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19351

DP/ID/SER.C/36
16 December 1991
ORIGINAL: ENGLISH

**REGIONAL HIDES AND SKINS,
LEATHER AND LEATHER PRODUCTS IMPROVEMENT SCHEME**

**US/RAF/88/10C AND ASSOCIATED PROJECTS
AND US/RAF/88/102**

REGIONAL AFRICA

Report of the evaluation mission*

The United Nations Industrial Development Organization

* This document has not been edited.

V.91-31644

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ABBREVIATIONS

BL	Budget Line
BSO	Backstopping Officer
CAD/CAM	Computer Aided Design/Computer Aided Manufacturing
CEAO	West African Economic Community
CTA	Chief Technical Adviser
ECDC	Economic Co-operation among Developing Countries
EEC	European Economic Community
FAO	Food and Agriculture Organization
GATT	General Agreement on Tariffs and Trade
HQ	Headquarters
IDF	Industrial Development Fund
ITC	International Trade Centre
IULTCS	International Union of Leather Technologists and Chemists Societies
KAM	Kenya Association of Manufacturers
KIRDI	Kenya Industrial Research and Development Institute
LDC	Leather Development Centre
LIZ	Leather Institute of Zimbabwe
LLPI	Leather and Leather Products Institute
MOA	Ministry of Agriculture
NLSC	National Leather and Shoe Corporation
PAD	Project Allotment Document
PPD/IPP	Department for Programmen and Project Development, Industrial Policy and Perspectives Branch
PTA	Preferential Trade Area
RAF	Regional Africa
RCO	Regional co-ordinator
TLAI	Tanzania Leather Associated Industries
TOR	Terms of Reference
TPR	Tripartite Review
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
UNDP	United Nations Development Programme

INTRODUCTION

The large-scale Regional Africa Hides and Skins, Leather and Leather Products Improvement Scheme is structured as follows:

- An Umbrella Project US/RAF/88/100 operating in Nairobi, Kenya co-ordinating sub-regional general and specific country activities;
- Eight associated country projects with specific operations in: Ethiopia, Kenya, Malawi, Somalia, Sudan, Tanzania, Zambia and Zimbabwe;
- and a Regional Tannery Rehabilitation Scheme (US/RAF/88/102)

The totality of these interrelated projects is UNIDO's largest IDF-funded operation with special purpose contributions from: Austria, France, Italy, the Netherlands, Germany and Switzerland. UNIDO is the main executing agency jointly with FAO and ITC UN-sister agencies who are responsible for their respective competence areas.

The scheme was initially conceived as a follow-up to a recommendation of the UNIDO Third Consultation on Leather and Leather Products Industry, Innsbruck, Austria (1984). A pilot project scheme, covering initially five countries was prepared for presentation to the Regional Meeting on the Leather and Leather Products Industry in Africa which was held in Alexandria, Egypt, in January 1987.

Deliberations of the Alexandria Meeting centered around the main constraints and shortcomings experienced by the sector in Africa. The scheme was then further expanded to cover a larger group of countries under two Umbrella Programmes in East, and West and Central Africa respectively: (US/RAF/88/100: Ethiopia, Kenya, Malawi, Somalia, Sudan, Tanzania, Zambia, Zimbabwe), (US/RAF/88/101: Burkina Faso, Burundi, Niger, Cameroon, Senegal, Rwanda). The West and Central Africa scheme has not become operational as no donor country could be identified to finance this programme. Therefore, the evaluation covers the East Africa programme now being implemented in eight associated countries listed above.

At global, regional and sub-regional levels, studies prepared and research conducted for the UNIDO global leather sector consultations, the deliberations of the UNIDO Leather Panel, the Sectoral Meeting on the Leather and Leather Products Industry in Africa and the FAO inter-governmental sub-group Meeting on Hides and Skins in Rome have all described the sector's situation as follows:

The sector features an enormous waste of raw hides and skins, under-utilization of production capacities, low productivity and lack of trained personnel at all levels and segments of the African hides/skins, leather and leather products sub-sectors.

Despite these constraints there is the potential in some of the African Countries to emerge as major suppliers of semi-processed leathers to the export markets, and for the production of finished leather products for their own markets. These assumptions are based on large indigenous raw material resources of cattle hides and ruminant skins. Accordingly, the scheme therefore envisaged that this potential could be realized with the help of a

major sectoral technical assistance programme in line with the concerned countries general national plans, geared to maximize the value added to one of Africa's most renewable natural resources.

The in-depth evaluation was conducted as a follow-up to the recommendation of the Tripartite Review Meeting held during the first week of December 1990.

The primary purpose of the project's evaluation is:

- To review the concept of the integrated programme approach in this specific regional project with an assessment of its validity, design and performance in order to serve as a management tool that would assist in decision making with respect to the future of similar programmes.
- To check on the performance of inputs delivery, the results of the activities that so far have been implemented and the outputs being produced with identification of factors which may facilitate or hamper the achievements of the project's immediate and ultimate objectives.
- To evaluate the regional programme and associated country projects in terms of adequacy and cost effectiveness taking into account the need for a follow-up to this project to assist the involved governments in achieving the relevant sectoral development goals.

Terms of Reference for the mission are attached as Annex I.

The mission members were:

Mr. W. Foran	UNIDO Consultant, Team Member
Mr. M. El-Khair	UNIDO Consultant, Team Member
Mr. H. Heep	UNIDO, Evaluation Staff, as adviser to the consultants

The duration of the mission was five weeks and it began on 26 July 1991. It included three weeks in the field, followed by an analysis of the results and report writing at UNIDO Headquarters. During the three week period in the field, the mission visited Zimbabwe, Zambia, and Kenya. Those countries served as a representative case study for the entire project operation.

Evaluation activities included:

- (1) Field visits to project target areas
- (2) Project target beneficiaries at production level
- (3) Government and Industrial Institutions
- (4) Consultations with Industrial Representatives
- (5) Discussions at project related UNDP/UNIDO Offices
- (6) Review of Project documentary output.

It was arranged that the evaluation mission programme coincided with a project regional seminar/meeting. It presented the opportunity for them to interview the National Experts, and some of the seminar participants from those countries that were not visited.

Annex II: Persons contacted and key places visited.

