from various parts of Washington, DC.

At the meeting, Mr. Rediman of Mojo Tannery, who represented ELIA, first explained about ELIA and the All African Leather Fair to be held in November, and then representatives from each company gave presentations about their companies. All of those meetings were conducted in Amharic. After that, Project Chief Advisor Nagai also gave a report on JICA's support. Mr. Bereket, a representative of MOTRI, has been following up on the discussion.

**(2) Visit of the Representatives from the Permanent Mission of Ethiopia in NYC**

Since the Ethiopian Embassy is located in Washington, D.C., it was not possible for the embassy's officials to visit the exhibition. On the other hand, two officials from the Permanent Mission of Ethiopia in New York City visited the exhibition and received explanations of the products from each company. Initially, the permanent mission officials had told that it would be difficult to visit the exhibition because the UN General Assembly was held at the same time, but thanks to the efforts of the company which had a sales representative in New York City, the visit was made possible.

**(3) Visit of United Arrows' Rep. in New York City and Japanese Shoe designer Ms. Piro Takako**

A sales representative from a major Japanese specialty store, United Arrows, and a Japanese shoe designer who owns a store in New York City visited the EHL booth through an introduction by the PR company which supported the project PR activity. The sales representative of United Arrows was particularly interested in the beadwork of MSGANA SHOE's sandals and wanted to introduce it to the headquarters.

The Japanese shoe designer had no knowledge of Ethiopian sheep leather until now, but she was surprised by its uniqueness. She brought back the leather swatches prepared by the tanneries and promised to show them to the factory manager. The project expert team will follow up with them when they make another inquiry.

**8. Countermeasures for COVID-19**

There were no specific countermeasures required at the tradeshow. U.S. Immigration restrictions had been already eased in June 2022 to require basically only vaccine certificates and no longer PCR test was necessary. The number of travelers in the U.S. seemed to recover, however, the visitors at the

tradeshow seemed to be fewer than the past tradeshow; MAGIC LAS VEGAS, which was held before the pandemic.

## **9. Lessons learned**

### **Sample Size**

A buyer who tried on a sample pair of sandals at the event looked at the sample size 38 and asked, "Is this really a 38? They feel a lot bigger." A buyer who tried the gloves commented, "They're pretty tight for a 7 1/2." The same comment was made by another who tried on a pair of gloves. ---

When size sense is not fixed among samples showcased by one company, and there are variations even in the same size notation, it is difficult for buyers to get a sense of the size that will be produced. Then, buyers are not able to judge what the finished product will look like, and this makes them feel uneasy, so they decide not to place an order.

At the exhibition, the representative of the company explained, "We can make them in any size," but what buyers want to know is how to feel this brand's 38 sandals, and whether this brand's 7 1/2 glove is larger or smaller than the average.

It is very important to always have samples in the same size sense in the same size notation because buyers place orders by confirming the sense of the size that will be produced of the samples and considering the size notation that is appropriate for their stores. Of course, this point is also important for garments. At exhibitions, it is easy for buyers to understand the size sense of the product that will be produced if the company prepares samples in two different sizes, such as 37 and 38 for shoes, and S and M for garments.

### **Customer service**

As for the companies that dispatched persons, there was a clear difference in their customer service. A company just sat there and did not even get up when a customer came in, while others actively approached passersby and promoted themselves, getting many orders. Customer service is not easy to handle well without doing it on a regular basis. Although it depends on the position of the person dispatched this time, and although it is out of the scope of the project, it is necessary to train human resources who can promote the company's products and communicate well with buyers.

Even if the MOQ is set, companies that accept smaller orders have high expectations for repeat orders, while those that do not accept orders below the MOQ did not receive a single order as a result. Even if the initial order quantity is small, the company needs to take action with a view to continuing business.

### **Time and cost**

The event organizer did not update the information in a timely manner, and the details of the event and the costs related to the booth were not clear for a long period of time. After the application to exhibit was completed, the details of the booth package and additional fees for furnishings were announced, and the project ended up paying many additional fees, resulting in the total cost of the event being much higher than the planned amount.

Although we should have made a comparison with the Paris trade show in terms of costs, it is regrettable that we could not do so due to insufficient information disclosure. The Las Vegas trade show, in which the project had exhibited in the past, was held in August 2022. However, we had to choose one of Paris and New York, following the advice of the expert Shunji Nagai, who said that it would be difficult to participate because the preparation period was too short.

In addition, accommodation in NY, especially on Manhattan Island where the exhibition took place, was extraordinarily expensive, resulting in choosing accommodation in a somewhat distant area. It caused extra costs of transportation by vehicle, despite the original plan of using public transportation which had been agreed by the participating companies. Public transportation, however, was not necessarily simple and easy if without google maps, thus, practice time for public transportation use or, SIM card provision from the per-diem could have been considered, as the lesson learned.

### 10. Schedule after the trade show

- (1) Final order confirmation support for each manufacturer's production, support for business communication with buyers
- (2) Follow-up for the buyers who are considering placing an order
- (3) Support for ordering leather material
- (4) Support for ordering zippers
- (5) Compiling reports from all delegation members

### ○Attachments;

1. Floor map
2. Ground plan, Elevation of the facade
3. Line sheet (format)

### ○Photos;



Setting up the booth



EHL booth (Accessories)

Reception of the venue



EHL booth (Accessories)



EHL booth (Footwear)



VP space



Meeting with buyer



Meeting with buyer



Shoes display



Bags display



Gloves and jackets display



Leather materials display



Visit of the representatives from the Permanent Mission of Ethiopia



Online meeting with Ethio-American Chamber of Commerce

END

**Ethiopia Leather Sector Export Promotion in African Country**

**Report of participation in TALIF**

**Nov. 9<sup>th</sup>-11<sup>th</sup>, 2022**

**Serena Hotel, Kigali, Rwanda**

**Industrial Promotion Project (Export Promotion)**

**December 2022**

## **1. Introduction**

As part of supporting the whole Ethiopian leather sector, JICA's Export Promotion Project supports the promotion of exports to African markets to boost the export performance of the entire leather Industry sector. Thus, to support Ethiopian leather manufacturers enter the African market, especially the Rwandan market, the project conducted market research by mobilizing a team of experts from the Leather and Product Industries Research and Development Center (LLPIRDC), Ethiopia Leather Industries Association (ELIA), African Leather and Leather Products Institute (ALLPI) and the Export Promotion Project and supported research potential markets in Rwanda and the region by identifying the competitive environments, opportunities and trade barriers that exist for Ethiopian leather products. Subsequently, after the market study, the project invited ten potential ELIA members companies to participate and be able to exhibit their products at the Textile, Garment, and Leather Investment Forum (TALIF), which was held from 9<sup>th</sup> – 11<sup>th</sup> November 2022, in Kigali, Rwanda.