CHAPTER I: PROGRAMME CONCEPT AND DESIGN

A. Socio-economic and institutional context of the project

Although Africa possesses 12%, 15% and 30% of the world cattle, sheep and goats population, it only supplies 5%, 10% and 20% of the world's hides and skins respectively.

The African leather industry has an immense potential based on the livestock population particularly in the eight countries assisted by the project. These countries contain almost half of the African livestock population - as reflected in the following table:

Country	Bovine	Sheep	Goat
Ethiopia	31,000	23,300	17,300
Kenya	9,500	7,200	8,300
Malawi	940	200	900
Somalia	4,770	13,195	19,705
Sudan	22,400	19,000	14,000
Tanzania	13,000	4,500	6,500
Zambia	2,850	25	390
Zimbabwe	5,500	570	4,600
TOTAL	89,960 (49%)	67,940 (35%)	68,698 (42%)
TOTAL AFRICA	183,970	193,552	162,989
TOTAL WORLD	415,352	1,142,448	503,842

This potential provided the justification to concentrate assistance to these eight countries.

Since the leather industry is dependent on an expanding raw material base, with constantly improving quality standards, emphasis has been placed on a Hides and Skins Improvement Scheme. Generally in Africa many of the domestic herds are kept by the nomadic tribes for traditional purposes rather than for effective production of meat, milk or other products. The animals, especially the bovines, are rather small and the average area obtained from an African Zebu type bovine is about 20 - 24 sq.ft. or about 1/3 less than from European or USA cattle. The average slaughter rate of bovines in Africa is only 10 - 12% - just above the mortality rate of the animals - and only a small percentage of the slaughtered animals' hides ends up at commercial collection points.

The animals roam in the African savannah and/or near jungle areas under tropical conditions. Parasital diseases, horn rakes, thorn scratches and large brand marks are therefore most common especially in bovine hides. Periodic droughts and over-grazing also reduce the size of herds and flocks from time to time.

The slaughtering of animals and consequently the flaying of hides and skins is carried out under rather primitive, uncontrolled conditions and therefore the hides are often damaged.

Primitive conditions also apply during the curing and the conservation processes. A large % of the hides and skins are ground dried or smoke cured. The quality standard is low.

The grouping of the countries on a sub-regional basis was made according to many similarities and close ties between the countries of each group; the West-African countries, Niger, Mali, Burkina Faso, East of Senegal and North of Cameroon have practically the same ethnic population and a very similar livestock base. Furthermore, they all belong to the CFA financial community and to the West African Economic Community (CEAO).

The same applies to the East-African countries where the livestock population is very similar and the type and inherent quality of the hides and skins are nearly identical. The hides and skins improvement schemes established during the colonial times have had similar regional structures. The countries assisted are part of "The Preferential Trade Area for Eastern and Southern African States" (PTA).

Despite the similarities noted above the sectoral development level in the countries within the region differs widely as does the socio-economic context. However, in spite of the different economic systems employed, Ethiopia, Kenya and Zimbabwe together, are grouped as the more developed countries. Zimbabwe is the most progressive of the three countries. Sudan, Somalia, Tanzania have established leather industries, although their tanning and leather products production capacities are underutilized for many reasons. The third group of countries representing Malawi and Zambia, feature similar types of economic systems. However, they are latecomers to the leather industry, with relatively new plants.

A series of studies made at sectoral and sub-regional levels have detected the sector's orientation from a supplier of raw hides and skins towards industrialization into further stages of processing and value added products. However, the industrial base of the sector is affected by serious problems which are restricting progress and development. The problems are inter-related and are harmful to the economy. The low recovery rates in terms of quality/quantity result in the underutilization of the available tanning production capacity. Primary producers receive lower prices with less financial incentives. Lack of technology and leather finishing capacity ensures that most leathers are manufactured to the semi-processed state only. This results in lower financial returns. Raw and semi-processed materials are also vulnerable to price fluctuations on the overseas market level. This also encourages further negative effects on stability, and capacity utilization. Assistance is also necessary in relation to the environmental problems of the tannery effluent waste treatment and method of disposal.

The general profile of the tanning industry in the assisted countries reflects a very brief tradition. Many of the mechanized tanneries were established in the late fifties and sixties. Several new tanneries have also been established in the seventies and new tanneries are still being planned.

It would appear that there is over-capacity in the wet operations, and limited capacity in the finishing processes. This presents a rather unbalanced pattern of development in the absence of clear strategies and detailed national plans.

Many of the tanneries began operations on the basis of "feasibility studies" prepared by parties whose main interests were concentrated on machine sales and other financial gains that they could obtain. Crucial factors such as the technical/managerial skills required and the need for balanced operations and environmental protection were usually ignored. The programme formulators have quantified the number of mechanized tanneries at 45 with an estimated total output of some 162 M.sq.ft. and exports of some 152 M.sq.ft. including wet blue and pickled.

Leather based industry sub-sectors are mainly limited to footwear production with an estimated total of 35 mechanized units and a total production of some 18 M. pairs per annum. The footwear is mainly for delivery to the domestic markets of the region.

"The Preferential Trade Area for Eastern and Southern African States (PTA) has identified the leather industry as a priority area of industrial development. The development of this sector is envisaged to contribute greatly to the economies of the PTA member states, create new employment opportunities and lead to increased foreign exchange earnings." This statement is made in a report of the PTA published in January 1990. It is clear that the respective Governments are aware of the economic importance of the leather sub-sector within the region.

Significant market developments have taken place since the programme was formulated and approved. These developments have had positive and negative effects on the economy. At the time the project was approved THE MARKET NEWS SERVICE - Hides and Skins ITC/UNCTAD/GATT in March 1988 said: "Hides prices have gone mad practically everywhere now. It seems the industry cannot pay today's prices and something will have to happen. It would all become a lot easier if the market would come back to more acceptable prices, but short supplies everywhere, the need to cover short sales, speculation and the lack of stock in the tanneries, still prevent that for the time being". This situation was reversed during the project implementation period. Unexpected changes in raw material trade patterns occurred because of the economic liberalization in East-European countries. Excessive supplies of materials became available on the world market. Significant price reductions occurred as a result and the stock piling of materials at the tanneries occurred. Primary producers have also been affected by the lower prices, and it has temporarily reduced the financial incentive at the Hides and Skins areas. However, a balancing out within the market is expected, which will improve the situation. "Drought" within the region has also resulted in a high slaughter rate, which is creating a sharp reduction in the livestock population.