## **2. Preparation for Textile, Apparel, and Leather Investment Forum (TALIF)**

The Textile, Apparel & Leather Investment Forum (TALIF) is an annual Conference and platform endorsed by the Ministry of Trade and Industry of Rwanda (MINICOM), organized in partnership with the Rwanda Convention Bureau (RCB). The event aims to attract, potential investors in the leather and textile industry to Rwanda as a means of addressing supply-side bottlenecks in the value chain by bringing together local and international stakeholders (manufacturers and wholesalers) in textiles, leather, and other related accessories. It is anticipated to result in possible collaborations, built synergies, and boosted information sharing.

Before deciding on TALIF as a potential event to invite Ethiopian companies to attend, the project team conducted extensive research to identify potential events that could be ideal for showcasing Ethiopian leather products in various African countries including Uganda, Kenya, South Africa, and Nigeria in collaboration with the Ethiopian embassies in each country. In 2020, the project started market research with the embassies in some African countries. In the discussion with some embassies, the embassy in Uganda for example proposed to organize an exhibition in Kampala and had a series of discussions with some stakeholders such as the business attaché in the embassy, event organizers, and a hotel which was the potential venue for the exhibition. Then, the ELIA and project decided to have the event in August 2021 at Kampala, however; due to the surge of the COVID-19 case number, the plan was canceled.

After the cancellation of the exhibition in Uganda, the project looked for an opportunity to participate in a trade show in African countries. And, due to a recommendation of ELIA, the project decided to participate in a trade show named East Africa Textile and Leather Fair that has planned to take place in June 2022 in Nairobi. However, the show was postponed due to the Kenyan presidential election campaign. After the decision to postpone the trade show, ELIA proposed another trade show named TALIF in Rwanda. Regarding the Rwandan market potential and TALIF, the project organized a research team composed of ELIA, LLPI, ALLPI, and the project expert to Rwanda. In a meeting with the organizers of TALIF following the research, the project team and the Ethiopian participants confirmed the following points:



**Table 1: Q&A session before the trade show**

<b>Questions from the project team (Mr. Noriyuki Nagai) and Ethiopian Participants</b>	<b>Answer from TALIF Organizer (Ms. Karen)</b>
1. How many exhibitors and visitors are expected to participate in TALIF	<ul style="list-style-type: none"> <li>• A minimum of 120 participants from different countries are expected to exhibit their products and a minimum of 300-500 participants are expected to attend the investment forum/conference</li> <li>• Besides this, we will invite potential investors, exporters&amp; whole sellers in the B2B section and you will share with us whom you would like to meet in B2B so that we can arrange</li> </ul>
2. What is the ratio of leather products and textile products to be showcased in the event?	<ul style="list-style-type: none"> <li>• So far it is 50:50</li> </ul>
3. What is the origin of the main exhibitors and the ratio, domestic? Sub-Sahara? Pan Africa? International?	<ul style="list-style-type: none"> <li>• The exhibitors are mainly expected from Ethiopia, Italy, Turkey, China, other African countries, Brazil and Egypt</li> </ul>
5. What are the themes of seminars and conferences?	<ul style="list-style-type: none"> <li>• You can have the opportunity to make a presentation and you are expected to submit the theme first</li> </ul>
6. Which countries and how many buyers we can have a meeting in the B2B section?	<ul style="list-style-type: none"> <li>• All the 500 participants and people participating online, can be from any country</li> <li>• We can arrange an online pitch and face-to-face only for Ethiopian participants to have B2B</li> <li>• We can organize a fashion show as necessary and Ethiopian can be given a chance to showcase their products in the event</li> </ul>
7. Where the event will be organized and what Venue?	<ul style="list-style-type: none"> <li>• At Kigali Serena Hotel</li> </ul>
8. What are the differences among the packages on the TALIF website <a href="https://talif.rw/exhibition/">https://talif.rw/exhibition/</a> ?	<ul style="list-style-type: none"> <li>• We have a premium exhibition booth at 1000USD with a full package including 3 days exhibition, a full-day conference, and full-day unlimited B2B meetings</li> <li>• Full package with a basic booth at 850 USD</li> <li>• Prime branded Exhibition booth (at the Main entrance and exit ) at 720 USD and</li> <li>• Basic Exhibition booth at 500 USD</li> </ul>
9. What is the Size of booths(H*W*D), the number of shelves, the HWD of tables, and which kind of items are included in the package?	<ul style="list-style-type: none"> <li>• The size of a booth for one exhibitor is 2*3</li> <li>• 2 chairs, 1 table, lighting, electric socket, 1 dustbin, cleaning services, free wi-fi, and booth branding are included in the package</li> </ul>

10. What is the schedule of registration, preparation, participation, and deadline for application to participate?	<ul style="list-style-type: none"> <li>• 15th September all topics of the agenda need to be completed and uploaded to the web</li> <li>• We need to have participation confirmation by 15th</li> <li>• Prime location is very limited and early application is recommended</li> </ul>
11. Can you share with us the photos of previous year's similar exhibitions	<ul style="list-style-type: none"> <li>• TALIF itself is 1<sup>st</sup> edition, we will organize this event in November 2022 for the 1<sup>st</sup> time</li> </ul>
12. Which leather products do you think are more demanding in B2B	<ul style="list-style-type: none"> <li>• All leather goods &amp; garment and leather products are appropriate</li> <li>• Leather materials itself has the biggest demand</li> <li>• Next to leather material, shoes, bags, and leather goods have a big demand</li> </ul>

**3. Participation in the Textile, Apparel, and Leather Investment Forum (TALIF)**

**3.1. Participation in TALIF and overview**

A total of 10 selected ELIA member companies were joined to participate in a 3-day event from November 9-11, 2022 on a cost-sharing basis where the project covers a premium booth cost while all remaining expenses are at the expense of the participant companies. Among these participants, 4 are shoe manufacturers, 2 are tanneries and the other 4 companies are manufacturers of bags, leather goods, and garments. Some companies dispatched 2 participants and a total of 18 delegates joined the event, including one representative from ELIA and LLPIRDC (*See Annex: 1 the List of delegates*). The export promotion project also dispatched three experts including a Japanese visual merchandising (VMD) expert to assist in the smooth and aesthetic preparation of the exhibition booth.

The preparation, including the stand construction works, did not start one day before the event as planned by the organizer of TALIF. Instead, the preparation started in the morning of the 1st day of the event, which resulted in a delay in the exhibition start time by half day. Furthermore, Except for exhibitors from Ethiopia and a few SMEs from Rwanda, which was sponsored by ALLPI, no other exhibitors from other countries appeared to showcase their products during the entire three-day event. These conditions greatly disappointed the Ethiopian participants and made them not expect results from exhibiting their products at the event, and as such two companies immediately canceled showcasing their products, even though the representatives had participated in activities such as a tour to a tannery park construction site, and ranching of cows breed from Colombia on PPP model which is organized by the project.

The Ethiopian participants after realizing that there was not much to expect from the exhibition, they had started making efforts to approach potential traders, importers, and responsible government ministries to explore all opportunities available for them to enter the Rwandan market. As such, they were able to successfully organize business-to-business meetings with potential shoe importers, Shoe store visits, and field visits in Kigali and beyond.