A dramatic change in industrial policies of the region is taking place "A wave of liberalization is sweeping over the industry in most African countries" (World Bank). Governments are attempting to provide a favourable environment for private investment both from within the countries and from abroad.

Structural adjustments are well under way to change the ownership pattern and style of operation in parastatal owned facilities, and new policies will allow market forces to determine the sub-sector's development activities. This is having an effect on the programme's strategy in three specific areas:

- (1) Subsectoral policies and strategies
- (2) Increased assistance to the private sector
- (3) Increased co-operation with emerging Leather and Leather Products Associations

Institutional Context

The over-all administration of the scheme and co-ordination of the project inputs are undertaken by the backstopping leather unit at the UNIDO Headquarters in Vienna. At the sub-regional level, the project Headquarters is located in the Kenya Industrial Research and Development Institute (KIRDI) specifically at the Leather Development Center (LDC) from where the programme activities are supervised for the region, including Kenya itself.

The regional umbrella project is structured to co-ordinate and ensure the delivery of common international inputs to the national projects whilst providing maximum flexibility in responding to the individual national needs. The project is organized to maximize the utilization of the various national public and increasingly private institutions to implement the programme.

The institutional context differs in the eight recipient countries. Generally speaking the Hides and Skins improvement schemes are carried out through Ministry of Agriculture under the respective livestock departments except for Zimbabwe where the Cold Storage Commission and the Leather Institute of Zimbabwe take an active part. Industrial development activities are carried out through the respective Government bodies in co-operation with national focal point institutions for leather industries operating in Ethiopia, Kenya, Sudan, Tanzania and Zimbabwe.

In Zimbabwe, where an active industry association has been formed with a clear development function and physical infrastructure, the project is using the association and its affiliated Leather Institute to implement the programme of assistance. This has proven to be a most effective approach. In other countries within the region, with the exception of Kenya, at the time of the project formulation and approval, industrial associations were not functioning to any great extent.

Four of the eight countries involved have state owned industries directed by a para-statal organization and a very weak private industry structure. These countries are: Ethiopia, Somalia, Sudan and Tanzania. During the programmes life huge structural changes have taken place and the tanning industry is expected to be privatized at least in Sudan and Tanzania. The creation of tannery associations, as initiated by the programme in Tanzania, is therefore most important.

It should be mentioned that the Ethiopian para-statal organization, the National Leather and Shoe Corporation (NLSC), is the only known para-statal within the global leather industry which has functioned efficiently. The excellent co-operation between the programme and the NLSC has contributed very much to be country's progressive leather industry development.

General policy directives of the respective countries are all in support of the need for the sector's development, from the supply of raw hides and skins to finished leathers and eventually finished products. However, coherent development plans and clear strategies for the sector's present and

future developments within a time framework are lacking at the government and industrial level. To a great extent this situation is aggravated by the very poor statistical base in the African leather industry at all levels of activity particularly regarding the raw material base. This hinders the possibility of appropriate planning at national levels. The UNILCO Hides and Skins Improvement Scheme is attempting to address this problem.

B. Project document

Since the regional project and its associated projects constitute a programme of assistance the evaluation will henceforth refer to this set of projects as the regional programme.

(a) Objectives

The programme's objectives as cited in the project document are as follows:

"Development Objective"

The development objective is to contribute to the improvement of the region's and the participating countries economy, create new employment opportunities, improve export performance, increase the income of primary producers, and provide the international leather and leather products market with additional semi-processed raw materials and finished products".

"Immediate Objective"

The programme's immediate objectives are:

- (i) To establish a regional pilot scheme and to demonstrate, in practical terms, the process of hides and skins improvement from butchering and flaying to conservation, grading and collection;
- (ii) To act as catalyst to national authorities to introduce incentives for improved quality performance;
- (iii) To rehabilitate existing infrastructures and selected leather tanning and processing plants by increasing their efficiency and capacity utilization, upgrading technical standards, operational methods and skills, product quality and marketing performance, as well as knowledge of those attached to these industries at various levels, starting from primary producers".

If the regional programme can succeed in demonstrating that self-sustaining schemes can be developed, to increase the quantity of hides and skins, and to improve the quality of leather and leather products for local and export markets, a significant contribution to the eventual achievement of the development objective will have been made.

However, the development objective is one stage too far removed from the project immediate objective. For example, the hides and skins project objective is at the pilot/demonstration level. When the systems have been tested and improved in the pilot areas, the procedures and actions required to duplicate the system in other areas will be known. The full implementation of the systems will still need to be carried out during subsequent phases of

the programme. The development objective should therefore have stated that the programme will contribute to the establishment of national hides and skins improvement schemes which can meet the volume and quality requirements of the local and international leather processing industry in the countries assisted.

The immediate objectives as stated are vague and are set in broad terms in an attempt to give due consideration to the complex nature of the entire sector from raw hides production through finished products. Moreover, the objectives do not describe the specific changes in behaviour or the conditions to be attained at the end of the project. The question is why we are establishing a pilot programme.

The objectives could be restated as follows:

Objective 1

To place the region and countries assisted in a position to decide on the actions required to install a national scheme to improve the quantity and quality of hides and skins production, based on the results of a pilot/demonstration programme developed and tested by the project. The schemes will include proposals for grading and financial systems which are required to ensure sustainability.

Objective 2

To enable the region and the countries assisted to decide on a comprehensive leather industry support package based on detailed recommendations and guidelines on policies, strategic framework improved statistical data and indicative action programmes required to develop the sector.

Objective 3

Increased demand for quality hides and skins by the processing industry through an increase in capacity and capacity utilization of selected tanning and processing plants from the wet blue to the finished leather stage, while at the same time reducing effluents harmful to the environment.

(b) Programme structure and approach

The programme comprises a Regional Africa document US/RAF/88/100 covering the Umbrella programme at a sub-regional level embracing the eight associated countries e.g. Ethiopia, Kenya, Malawi, Somalia, Sudan, Tanzania, Zambia, Zimbabwe. In its structure, the sectors problems and shortcomings are cited in general terms at the regional level based on preceding global and regional studies. The document has mapped-out the administrative and implementation framework of the scheme where the leather backstopping unit at UNIDO Headquarters provides overall co-ordination support. At operational level, the programme regional headquarters located in Nairobi at the Kenya Industrial Research and Development Institute (KIRDI) and its Leather Development Center (LDC) undertakes the supervision of the programme implementation.

Individual country operations are covered by eight project documents one for each country. The country documents are based on needs identified during individual country studies conducted under a preparatory assistance phase.

The results of these studies are attached to each document. They provide an analysis of the specific problems to be addressed at the country level.

Subsequent to the above a tannery rehabilitation scheme was developed for the region (US/RAF/88/102) to provide direct support to rehabilitate selected leather tanning and processing plants. This was to be achieved by increasing their efficiency and capacity utilization, upgrading technical standards, improving operational methods and skills, product quality and marketing performance, and upgrading the knowledge of those attached to these industries at various levels. The problems to be addressed were described in broad terms which were further consolidated during the course of implementation by direct assessment of rehabilitation needs and feasibility studies.

At operational country level, the country documents specify the setting up of a national expert co-ordinating system. The National Expert in each of the associated countries, will co-ordinate operations together with the competent Government, counterpart Agency and/or Institutions. They are as follows:

Ethiopia: Ministry of Industry, Ministry of Agriculture through National Leather and Shoe Corporation
Kenya: Ministry of Livestock Development in Co-operation with the Ministry of Industry through Animal Health Industry Training Institute (AHITI)
Malawi: Ministry of Trade, Industry and Tourism in Co-operation with Ministry of Agriculture
Somalia: Ministry of Industry through Somalia Leather Agency
Sudan: Ministry of Industry and Ministry of Animal Resources through Leather Industries Corporation
Tanzania: Ministry of Industry in Co-operation with Ministry of Agriculture through TLAI
Zambia: Ministry of Commerce and Industry of Land and Natural Resources
Zimbabwe: Ministry of Industry and Technology and Ministry of Agriculture through Leather Institute of Zimbabwe (LIZ)

As can be seen the programme operation was designed to be carried out primarily with ministries and para-statal agencies, except in Zimbabwe where Leather Institute of Zimbabwe (LIZ, a private sector organization) is the focal point. This approach was taken because of the absence of functional private industry institutions at the time. With the emergence of privatization programmes, industry associations are now expected to play a more active role in this programme in the future.

(c) Programme components

As reflected in the project/programme documents, the technical approach of the programme is designed to address a broad spectrum of components of the leather sector industrial system.

More specifically, the programme in its technical approach is addressing the following components:

(i) Hides and skins improvement sub-sector components

To reduce post-mortem defects and increase recovery through a pilot scheme in specific target area(s) incorporating:

- demonstration and training on proper flaying conditions/methods
- introduction of grading systems/standards
- elaboration of incentive scheme through appropriate price structures with direct commercial benefits to primary/intermediary producers

(ii) Leather and leather products sub-sector components

Providing direct technical advice on appropriate tanning/finishing techniques, training of key personnel and rehabilitation of selected production facilities for increased capacity and improved quality.

Footwear and footwear

Providing direct technical advice on appropriate production/management aspects, training of key personnel and rehabilitation of selected production facilities for increased capacity and improved quality.

Leather goods and other leather products

Providing direct technical advice on production techniques, training of key personnel and rehabilitation of selected production facilities.

Machines/Equipment maintenance

Providing direct advice, on appropriate maintenance and establishment of preventive maintenance systems particularly for the tannery sub-sector.

Effluent treatment

Setting up a model regional tannery effluent treatment plant with provision of training and information dissemination at regional level.

(iii) Supporting elements

Policies pertaining to the specific nature of each sub-sector and its characteristic requirements as well as tailored strategies.

Marketing

Assisting associated country's marketing organizations in the preparation of sound marketing strategies.

Integration of women in development

To further intensify women's participation in the development process of the sector.

Statistics

Improved system and availability of statistical intelligence particularly in hides and skins improvement in order to enable appropriate planning and accurate monitoring of development results.

Joint ventures

To provide a forum for identifying and negotiating joint ventures and other industrial partnership co-operation agreements with prospective collaborators from leading developed countries in the business.

In summary the programme's design contains all necessary elements at both sub-sectoral and supporting elements which are viewed as appropriate to the sectoral needs at both country and sub-regional level. However, reviewing the programme inputs/activities/outputs it is clear that emphasis is placed on the development at the earlier stages of the leather processing cycle particularly for hides/skins and leather semi-processing rather than subsequent stages of manufacture. This makes sense at the present stage of the programme development.

(d) Other programme design aspects

The programme at the regional as well as at associated country level has not reflected explicitly the primary function of the project. The programme has essentially a pilot/demonstration function as suggested in the restated objectives above. The programme operation is also providing direct support to competent agencies and to industry. For example, some of the activities include assistance to the industry and to the existing leather institutes at LIZ in Zimbabwe and at LDC in Kenya, in terms of technology and advice.

The project activities are spelled out clearly in the regional document as well as the associated country documents. Diagrammatic plans for all activities have been prepared which furnish details of the linkages between the regional and country operational levels.

The project target, the eventual beneficiaries, and the sub-sectors involved are clearly defined.

The element of "Women in Development" is now being studied by an expert, who is currently employed on the project. The recommendations received at the completion of the study will be examined, with the possibility of adoption for future programmes.

CHAPTER II: PROGRAMME IMPLEMENTATION

A. Delivery of Inputs

UNIDO INPUTS

(a) Financial Aspects

(i) Originally Approved Finance

The East Africa programme US/RAF/88/100 is well under way in eight associated countries: Ethiopia, Kenya, Malawi, Somalia, Sudan, Tanzania, Zambia and Zimbabwe.