Picture 1: Visitors visiting Ethiopian participants' booth in TALIF

### 3.2. A Business-to-Business Meeting with House of Shepherd

With the support of the TALIF organizer and the export promotion project team, the Ethiopian shoe manufacturers held a B2B meeting with Ms. Maureen, the representatives of House of Shepherd, one of the leading fashion collections in Rwanda and known for importing a large number of school uniform shoes from India and China to be distributed in bulk to students, especially junior high school students in Rwanda.

During the meeting, the representatives of Ethiopian shoe manufacturers introduced their companies' potential, including daily production capacity, the quality level of their products, and their long export experiences to African, American, and European markets, and also presented different samples of school shoes and safety shoes to Ms. Maureen to help her confirm the quality. Ms. Maureen was impressed with what was presented to her about the production potential of Ethiopian shoemakers, and from the samples, she saw she felt that the quality of the samples was almost on par with the quality of the shoe that her company was presented by different Chinese and Indian clients. Also, from the catalog presented to her, she realized that, in terms of price, Ethiopian footwear products are competitive enough and worth considering to make a deal.

The Ethiopian representative added that what makes Ethiopian shoe products more unique and competitive is that they are made of natural leather without having any effect on the skin of children. Moreover, Ethiopian airline offers 2 flights a day between Ethiopia and Rwanda, which makes it easy to travel and do business between the two countries.

Ms. Maureen indicated that besides quality and price, delivery time was one of their priority areas to make business dealing. As they follow the Rwandan school calendar, which starts in September each year, the House Shepherd is forced to distribute school uniforms in June and July each year, including to remote areas of the country. Therefore, to do this, the company must have all the shoes delivered before May every year.

Finally, both parties agreed to stay in touch and continue to exchange information for future consideration. Ms. Maureen also plans to travel to Addis Ababa as early as possible in December 2022 to see the potential and close the business deal with Ethiopian shoe manufacturing companies.

The Ethiopian representative also discussed and suggested having done the deal collectively rather than individually so that they could split the orders between the four companies. This would not only help to ensure a sustainable business but also to maintain the standard quality of the product and meet the delivery deadlines. However, close support is needed from ELIA and LLPIRDC to organize the orders as such.

### **3.3. Meeting With Potential Shoe Importers and Store Visit**

On the first day of the event, representatives of Ethiopian shoe manufacturers had the chance to visit and meet with Rwandan potential shoe importers. They were mainly importers of dress shoes and different types of sneakers. During the visit, the Ethiopian representative noted that the import prices of these shoes were quite cheap and some of the shoe soles were of high quality, which was above the Ethiopian standard and it would be difficult for the Ethiopian manufacturers to compete. However, if there was any incentive such as export tax exemption, there might still be an opportunity for Ethiopian companies to enter the Rwandan market, otherwise, it would be difficult for Ethiopian companies to enter the Rwandan market in near future. The potential importers had also found that the quality of the Ethiopian shoe was at an acceptable level, especially the upper leather of Ethiopian shoes, but they had doubts about the sole quality and price of the shoe.



**(Left) Picture 2: Ethiopian delegates visit Rwanda potential importers' shoe store**

**(Right) Picture 3: B2B meeting b/n Ethiopian shoe manufacturer representatives and House of Shepherd representative**

### **3.4. Meeting with Rwanda Development Board Representatives and Field Visit to Gako Industrial zone**

The market research team report, which was conducted earlier this year indicated that there was no tannery existing any longer in Rwanda and the tannery park was under consideration as a governmental project, which covers the whole value chain of the leather industry. After receiving this report, Ethiopian tanneries showed interest in establishing a tannery in Rwanda. Against this backdrop, the Ethiopian delegates had a chance to meet with representatives of the Rwanda Development Board (RDB), Investment Marketing Department, Mrs. Alice Nikuze, and her team and discussed the investment opportunities and incentives available. Ms. Alice explained that “Rwanda’s hides and skins are of high quality and the quality is boosted a lot by the zero-grazing system, the ban of iron marking on cattle, and continuous capacity building of slaughterhouse workers. Currently, Rwanda’s leather sector has a livestock population of 1.5 million cattle, 0.65 million sheep, and 2.5 million goats, with an off-take rate estimated as 8.3% for cattle, 30% for sheep, and 33% for goats. This population is expected to increase every year due to different government initiatives including the Gako Beef project. Presently there are no tanneries in Rwanda; hides & Skins have been exported abroad as raw materials. Small companies involved in the production of leather products depend on imports of finished leather, consequently raising their costs of production. Therefore, there is huge business potential waiting to be explored.”

Ms. Alice said if investors were planning to open a business and invest in Rwanda, they could assure that they can get a business license within 6 hours through online registration without even visiting an investment office. Additionally, there were many incentives that investors could access once they register their businesses. For instance, they would be offered preferential treatment for imported capital goods (VAT exceptions), and electricity expenses in the factory would be discounted cheaper than household use. In addition, the East African Economic Community will make exports to East African countries duty-free.

For the tanneries, the government had made available 500+ hectares of land in the Gako area where a comprehensive tannery park was being constructed by the government fund and made available for investors to set up their tanneries within two years. This tannery park would encompass the entire value chain of the leather industry, from the supply of raw hides and skins to finished leather. To achieve this, a Gako beef project has already started in the region with a daily capacity to supply 5,000 cowhides to tanneries. At the invitation of RDB, Ethiopian delegates visited the Gako Beef Project to see the land allocated for the Tannery Park and the infrastructure potential.

### **3.5. Participation in the Forum**

The forum featured two panel discussions. The first one’s topic was “Investment opportunities and incentives for the textile & leather industry in Rwanda. In this discussion, the chief investment officer of RDB, and Director General of trade and investment of MINICOM, and the representative of BK insurance were the panelist.

In the first discussion, 3 panelists discussed how they could support SMEs in Rwanda, many of which are bankrupt within a few years. The officer of RDB presented that RDB had provided opportunities to learn about entrepreneurship in school education, support for SMEs to exhibit at trade shows and other

events, certification programs for SMEs, and support for connecting financial institutions and SMEs. MINICOM's director stated that many light industries, including many textile and leather industries, were still in their infant stage, and MINICOM was developing economic zones and tannery parks to support them. He also stated that MINICOM was working on developing a Made in Rwanda brand. For now, this is only to stimulate domestic demand, but in the future, he hoped to develop this brand in the African market. The BK Insurance representative also stated that they provide insurance in case workers suffer health problems on the job, as well as advice and support to SME clients when their business is not doing well, helping them to keep their business going.

The second one's topic was "The bottlenecks in the manufacturing & raw materials in Africa & how to curb them", and "Bridging the gap between fabric/leather manufacturers and the African market. The panelists were Mr. Solomon Getu, Secretary General of ELIA, as a representative of the Ethiopian delegation, two representatives from Rwandan SMEs, and a chairperson of Rwanda Leather Value Chain Union. In line with the theme, Mr. Solomon stated that one of the main obstacles to manufacturing in Africa is the availability of intermediate goods. To overcome this obstacle, he said, African countries, in short-term strategies, needed to develop bonded warehouses free zone, and the like that serve as an inventory adjustment device for intermediate goods to be imported, in the long-term, we need to work on import substitutions work in relation with input materials and provide opportunities to create linkages with suppliers and markets, such as the AALF. Regarding the acceleration of trade between Ethiopia and Rwanda, he said that bilateral discussions should lead to the establishment of free trade zones between the two countries and bilateral FTA. One of the representatives from Rwanda's SMEs also stated the high cost of transportation, the lack of resources to know which African countries had what and the means to let other African countries know what Rwandan companies had, and the lack of bonded warehouses which can function as inventory adjustment as bottlenecks in promoting intra-African trade. In response to these discussions, Ms. Birkenesh of ALLPI commented that industry, academia, and government in each country need to work together so that Africa could be a cooperative ground, not a competitive ground.



Picture 4: Forum participants

### **3.6. Dinner program organized by the RDB**

Finally, the Ethiopian delegates were invited to a dinner program in which the Ethiopian Ambassador His Excellency Mr. Daba Debele participated. During the dinner program, His Excellency Mr. Daba thanked the RDB for hosting the Ethiopian delegates. He also assured that his office was committed to supporting Ethiopian businesses in Rwanda and was welcome whenever his support was needed.

## **4. Conclusion**

The market research team's participation in this forum was successful in meeting the overall mission objective. Rwandan SME LLPs linked with Ethiopian LLP producers to get inputs from Ethiopian side. The Ethiopian participants also showed readiness to invest in the tannery sector to fill the existing gap in the Rwandan leather value chain and also decided to open a store in Kigali to provide leather and leather products at reasonable prices for Rwandan consumers. As representatives of the private sector and the public sector, we must advise Ethiopian government to bring the experience of Rwandan PPP model to be introduced and adopted in the leather sector. The cow in the car project is also an interesting campaign, which planned to work with the Volkswagen Company to manufacture car seat. Although it is at research stage in Ethiopia the government should plan a head and utilize the opportunity. As many car companies planning to open assembling unit in Ethiopia, we should introduce how to utilize leather products for car sit manufacturing.

The organizer of TALIF forum has promised to give free packages for Ethiopian participants in the 2023 TALIF event as a compensation for this year.

Despite the lack of success in the exhibition (TALIF organizers promised to offer a free package to Ethiopian participants in the 2023 TALIF event as compensation for participation in this year), participation in the Forum contributed in several ways to achieving the mission's overall objectives. Ethiopian LLP producers were able to provide input on the Ethiopian leather industry to Rwandan small and medium LLP producers. They also demonstrated their readiness to invest in the tanning sector to fill the gaps that exist in the value chain of the leather sector in Rwanda. Furthermore, several Ethiopian leather producers have decided to open stores in Kigali to offer leather and leather products to Rwandan consumers at affordable prices.

In order to move these achievements forward, on behalf of the private and public sectors, we must advise the Ethiopian government to introduce and adopt the Rwandan experience of the PPP model in our leather sector.

We must also consider collaboration in the "cow in the car" project planned in Rwanda. Volkswagen plans to manufacture child seats in Rwanda. Although it is at the research stage, the Ethiopian government should use the experience of Rwanda strategically. Many car companies are planning to open assembly units in Ethiopia. Through the experience, we need to introduce the Rwandan experience to apply our leather industry to car seat manufacturing in Ethiopia.

## Recommendations

- Close monitoring of the business deal between Rwandan buyers (House of Shepherd) and Ethiopian shoe manufacturers (LIDI, ALLPI and ELIA)
- Follow-up the Ethiopian investors' activity to start the tanning business in Rwanda (MINICOM, ALLPI, LIDI)
- Support footwear producers to obtain quality soles that can meet the Rwandan consumer test. (LIDI, ALLPI)
- Strengthening of bilateral trade agreements to enhance free trade between the two countries (MINICOM, LIDI)
- Arrange experience-sharing events for the relevant Ethiopian government agencies to adopt the PPP project in Rwanda.
- The Cow in the car project planned jointly with Volkswagen and the Rwandan government will be one of the best experiences that the Ethiopian government needs to adopt



### Annex 1: List of Ethiopian Delegates

S.NO	Company Name	Name of Delegates	Position
1	Ethiopian Export Promotion Project	Mr. Noriyuki Nagai	Chief Advisor
2	Ethiopian Export Promotion Project	Mr. Sueichi Soga	VMD Expert
3	Ethiopian Export Promotion Project	Mr. Getahun Belay	Senior Project Officer
4	Leather & Leather Products Industry Research & Development Center (LLPIRDC)	Mr. MishamoWakaso	Directorate Director
5	African Leather & Leather Product Institute	Ms. BirkineshGonfa	Marketing Officer
6	Ethiopian Leather Industry Association (ELIA)	Mr. Solomon Getu	Secretary-General
7	ELICO Group	Mr. Elias Tefegnework	Deputy Manager
8	Batu tannery	Mr. TatekYirga	Manager
9	Abessa shoe	Ms. HidatDubale	Export Manager
10	Modern Zege Leather	Mr. EsayasBerhanu	Marketing Manager
11	Darago Leather	Mr. Cherinet Gebretsadik	Owner and CEO
12	Darago Leather	Mr. YeabsiraMelaku	Marketing Manager
13	Tibeb Leather Works	Mr. Yonatan Asrat	Owner and CEO
14	Tibeb Leather Works	Mr. MilkiAbera	Creative Director
15	Girum Leather	Mr. AbrhamAbera	Manager
16	Ker Ezhi Leather	Mr. ZelalemMerawi	Owner and CEO
17	Dalga Leather	Mr. EuaelGirma	Owner and CEO
18	Ramsay Shoe	Mr. YilmaMengesha	Marketing Manager

**Annex 2: Photos of Ethiopian booth and visitors**



**Ethiopia Industrial Promotion Project (Export Promotion) (Phase 2)**

**Minutes of 1st JCC Meeting**

- ◆ **Date of meeting: Tuesday 30<sup>th</sup> March, 2021**
- ◆ **Place of meeting: Virtual meeting (via Zoom)**
- ◆ **Starting time: 9:00 am**
- ◆ **Ending time: 10:50 pm**
- ◆ **Participants: See Attached**

**Chair:** Mr. Assefa Mulugeta Kondal, DDG, MoTI

**Facilitator:** Ms. Mai Suzuki, Brand management Adviser, Export Promotion Project (JICA)

**I. Agenda:**

- To discuss and make agreement on the activities and schedule of phase 2
- To discuss policy challenges in the leather sector (consider the possibilities in collaboration with policy dialogue)

**II. Discussion Session**

<Mr. Assefa, MoTI>

The presentation was well narrated, as Mr. Nagai mentioned, the quality issue and brand issue are very important points to be considered for our future. The activities were explained in detail and clearly. This project is in the final phase, so all the stakeholders should pay attention to the sustainability of this project's results. We need to penetrate the market for EHL in EU and USA and explore African market as well. We need to utilize the EHL brand registration in Japan and EU in actual value terms.