The East Africa programme budgets originally approved were as follows:

			<u>13%</u> Overhead	Total US\$
<u>Umbrella Project</u>	US/RAF/88/100 ¹	4,061,000	527,930	4,588,930
Ethiopia	US/ETH/88/100	922,480	119,922	1,042,402
Kenya	US/KEN/88/100	443,800	57,694	501,494
Malawi	US/MLW/88/100	476,000	61,880	537,880
Somalia	US/SOM/88/100	335,500	43,615	379,115
Sudan	US/SUD/88/100	355,600	46,228	401,828
Tanzania	US/URT/88/100	605,400	78,702	684,102
Zambia	US/ZAM/88/100	568,000	73,840	641,840
Zimbabwe	US/ZIM/88/100	278,000	36,140	314,140
Rehabilitation	US/RAF/88/102	3,982,301	517,699	4,500,000
<u>TOTAL REGION</u>	<u>US\$</u>	<u>12,028,081</u>	<u>1,563,650</u>	<u>13,591,731</u>

The following projects were financially approved in March 1989: US/RAF/88/100, US/ETH/88/100, US/KEN/88/100, US/SOM/88/100, (partly), US/SUD/88/100, US/URT/88/100, US/ZIM/88/100. The project US/ZAM/88/100 received financing from Switzerland in May 1989 and the Malawi Liwonde tannery received financing through UNDP and is now being implemented under project DP/MLW/88/029, with a total of UNDP inputs of US\$ 882,154. The project US/MLW/88/100 was financially approved by the Federal Republic of Germany in December 1989 and implementation was started immediately. The only project from the original list not being implemented is the related project US/URT/85/031, it is still awaiting financing.

A complementary project entitled "Regional Tannery Rehabilitation Scheme" US/RAF/88/102, was added to the East-Africa Programme during the project negotiations with the Italian authorities. This project with a total of IDF input (excluding support cost) of US\$ 3,982,301 was approved in February 1989.

¹ This does not include a special contribution for the Women in Development Expert who has been given in 1990 by the Federal Republic of Germany.

(ii) Financial Implementation

The present financial specific operations in: Ethiopia, Kenya, Malawi, Somalia, Sudan, Tanzania, Zambia and Zimbabwe;

Project No.	Total	Total spent end Aug. 91	Total balance left
RAF/100 ²	4,554,200	3,389,371	1,164,829
RAF/102	3,982,301	2,722,355	1,259,946
ETH/100	922,480	812,943	109,537
KEN/100	443,800	344,608	99,192
MLW/100	476,000	305,318	170,682
SOM/100	249,325	124,273	125,052
SUD/100	355,600	149,856	205,744
URT/100	605,400	309,709	295,691
ZAM/100	568,000	285,361	282,639
ZIM/100	278,090	198,188	79,812
TOTAL	12,435,106	8,641,982	3,793,124

The detailed financial situation of each project budget is available in Annex V.

From a financial point of view, the rate of implementation reflects a satisfactory performance over the duration of the project. Major components will be completed by mid-1992.

No changes in the total budget have been necessary at either regional or country project level. However, re-allocations have occurred in line with implementation requirements.

(b) Inputs Experts

The following experts are working or have been employed on the project. The length of time varies for each contract. Long-term contracts are necessary in some instances, and short-term consultancy missions are also in use.

² includes additional FRG special contribution for a Women in Development expert

(i) International Experts

POST NO.	TITLE	NAME OF EXPERT	STARTING DATE	STATUS
11-01	CTA	G. Felsner (AUS)	January 1989	
11-02	H + S Impr. (FAO)	E. Mwachaga (KEN)	January 1990	completed
11-03	"	E. Leach (UK)	October 1989	
11-04	Tannery Expert	Marzo (SPA)	November 1990	
11-05	Finish. Expert	H. Eckert (GER)	January 1990	
11-06	Maint. Expert	A. Rongved (NOR)	July 1989	completed
11-06B	"	J. Imman (IND)	April 1991	completed
11-07	Leather Goods	D. Tracy (UK)	October 1989	completed
11-08	Footwear	J. Baradat (FRA)	October 1989	completed
11-08B	"	O. Birkhaug (NOR)	November 1990	completed
11-09	Marketing (ITC)	D. Manly (UK)	January 1990	
11-10	Effluent	A. Lesuisse (BEL)	September 1989	completed
11-10B	"	G. Clonfero (ITA)	April 1990	
11-11	Women Dev.	H. Chigudu (UGA)	May 1991	
11-50	Consultants	being implemented	by various experts	
11-51	Co-ordinator	A. Lesuisse (BEL)		
11-52	Computer Expert	B. Barothy (MUN)	March 1990	completed
11-53	Shoe Engineer	S. Linz (GER)	August 1990	completed
11-54	Sagana Eval.	S. Kiruthu (KEN)	July 1990	completed
11-55	H + S Impr. (FAO)	T. Devassy (IND)	January 1990	
11-56	" (UNIDO)	"	October 1991	completed
11-57	Prep. ass. PTA	M. Nestvold (NOR)	June 1990	completed
11-58	"	S. Kiruthu (KEN)	June 1990	completed
11-59	Joint Venture	O. Kloetzer (GER)	November 1990	completed
11-60	Machinery Ind.	G. Shilkin (AUL)	October 1990	completed
11-61	Computer Expert	B. Barothy (MUN)	April 1991	
11-62	Fish Skin Exp.	S. Roberts (AUL)	March 1991	completed
11-63	Revolving Cons.	S. Kiruthu (KEN)	February 1991	completed
11-64	Evaluator	W. Foran (IRE)	April 1991	completed
11-65	Maint. Expert	A. Zink (PER)	May 1991	completed
11-66	"	H. Imman (IND)	February 1991	completed
11-67	Evaluator	M. El-Khair (EGY)	July 1991	completed
11-68	Economist	M. Beci (ITA)	July 1991	
11-69	H + S Consultant	J. Hewett (UK)	July 1991	completed

The programme experts, inputs, and the fielding details in the region are available in Annex IV.

(ii) National Experts

The following national experts are working for the project:

POST NO.	NAME OF EXPERT
17-01	Seyoum Nailu (ETH)
17-01	A. N. Jumbe (MLW)
17-01	Farah ismail (SOM)
17-01	Ahmed Abbo (SUD)
17-01	Simplicius Messay (URT)
17-02	Emmanuel Muyinga (URT)
17-01	Charles Silupwa (ZAN)
17-01	Roy O'Shaugnessy (ZIM)
17-01	J. N. Muriuki (KEN) ³

(c) Inputs sub-contracts

The five sub-contracts [(1) The Hides and Skins Improvement Component; (2) the Application of a Uniform Grading System for Hides and Skins and Semi-processed Leathers; (3) the Tanning, Finishing and Tannery Rehabilitation Component; (4) the Tannery Machinery Maintenance Seminar; (5) the Tannery Effluent Treatment Component] have been awarded to a British company Ewbank Preece Ltd. which have been discontinued due to various reasons as will be explained later.

Final measures have also been taken between UNIDO and KIRDI on the local sub-contract for the provision of the infrastructural arrangements for the regional headquarters at the LDC.

The financial situation of the sub-contracts is as follows:

TOTAL BL 29-99: US\$ 561,631 In the original budget the total funds under this BL were US\$ 616,000 but in the revision E of 1 March 1991, the BL has been decreased by US\$ 54,369 (pls. refer to rev. E for explanations)

Sub-Contracts awarded:

- (a) Contract no. 89/121 to Ewbank Preece total US\$ 372,052
- (b) Contract no. 90/027 to Ewbank Preece total US\$ 39,579
- (c) Contract no. 89/123 to KIRDI/LDC total US\$ 150,000

Present situation on BL 29/99 as at end of August 1991:

³ Kenya has no national expert: Mr. Muriuki covers the role of Regional Co-ordinator under US/RAF/88/100.

From the financial status report it appears that the total amount of US\$ 561,631 is obligated/spent; however, because of the recent decision taken by the UNIDO Contracts Section and the Substantive Office (Leather Unit), the two subcontracts awarded to Ewbank Preece Ltd. are to be considered (prematurely) completed and a refund of US\$ 123,631 will be returned to BL 29-99 as follows:

US\$ 112,052 from the contract no. 89/121 and
US\$ 11,579 from the contract no. 90/027

Therefore there will be an expenditure/obligation of US\$ 438,000.

(d) Inputs: Training

(i) US/RAF/88/100

Total Training Funds	US\$ 189,240
Total spent until August 91:	US\$ 162,459
Total Balance:	US\$ 26,781

Funds were used for the training as follows:

Study tour of all National Experts

Period: 26 - 28 April 1989.
Place: Nairobi
Field: Briefing Seminar on the activities of US/RAF/100 and associated country projects.

Study tour of all National Experts

Period: 20 - 24 May 1989.
Place: Philadelphia, USA
Field: XXth Congress of the International Union of Leather Technologists and Chemists Societies (IULTCS)

Study tour of all National Experts

Period: 23 - 31 January 1990.
Place: Addis Ababa
Field : PTA Leather Fair

Study tour of all National Experts

Period: 15 - 19 September 1990.
Place : Paris
Field: "Semaine de Cuir"

Tannery Machinery Maintenance Seminar

Period: 8 - 12 October 1990.
Place: Awash Tannery, Ethiopia
Duration: 5 working days
Number of participants: more than 50

Hides and Skins Improvement Seminar

Period: 19 - 23 November 1990.
Place: Leather Institute of Zimbabwe (LIZ), Bulawayo, Zimbabwe
Duration: 5 working days
Number of participants: more than 70

Tanning and Leather Finishing Seminar

Period: 8 - 19 April 1991
Place: Kenya Industrial Research and Development Institute (KIRDI),
Nairobi, Kenya
Duration: 12 working days
Number of participants: 160 participants for both sections

Study tour of all National Experts

Period: 29 July - 04 August 1991
Place: Bulawayo, Zimbabwe
Field: ECDC/FAO/UNIDO Seminar on Hides and Skins Trade

(ii) Training input associated with national project budgets:

US/ETH/88/100

Total Training Funds: US\$ 142,000
Total spent until Aug. 91: US\$ 98,223
Total Balance left: US\$ 43,777

Study tour of Messrs. Fetene and Belete, Awash Tannery, Addis Ababa

Period: 14.02. - 03.03.90
Place visited: Arzignano, Italy
Field: Tannery Machinery
Companies visited: Poletto, GEMATA, Pajusco Technologie, FBG, GER
and Fenice.

Study tour of Messrs. Mano and Asfaw, Tadagiw, Ambessa Shoe Factory

Period: 25.03. - 03.04.90
Place: Vigevano, Italy
Field: Footwear Machinery
Companies visited: Torielli, Atom, Ormac, Matic, Officine
Meccaniche Romano, Sigma, Secom, Ellegi, Duer,
Sultaning, Giardini and Licia.

Study tour of Messrs. Negash and Fenklew, Awash Tannery

Period: 21. - 30.06.90
Place: Arzignano, Italy
Field: Tannery Machinery
Companies visited: Pajusco Technologie

Study tour of Messrs. Abubeker and Tamiru, Awash Tannery

Period: 24.07. - 03.08.90
Place: San Romano, Italy
Field: Tannery Machinery
Companies visited: Italprogetti

Study tour of Messrs. Kebede and Argaw, Min. of Agriculture/ARMD

Period: 20.04. - 11.05.91
Place: Germany and Switzerland (Europe); Madras (India)
Field: hides and skins improvement

Study tour of Messrs. Mamo, Kifle, Jenna, Asfaw MOA/Extension Officers

Period: 21. - 31.05.91
Place: Kenya, Zambia, Zimbabwe
Field: hides and skins improvement

Study tour of Mr. Tesfaye Arega, Ethiopia TIKDEM, NLSC

Period: 20. - 24.05.89
Place: Philadelphia, USA
Field: XXth Congress of the International Union of Leather Technologists and Chemists Societies (IULTICS)

US/KEN/88/100

Total Training Funds: US\$ 95,200
Total spent until Aug. 91: US\$ 63,278
Total balance left: US\$ 28,922

Fellowship of Messrs. Wabua, Kombe, Mbui and Njoroge

Period: 28.02. - 01.05.91
Place: Politecnico Internazionale per lo Sviluppo Industriale ed Economico (PISIE), Jesi, Italy
Field: leather goods (2) & footwear (2)

US/MLW/88/100

Total Training Funds: US\$ 30,000
Total spent until Aug. 91: US\$ 6,905
Total balance left: US\$ 23,095

Fellowship of Mr. Ndema, Liwonde Tannery

Period: 02.06. - 27.07.91
Place: Leather Institute of Zimbabwe (LIZ), Bulawayo, Zimbabwe
Field: Leather manufacture course

US/SUD/88/100

Total Training Funds: US\$ 34,000
Total spent until Aug. 91: US\$ 4,738
Total balance left: US\$ 29,262

Study tour of Mr. Rahmtalla, MOA/Animal Resources, Extension Officer
Period: 21. - 31.05.91
Place: Kenya, Zambia, Zimbabwe
Field: hides and skins improvement

US/URT/88/100

Total Training Funds: US\$ 85,000
Total spent until Aug. 91: US\$ 9,143
Total balance left: US\$ 75,857

Study tour of Mr. Muyinga, National expert, US/URT/88/100
Period: 20.04. - 04.05.91
Place: Germany and Switzerland (Europe)
Field: hides and skins improvement

Fellowship of Mr. Ndema

Period: 02.06. - 27.07.91
Place: Leather Institute of Zimbabwe (LIZ), Bulawayo, Zimbabwe
Field: Leather manufacture course

Fellowship of Mr. V. Shaf, from Shah Ltd. Moshi, is expected to start by mid September for one year at the Cordwainers College, London (U.K) in the field of Leather goods.