To utilize the Bole airport duty-free shop is a good idea but we need to work with LIDI to be functionalized.

Policy proposal is also very important idea because our leather sectors have been highly affected by this situation, so we need a solution for it from every direction.

<Mr. Hailekiros, LIDI>

In phase 1, we have had good progress in the registration of EHL brand in EU and Japan, in promotional activities and exposure to trade fairs for partner companies.

Addressed points by the project are as follows:

1. Capacity building to LIDI staff for leather goods industries based on the skill gap assessment.

Handwritten signature/initials.

2. Brand management: Registration in EU and Japan had been done well. The certification of EHL registration for tanneries needs to be renewed in order to be benefited in Japan and EU.
3. Promotion: 1) Enhancing the promotion of leather material to USA, EU, China, 2) Promoting leather products and footwear to African market. We have to take into consideration African Continental Free Trade Area (AfCFTA) that is under implementation, 3) E-Commerce emerged due to Covid-19 but the legal framework in Ethiopia is underway.
4. Policy dialogue intervention particularly in addressing the incentives system in leather sectors: In addressing incentives like physical and non-physical (cash based and tax-based intensives); this point has to be worked out and proposed to the government.

<Mr. Shafi, ECTA>

We have completed national-level registration of coffee brand with EIPO, and we started using the logo on the sacks of export coffee. This procedure is being used as a promotion for Ethiopian coffee. The second cup of excellence was held, and in this event, we could promote our coffee brand to the world. Some NGO is asking us to help in promotion of coffee brand in EU and USA as well.

<Mr. Edamura, Embassy of Japan, Ethiopia>

The presentation was very good and well-structured, however, from the perspective of broad outputs of the project, we have not seen the outcomes yet on the ground. I would like to request JICA and the project to identify the gaps between producers and consumers to achieve the goal. In addition, I would like to ask the JICA's team to incorporate issues and countermeasures in policy proposal in order to achieve the goal in the future.

<Mr. Minilik, ECRA>

Regarding the Ethiopian coffee brand, the owner is ECTA for the time being but now we are on the way to found one huge association including all the coffee associations together and it's going to own the coffee brand soon.

As I heard from the presentation, the project has a plan to open the duty-free shop at Bole airport. If there is any chance, we like to join you and work together.

<Mr. Assefa, MoTI>

Mr. Hailekiros pointed out good remarks, so the project should focus on these issues and the project activities should be implemented accordingly. In the coffee part, the brand had been already registered. So, promotion should take a place now. Regarding the duty-free shop in Bole airport, the idea is well accepted, so we need to discuss the strategy in business mind.

1/2024

<Mr. Amaya, JICA Ethiopia>

A technical transfer from LIDI staff to the companies is expected to continue after the completion of this project. In the 1<sup>st</sup> phase of the project, the technical transfer to LIDI's experts was included but we did not observe strong interests from LIDI's experts especially in the shoes and the bag making department. I would like to know LIDI's expectations in regards to a technical transfer.

<Mr. Hailekirose, LIDI>

It is not because we don't expect supports from the project other than technical support but the project is designed for technical intervention only. That's why we focus on what we can optimally use the project.

Regarding the technical intervention for tannery and footwear, we have limitation or gaps in footwear sector and finishing capability including re-tanning, but the project is only focusing on EHL. That does not mean we have the right skill and knowledge to make right quality of finishing leather and even now we are importing knowledge from abroad, but it is still not enough.

In tanneries, there are skill shortages especially in finishing cowhide in terms of producing different kind of finishing leather. And in regard of shoes, in Ethiopia, there are limited type of products starting from sole design and lust design. But lust making and outsole making are not included in the project scope. If there is potential, the technical support is very welcomed by us.

<Mr. Terefe, MoFA>

From the presentation and discussion, I understood that we received a lot of support in the Ethiopian coffee branding and technical support to our leather sectors. I would like to thank JICA for all of the activities and other supports provided to change our economy. Our office is very proud to work with you.

### **III. Closing Remark**

<Dr. Morihara, JICA Ethiopia>

My appreciation goes to Ethiopian and Japanese side for all the effort made in the 1<sup>st</sup> phase of this project to reach where we stand today. Before I joined JICA Ethiopia office, I read series of reports of the 1<sup>st</sup> phase of project and learnt that both sides tried to overcome the difficulties they faced especially during the pandemic last year. Thank you all for what you have done so far.

Comments, suggestions, and discussion points in this meeting were informative and constructive. This meeting is my first JCC meeting among the projects currently implemented in this country. Export promotion has been one of the most important items in Ethiopia's government policy agenda including in the era of GTP1&2 however, it is growing imbalance in the Ethiopian micro



economy at this moment. The urgency was clearly reflected in the government policies that emphasize the enhancement of competitiveness such as the growing economy agenda and the 10 years development plan that has been just approved by the parliament last week.

As discussed and agreed today, we will focus on the leather sector in the 2<sup>nd</sup> phase and expand the range of activities to new elements such as promotion to other African countries including a variety of leather in addition to EHL.

As a coffee sector, we will work together and facilitate trademark registration in Japan. We believe it is a great help to expand coffee export to Japan through raise wellness and interest among Japanese companies and sectors as well as consumers in Japan. The project's scope coverage is very limited and it may not be as large as expected. However, we will use the limited resources as strategically as possible.

In this regard, our strategy avoids getting involved in many issues at once. Rather, concentration on a limited number of issues is strategically important. It needs to go deep by investing financial, technical and human resources heavily in relatively narrowing and concentrated areas. It is important to establish sustainability in order to further develop the foundation established in the previous phase and to achieve tangible results. Autonomously, the results will spread to other sectors and eventually lead to the country's export sectors as a whole. We will go hand in hand to achieve the goal set by this project including organizational, institutional, and human capacity development. I look forward to working with you all to change this Covid-19 challenge into opportunities.

---END---

This minute of meeting is officially endorsed by:

  
\_\_\_\_\_  
Mr. Assefa Mulugeta  
Director General, Export Promotion Directorate General  
Ministry of Trade and Industry

**Assefa Mulugeta**  
Marketing & Promotion  
Director General

Date: \_\_\_\_\_ 2021

## Ethiopia Industrial Promotion Project (Export Promotion) (Phase 2)

### Minutes of 2<sup>nd</sup> JCC Meeting

- ◆ **Date of meeting: Wednesday 13<sup>th</sup> April 2022**
- ◆ **Place of meeting: MoTRI meeting hall**
- ◆ **Starting time: 9:00 am**
- ◆ **Ending time: 11:30 am**
- ◆ **Participants: See Attached**

**Chair:** Mr. Mohamed Hussien, Deputy Director-General, LIDI (LLPIRDC)

**Dice Chair:** Mr. Daniel Getachew, Secretary-General, ELIA

**Facilitator:** Industry promotion project (Export Promotion) staff

#### I. Agenda:

- To report on the activities has done by the project from March 2021 to March 2022
- To share the activity plan proposal and discuss it.