US/ZAM/88/100

Total Training Funds: US\$ 35,000
Total spent until Aug. 91: US\$ 8,757
Total balance left: US\$ 26,243

Study tour of Mr. Sivlapwa, National Expert, US/ZAM/88/100
Period: 06. - 11.05.91
Place: CLRI, Madras, India
Field: hides and skins improvement

Fellowship of Mr. Kida

Period: 02.06. - 27.07.91
Place: Leather Institute of Zimbabwe (LIZ), Bulawayo, Zimbabwe
Field: Leather manufacture course

US/ZIM/88/100

Total Training Funds: US\$ 56,000
Total spent until Aug. 91: US\$ 253
Total balance left: US\$ 55,747

No fellowship/study tour organized so far.

The Tripartite Review Meeting held in Harare on 5 August 1991 recommended that the training funds should be transferred to the equipment BLs (41/42) for the purchase of training equipment for the Leather Institute of Zimbabwe. The industry has agreed in principle to finance the training of personnel.

(e) Inputs: equipment

The equipment for US/RAF/88/100 as well as for most of the associated country projects has been requisitioned.

For the rehabilitation project US/RAF/88/102, the first preliminary studies have been concluded. The machinery for the 1989 portion has been purchased, delivered and installed. Additional studies to select further rehabilitation objects have been conducted in early 1990 and their results have been evaluated. Requisitions for the machinery purchase for selected factories have been prepared and the machines have been purchased for 1990 and 1991.

Total cost of rehabilitation equipment purchased in all projects.

US/RAF/88/102 EQUIPMENT		
TOTAL BL 49-99	TOTAL SPENT UNTIL END AUGUST 1991	BALANCE LEFT
US\$ 3,838,901	US\$ 3,394,256	US\$ 444,645

GOVERNMENT INPUTS

Through sub-contract arrangements with KIRDI, office space and equipment was provided for the Regional Headquarters Staff.

Specific Government inputs of the associated country projects as stipulated in the country documents are in the form of office space and support personnel, particularly in the areas of hides and skins development staff.

The necessary personnel, local installation facilities, and the construction requirements were provided by the industrial recipients.

B. Implementation of Activities

The implementation of activities began in early 1989 by fielding the CTA

and two short-term consultants. This action was carried out through an IDF General Pool financed project UC/RAF/88/200. Funds were advanced which enabled preparatory operations to be undertaken.

The executing agency of the programme is UNIDO and both FAO and ITC are participating as associated agencies. The inter-agency agreements have been duly concluded between UNIDO and the two sister agencies.

At the regional Umbrella project, the programme comprises a series of 25 activities for implementation at both regional and country levels. This is further supplemented by series of specific country activities where some are representing a part of the regional activities and the others pertaining to individual country requirements.

Whilst the evaluation reviewed the implementation of the programme activities as stated numerically in the documents, they are examined here in terms of major groupings of a complementary nature. They are related to inputs' delivery and results, while taking into account the overall project strategy.

(a) MAJOR ACTIVITIES

1. Policy Aspects

These aspects are covered by activities (1 - 3), which relate to the collection of information on existing policy guidelines at country level. Drafts for new guidelines, legislation and development plans are required, which will eventually be submitted to the various Governments.

The information in each country has been collected by the National Experts, and the development conditions in each country were noted. The marketing expert and a consultant were involved in extensive travel within the region which included consultations with government authorities and representatives from industry. They are presently in the process of analyzing the available information and preparing recommendations.

These activities are playing an important catalytic role in supporting industry associations in their policy promotion function. Although the completion of this activity is behind schedule, however, due consideration should be given to the complex nature, wide diversification and often contradictory policies applied to the sector. Another impact of this activity entails the increase of awareness at respective government authorities of the need for sectoral policies tailored to the specific needs of the industry.

2. Hides and Skins Improvement Scheme

This involves the implementation of a group of activities; both at regional and country levels as follows:

(i) Hides and Skins Improvement Seminar (activity 4)

Place: Leather Institute of Zimbabwe (LIZ), Bulawayo, Zimbabwe
Date: 19 - 23 November 1990
Duration: 5 working days

The seminar was started on schedule and the report of the seminar is available. Whilst the seminar has provided an important forum for exchange of experience at regional level, it has produced the following set of recommendations:

- With UNIDO assistance, responsible governmental/ministry departments should formulate incentive schemes to counter the lack of motivation and neglect in hides and skins improvement.
- Governments should encourage the state-owned and private leather industrial sector to be involved in hides and skins improvement through closer collaboration with the hides and skins sub-sector and by facilitating the creation of independent, self-financing entities for the benefit of leather industry development, and where possible, in conjunction with existing trading, tanning, leather associations and institutes.
- Governments should use the funds raised from the levy on hides, skins and leather trades solely for the purpose of hides and skins improvement with the assistance of existing trading, tanning, leather associations, institutes and with international organizations such as UNIDO or FAO.
- As recommended jointly by the UNIDO/National Experts of the Regional Scheme and the Veterinary Departments, Animal health, Veterinary hygiene and Hides and Skins Extension Officers of the target areas should be involved in Hides and Skins Improvement country projects.
- Extension schemes should be organized in each country (and in each target area) in order to establish a standard reporting system on collection, grading and pricing structure.
- The necessity to create associations where they do not exist to act as promotion/inter-professional/lobbying forum to negotiate on behalf of the industry with Governments.
- UNIDO/FAO should encourage/persuade governments to set up slaughter slabs in small towns and in villages as an essential step for hides and skins improvement.