#### II. Opening Remark

<Mr. Mohamed, Deputy Director-General, LLPIRDC>

I would like to appreciate and thank the JICA Industry promotion project (Export Promotion) for the experts' efforts to support us to produce quality products and flourishing global market channels for our EHL products. We have learned a lot from the project and are eager to expand the best practices as well as sustain the achievement of the project. Each counterpart should take part to utilize the achievement of the project. Here we are going to discuss what has been done by the project and the way forward to continue the achievement of the project in the future after the project phase-out.

#### III. Report and Proposal

The presentation material was narrated by Mr. Nagai and he shared about the project performance, and these are quality improvement of Ethiopian Highland Leather branded products, the establishment of the brand management system of Ethiopia Highland Leather, promotional activities for Ethiopian Highland Leather branded products, and promotion of the whole Champion products. And he continued his presentation and explained the goal toward the end of the project and the activity plan from April 2022 to January 2023.

#### IV. Discussion Session

<Mr. Ayele, MoFA>

This project was working on coffee branding and developing the logo of Ethiopian coffee and also now I see that the same project working on EHL branding and developing a logo for it. so, are these activities doing in the same project hand in hand or different two projects working on these? And, I want to make



clear the plan you shared with us, is that the original plan of the project or an extension of the project due to COVID-19?

<Ms. Yodit, MoTIR>

The technical and export promotion support of this project to the leather sector is very essential and we would like to ask you to continue your support. Regarding the African market promotional issue, last year due to some inconvenience it was not successful, however, we again planned to participate in inter-African trading in the South African market in 2022, particularly in the leather sector but not yet decided by higher officials.

<Mr. Hailekirose, ELICO>

In regards to access global market, modern promotional ways are an issue and important aspects of promotion, particularly inter digitalizing the communication with governmental and non-governmental institutes and business dealings. So, is it possible to customize the promotional material of EHL to use them for further business?

Regarding e-commerce, ELICO has a domain and we do like to make it digitalize market platform because the communication way of business changed due to some reasons. Is it possible again for us to develop a website and transaction system on the EHL domain and can you help us?

The African market has market potential and ELICO also has the experience, but we have to work on B2B linkage and showcase establishment. Thus, not only the business matching, we need other means to make linkage with the market. By the way, we would like to provide you African potential market list and share it by email.

<Mr. Daniel, ELIA>

Thank you, presenter, participants, and JICA project for your commitment. This export promotion project gave us a mentor to produce quality leather products and support us to enter the global market. They also helped us with the EHL trademark registration in the EU and Japan and the process to register in the USA. There is also an initiative to access the African market, and we are working with LIDI and MoTRI. One of the results of this project is building of duty-free shop at Bole airport and we target to collect 1,000,000 birrs per year under the normal situation.

<Mr. Frew, EIPO>

I could understand from the presentation and participants how was the project performance successful. But my questions are as follows;

1. Regarding trademark registration, under which institution name was this trademark registered? And who is the owner of the trademark?
2. How is the level of awareness of users/beneficiaries for brand management?
3. Do you have any institutional setup to take over this project once it phases out? (This question mainly goes to counterparts)
4. Is there an exit strategy for the project?
5. Regarding the budget allocation from the government offices side, they have their budget aligned with their own planned activity so, how could they support the project activity?

<Mr. Mohamed, LLPIRDC>





The educational videos to upgrade low-grade leather are helpful for the tanneries; however, it also needs to implement hands-on training not only video.

A good strategic plan, as well as the properties of this unique leather, should incorporate sustainably. All promotional tools should be translated into different international and national languages because this activity help to create awareness creation for enormous peoples.

Regarding taking over the project activity after it phases out, the way forward should be explained very well to stakeholders by us because each counterpart has its responsibility.

Answers to questions,

<Mr. Nagai>

The branding activities of the two champion products (coffee and EHL) are under the same project. The coffee trademark was registered under the name of the Federal Democratic Republic of Ethiopia and the focal institute is ECTA. And, the EHL trademark was owned by ELIA. Both institutions are responsible for brand management activities.

The planned activities we shared today are for the coming year (Jan.2022 to Jan.2023) and the project has been extended to overcome the impact of COVID-19 based on the discussion between the Ethiopian government and JICA.

Regarding the tradeshow in South Africa, we can consider working with MoTRI. We planned to participate in one or two trade shows in the African markets.

Regarding the possibility of customizing the promotional tools, as certified tanneries, you can customize those promotional tools. In addition, you can put your company logo on the last page leaflet. We have prepared some photos in the brand book, which can be used in your promotional tools.

<Mr. Danel, ELIA>

Regarding the e-commerce platform, ELIA developed this website to create good opportunities for Ethiopian companies, and we are ready to support them. So, ELICO can make its platform an e-commerce site.

<Mr. Nagai>

Regarding taking over the project, ELIA, MoTRI, and LIDI are responsible for the sustainability of the achievement of the project.

<Mr. Daniel, ELIA>

For the exit strategy of the project, there will be a discussion among association (ELIA), partner companies, and governmental offices like MoTRI, LIDI, and MoFA.

Regarding managing the brand and renewal of trademark registration, ELIA is responsible for it and we have to renew it after 10 years.

<Mr. Nagai>

Regarding the translation of the video to other languages, we have discussed this matter in the process of development, and our creative team presented to the counterparts that it was better to leave the language spoken in the video Amharic so that we could keep the authentic atmosphere. When we need to promote our brand in Asian countries, it would be possible to translate the subtitle into such as Chinese or Japanese. Regarding the implementation of the hands-on training, due to the declining Japanese leather industry, the number of skilled workers in the industry is aging. And, they have been hesitating to provide technical assistance overseas during the pandemic.

<Mr. Mohamed, LLPIRDC>



We had a good and constructive discussion and I would like to thank all counterparts and partner companies for their participation in this meeting and their patience.

### III. Closing Remark

<Ms. Megumi Hirose, Senior Representative, JICA Ethiopia>

Thank you all for your participation to achieve the goal set by the project. JICA is very happy in supporting the Ethiopian government in four main sectors including industry, agriculture, education, and infrastructures. Industrial promotion is one of the biggest areas of our cooperation, and this Export Promotion project is a part of our main concern. This project is connecting highland, rural areas to urban, agriculture to manufacturing and this paradigm shift would add higher values to the Ethiopian products. Producing quality products is not enough, support from the government to tackle the challenges such as foreign currency issue and policy aspect is important. In this sense, the role of MoTRI and LLPIRDC is very much important. For targeting African market, to make full use of AfCFTA, initiative or support from the Government is also essential. After one year, the project will be completed and there are many more things to be done. We need to consider the way forward as an exit strategy for sustainability of the project with relevant counterparts.

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This minute of the meeting is officially endorsed by:



Mr. Mohamed Hussein  
Deputy Director-General, Leather technology  
Leather & Leather Product Industry and RD Center (LLPIRDC)



Date: \_\_\_\_\_ 2022

**Ethiopia Industrial Promotion Project (Export Promotion)**  
**Records of Final JCC Meeting**

- **Date of meeting: 24/01/2023**
- **Meeting Venue: Inter Luxury Hotel, Addis Ababa, Ethiopia**
- **Starting time: 9:00 am**
- **Ending time: 12:00PM**
- **Participants: See Attached**

**Chair:** Mr. Solomon Getu, Secretary General, Ethiopian Leather Industries Association

**Co-Chair:** Mr. Mishamo Wakaso, Team Leader, Leather Technology Department, Leather and Leather Products Industry Development and Research Center (LLPIDRC)

**Facilitator:** Mr. Noriyuki Nagai, Chief Advisor, Ethiopia Industrial Promotion Project (Export Promotion)

### **I. Introduction**

Upon completing the Industrial Promotion Project (Export Promotion), a final Joint Coordination Committee Meeting was held on January 24, 2023, at the Inter Luxury Hotel Addis Ababa, representatives from government ministries, officials from JICA Ethiopia office and EHL member companies were invited and participated. The meeting aimed to summarize the achievements and challenges in carrying out the project and discuss the way forward, particularly how to maintain brand management sustainably.

### **II. Official Opening**

The meeting was opened by Mr. Solomon Getu, the Secretary General of the Ethiopian Leather Industries Association (ELIA), and in his speech he said that "your excellency Ambassador Abadi, Excellency Dr. Morihara, distinguished guests, ladies, and gentlemen, on behalf of the association, I would like to welcome everyone to this meeting. Since the launch of this project, many activities have been implemented, and much progress has been made. Earlier last week, we successfully held a brand workshop in which all stakeholders participated and assessed the achievements and challenges of the project, which gave us an important step to define and develop the next five-year strategic plan. I thank JICA and the project team for organizing such an important discussion platform. In addition, from today's meeting, we believe we can get input to help us finalize the strategic plan. Therefore, I would like to ask for everyone's contribution and todo active participation in the meeting."

### **III. Activity report, Achievement, Challenges, and Lessons Learned**

The Chief Advisor of the project, Noriyuki Nagai, presented the overview of the activities implemented since 2013, beginning from the project study phase I and II. He said that the export promotion activities are guided by the fundamental principle of the "champion product approach," an approach that emphasizes unique and best-quality product that embodies the cultural value and lifestyle of the people and can best represent the country. The champion product approach is based on the concept of making what the market



wants rather than selling what you make. The same concept guided the project implementation phase, the branding and market promotion of the Ethiopian Highland Leather (EHL) brand. During the project implementation phase (2017-2023), the project implemented various technical support activities under three components: technical transfer, market promotion, and brand management. Under each of these components, various activities were undertaken to achieve the project objective. Mr. Nagai briefly presented the different activities implemented under each project component and the overall achievements, challenges, and lessons learned throughout the project's implementation phase.

#### **IV. Discussion by JCC Participants**

Following Mr. Nagai's presentation, participants were allowed to ask questions and openly reflect views on the overall achievements of the project and the way forward. The points are summarized and presented below:

##### **<<Ministry of Foreign Affairs (MoFA)>>**

Ambassador Abadi, the Ministry of Foreign Affairs representative, expressed his appreciation and admired the implemented activities and results. In addition, he raised the following questions;

- Leather is one of the giant sectors in the country, and there are many bottlenecks from the bottom to the top of the value chain. Raw hide and skin quality are poor due to animal diseases and parasites. How does the brand contribute to overcoming problems across the leather value chain?
- Regarding the challenges associated with the African market, it is not only technical challenges but also daunting problems such as conflicts and instability in the continent that deter smooth business activities, what is your experience on this?
- Ethiopia has great potential in all sectors and has the capacity to contribute the largest share to the continental trade, but the delay in ratifying and activating the African Continental Free Trade Area (AfCFTA) made it unable to exploit the opportunity, what do you think is the solution?
- Is there no comprehensive promotional material as a common guide to promoting each national product? Nor, is there a coordinated effort among all parties to do so, what has been done in this regard?

##### **<<Answer by JICA team>>**

- Mr. Nagai answered, JICA's technical assistance has limited capacity and was difficult to focus on the entire leather value chain. That is why the project chooses to focus on the lower stream of the value chain (promotion of the market). Of course, there are so many problems along the value chain; and linking the value chains was a shortcoming. Still, we believe that the other parties, those engaged in agricultural projects, can focus on and tackle the remaining issues. I hope the Ministry of Agriculture can play a role in facilitating this.
- Dr. Morihara added that JICA's technical assistance always considers which areas Japan has expertise in and, which areas are best at providing better support and sharing experiences. We may not be good at covering all aspects of the industry, so we have chosen to support the market and promotion by introducing one of our best market approaches called "champion product."
- Mr. Nagai, it is true that there are many challenges related to peace and security issues in Africa that inhibit market promotion activities. For example, the market promotion event in Kenya, which we



were supposed to attend, was canceled due to the presidential election in Kenya. We don't have much expertise on how to deal with this problem, but I encourage having an ongoing discussion to find better solutions.

- Mr. Nagai mentioned that AfCFTA would be one of the potential channels to activate trade between African countries, but it will take some time before it works. The best way that was suggested by some experts was to have a bilateral agreement with the target countries to facilitate the trade. Example, between Ethiopia and Rwanda there are so many common interests and Ethiopia, in particular, has a comparative advantage as the Ethiopian airline travels to many countries across the continent.
- Dr. Morihara also added that Japan strongly looks forward to activating free trade among African countries, which, we believe, can enhance and promote self-help. The Japanese government supports this effort in several ways, the one-stop border post that Japan supports by providing financial and technical support is believed to improve trade facilitation and promote the efficient movement of people and goods across Africa. We believe Ethiopia will benefit from this initiative.
- Mr. Nagai replied, besides establishing and promoting the EHL brand, the project tried to promote Ethiopian industries by creating a promotional video that can serve as a flagship for all national products. Throughout the project implementation, efforts were made to engage and work with all counterparts including, the Ethiopian Chamber of Commerce and Sector Association (ECCSA), MoFA, MoI, Ethiopian Investment Commission, the Ministry of Agriculture, Ministry of Trade and Regional Integration and all other development partners that working to support the leather sector. The result was promising; however, it is not easy to obtain commitments from all parties, and it requires efforts to achieve this.

#### <<Ethiopian Intellectual Property Authority (EIPA)>>

- The EIPA representative appreciated the EHL brand's creation, registration, and promotion in several countries. He suggested if the same approach applied to the branding and promotion of key products such as coffee, oilseeds, etc. In addition, he strongly requested to strengthen the branding process of Ethiopian coffee.
- Mr. Nagai said that from the previous project study to this project phase, efforts were made to support the promotion of Ethiopian coffee and other sectors as well. Still, we had to choose and focus on only one, and the best-selected product, which we found was Ethiopian Sheep Leather through market research in various countries. However, the project completed the creation of the Ethiopian coffee brand logo and the brand registration in Japan.

#### <<Ministry of Trade and Regional Integration (MoTRI)>>

- The representative of MoTRI appreciated how this project worked and all the results obtained. He mentioned that since MoTRI has been formed recently and is undergoing a new structural reform, many experts have been moved, and resigned. Likewise, new people have been assigned to different positions. The officially designated focal person to support this project activity was changed, and the newly appointed team did not have such detailed information on the activities. For this reason, the ministry did not pay attention and give much support to the activities, especially during the last phase of the project. Although we are sorry about that, I would like to know the next opportunity for JICA to help the ministry and boost the export performance of each sector.



**<<Answer by JICA team>>**

- Mr. Nagai, we have been working for the past ten years and there is no consideration to extend this project for more additional period. However, JICA will continue to support Ethiopian manufacturing sectors in various ways.
- Dr. Morihara added that it is currently difficult for JICA to say concretely the planned technical support activities. This project was one of three components under the industrial policy dialogue of the Japanese government and two other components are also completed. As such, the next step must be considered in context of the overall picture of JICA's cooperation to support further development of the industry sector in Ethiopia. In this regard, there is a request from the Ethiopian government through the Ministry of Industry to support strengthening of the industrial movement in the country, which is called "Ethiopian Tamrit". We therefore look forward to seeing how the issue of export promotion including the EHL will be positioned in the discussion within the Ethiopian government because we want to make sure that our cooperation will be fully aligned with the Ethiopian government's policy and priority. We will continue having a dialogue and study to establish a framework to decide the next intervention and support plan.

**V. A Five Years EHL Brand Management Strategic Plan**

Mr. Solomon presented the proposed content and a framework for a draft strategic plan. He mentioned that a brand called "Taitu Leather" was established with the support of donors; however, soon after the project fund ended, the brand went unused and completely forgotten. This is mainly due to the lack of ownership and a strategic plan to manage the brand sustainably. Therefore, to help ensure the sustainability of the EHL brand, Mr. Solomon urged everyone's input and contribution to develop a feasible plan where each stakeholder's role will clearly be defined and incorporated.

- Dr. Henok from MoTRI ensured continuous support of his ministry in making a feasible strategic plan with the ministry's role included. He mentioned that MoTRI has a department that deals with the export of live animals, which can contribute to the sustainability of the brand in several ways. The ministry also has a bilateral department that deals with the AfCFTA, all of which make the ministry a key partner in ensuring the promotion and sustainability of the EHL brand. Therefore, remember to engage MoTRI in all aspects of the EHL brand.
- Ambassador Abadi from MoFA, said that in the effort to enter the international market, we must not forget the importance of the African market. To achieve this, we must work to identify the nature and characteristics of each destination market because it is important to design promotional tools that correspond to each market. Our consular office in each country can make an important contribution to this. As aforementioned, the main challenges for the Ethiopian leather sector are the poor quality of rawhide and skin. Therefore, the Ministry of Agriculture should lead in addressing these issues. When stakeholders and their roles are listed in the strategy document, the name and role of the MoA should come first at the top.
- The EIPA representative said that it was regrettable that we missed opportunities to actively engage in the process of branding and promoting the EHL brand, but the active engagement of our authority should be taken into account in future brand management activities. Branding activities are a science and require professionalism and the know-how of the associated legal aspects. Therefore, the appointed brand manager must have the appropriate qualifications and skills.



- Mr. Salomon of ELIA answered that the association had already hired and appointed a qualified person as brand manager who had rich experience in the fields. Additionally, a brand book has been developed and made available with the full support of Japanese experts.

#### **VI. Experiences and Lesson Learned as attested by EHL partner companies**

EHL member companies were invited to attend the meeting as observers. The representatives of Shirshir Ethiopia and Kookeet Leather participated and had the opportunity to share their experiences with the EHL project and EHL brand. Their experiences are summarized below:

- The representative of Kookeet Leather said that we learned a lot and got enough exposure to the global high-end market by attending trade shows in the US and EU. Also, we have received outstanding technical support which has helped us raise our product standards to the international level. In the process, we have learned enough about what it takes to enter high-end global markets. I would like to thank all project staff and parties involved in the activities.
- The Shirshir Ethiopia representative also mentioned that she had eye-opening experiences and exposures. With the continuous support and follow-up from the Japanese designer and bag makers, she was able to make remarkable progress and be able to learn product development from scratch. Prior to the project, her company did not have much experience in exporting. With the project, her company was able to achieve many promising results and high export record could achieve. Her company was among the top companies that received high reputation and orders from the Paris and the US tradeshows. She thanked the entire project team and all the institutions that helped her progress.

#### **VII. Official Closing**

Finally, Dr. Morihara, the Chief Representative of JICA Ethiopia Office, gave closing remarks and thanked the project staff and all the government partners who have supported the project activities from the project inception till this day and recognized the remarkable achievements of the project. He said, "Your Excellency Ambassador Abadi, Excellency Dr. Henok, Excellency Mr. Solomon, Excellency Mr. Mishamo, and Excellency Ladies and Gentlemen, on behalf of the JICA Ethiopia Office, I would like to express my sincere gratitude to you for your participation in this final JCC meeting and for all you have done with the project. When I first arrived in Ethiopia as the chief representative, the first exposure I had was to make a remark by attending a JCC meeting on this project, and I still remember what we discussed during the meeting. Since then, we have seen so much progress and achievement, especially the export performance of EHL products increased sevenfold, and it was more than double what was originally expected. This is a clear testament to how unique EHL is and deserves to be chosen as a target product to promote. Other supports, including the construction and launch of the Bole International Duty-Free store and promotion in the African market to boost the export performance of the entire leather sector, were also promising. We also see that companies have already started to play a role in promoting and marketing their products, which clearly proves that the branding activity is deeply rooted and laid the ground. For all these achievements, I would like to thank everyone, including the Japanese experts, and thank you all for your efforts. Through vertical expansion using the EHL brand, it would be possible to penetrate international niche markets, while it is also important to implement and introduce horizontally the use of the CPA approach and to extend it to other key sectors. I hope these will achieve the desired



result and I look forward to seeing many more Ethiopian products in the world markets. Finally, I want to thank everyone who contributed to the successful implementation of this project and thank you! "

The minutes of the meeting is officially endorsed by:



Mr. Solomon Getu

Secretary General



Ethiopian Leather Industries Association, ELIA

Date: 14/02/2023