These recommendations were further incorporated in a subsequent FAO, ECDC workshop on Trade in Hides and Skins and Derived Products as held also in Bulawayo where the project had provided substantive support. As the meeting coincided with the fielding of the evaluation team, it provided the opportunity to confirm the importance of the programme's regional approach. The final recommendations of this meeting included the following additional proposals:

- The recommendations of the UNIDO-organized Hides and Skins Improvement Seminar, held in Bulawayo, November 1990, were supported.
- UNIDO should further elaborate on the grading norms of sheep and goat skins and cattle hides and present a draft compendium to the FAO Third Hide and Skin Sub-Group meeting in April 1992.
- The policy recommendations which are presently being elaborated by

US/RAF/88/100 should be presented to the FAO Third Hide and Skin Sub-Group meeting.

- US/RAF/88/100 should be continued and efforts should be made to expand the project to include additional African countries that have applied to join the programme.

(ii) Technical Assistance

The technical assistance in this area comprised a wide range of activities (5 - 12) representing a major component of the overall programme. Delivery has taken place through international experts inputs, sub-contracts and national experts. Training programmes on correct flaying and curing methods as suitable to the local conditions, and demonstration of slaughter facilities and curing conditions occurred. A supply of equipment has been provided by the project for appropriate tools and transport facilities. Guide books and promotional material in the local languages on the value and methods of improved processing, were produced and distributed. Work is continued on the preparation of a grading system, which when completed, should form the basis for the introduction of financial incentives to primary producers. Improvements have occurred in the target areas. However, difficulties have been encountered with these activities, and those difficulties are related to the statistical data gathering process. Target areas are spread over vast areas, and they contain a large number of collection points. Some of the problems involved in the gathering of statistics can be attributed to a lack of transport on occasions, lack of financial incentives and an inefficient statistical gathering process.

The inter-agency arrangements with FAO for the implementation of those activities presented difficulties in co-ordination, as FAO lacked substantive technical support in the Hides and Skins Improvement area. The work of the Subcontractor was terminated, the BSO in conjunction with the project management provided project experts to enable the envisaged activities to be continued.

3. Tanning and Finishing

The implementation of activities in this area have centered around the tannery rehabilitation project with a range of complementary activities both at regional and country levels.

(a) Regional Activities

At regional level, the activities included the work involved in organizing and presenting three regional seminars.

(i) Tannery Machinery Maintenance Seminar (activity 18)

Place: Awash Tannery, Ethiopia
Date: 8 - 12 October 1990
Duration: 5 working days

This seminar was successfully completed on schedule with participation of over 20 tanneries with their chief engineers.

The main conclusions are summarized as follows:

- Scheduled maintenance is a must for successful tannery operations
- Governments and the managements of tanneries should allow sufficient funds and foreign exchange to operate a preventive maintenance system with sufficient "spare parts" in stock
- UNIDO should continue to assist the various tanneries, case-by-case, to install preventive maintenance systems, as demonstrated during the seminar and as operated by Awash Tannery.

(ii) Tanning and Leather Finishing Seminar (activities 14 and 16)

Place: Kenya Industrial Research and Development Institute (KIRDI),
Nairobi, Kenya
Date: 8 - 19 April 1991
Duration: 12 working days

The Leather Tanning and Finishing Seminar was organized jointly by UNIDO/LDC. The facilities of the LDC pilot tannery and laboratories were utilized for the purpose.

The seminar was divided into two parts, namely leather tanning from 8 - 13 April 1991 and leather finishing from 15 - 19 April 1991.

One of the "features" of this seminar was the large amount of samples which were prepared using various types of African raw materials, which were displayed during the seminar. The chemical formulae used for the processing of the materials were presented to the participants in a large formula book and these - rather expensive - samples have now been packed and are ready for organizing national seminars as needed. The presentations of the participating chemical companies have provided the seminar with materials of the highest technical standards.

It is noted that the seminar was carried out in a practical manner and during the lectures, live demonstrations of various tanning and finishing technologies were given. The delegates had to participate in some of the demonstrations and take part in the finishing of the leathers.

All the seminars provided action oriented recommendations to the governments, international agencies and the programme management. Many of these recommendations have been immediately followed up and are being presently implemented.

(b) Country Activities

(i) Special arrangement

The tannery rehabilitation project, financed through an Italian special purpose contribution to the IDF, has provided assistance to selected public or private companies. It has been agreed in principle between the government

authorities concerned, UNDP and the project management that such assistance can be provided to the private companies if these companies pay the value of the machinery supplied by the project in local currency to a fund or a suitable non-profit organization. These funds will be used for further work in hides and skins improvement and/or similar activities in the interest of the country's leather and allied industry sector.

(ii) Tannery Rehabilitation

As already stated, these activities have centred around the tannery rehabilitation project where factories are selected and rehabilitation studies are conducted the programme's regional experts (activities 15 and 17). A model tannery for the region has been selected, a rehabilitation study was prepared and machinery is under purchase. This tannery is a medium-sized Kenyan plant, fully owned and operated by Kenyan nationals. The tannery is called SAGANA TANNERIES and located about 100 km from Nairobi. The local financial inputs for the rehabilitation has been secured through a credit by KIE and by fresh capital from the present owners. It will include an effluent treatment plant.

Additionally, active varying rehabilitation and/or technical advice and assistance is being provided to the following plants:

Awash Tannery	Ethiopia	Public
Ethiopian Tannery	Ethiopia	Public
Modjo Tannery	Ethiopia	Public
Dire Tannery	Ethiopia	Private
Alfa Rama Tannery	Kenya	Private
Sagana Tannery	Kenya	Private
Afro Tan	Tanzania	Private
Moshi Tannery	Tanzania	Public
Morogoro Tannery	Tanzania	Public
Liwonde Tannery	Malawi	Public/Private
White Nile Tannery	Sudan	Public
Afrotan	Sudan	Private
KM 7 Tannery	Somalia	Public
Bata Tannery	Zambia	Private
SIDO Tannery	Zambia	Public
Asaria Tannery	Zambia	Private
Eagle Tannery	Zimbabwe	Private
Belmont Tannery	Zimbabwe	Private
Imponente Tannery	Zimbabwe	Private

Supporting activities are also provided through the services of machine maintenance experts. The companies are also receiving assistance in the installation of the rehabilitation equipment and in the establishment of preventive maintenance systems. (Activity 19)

4. Footwear and Leather Goods

Rehabilitation plans were also formulated for the companies listed below. The implementation programme was completed.

Anbessa Shoe Factory	Ethiopia	Public
Universal Leather Goods	Ethiopia	Public
Pachar Company	Kenya	Private
Kamra Shoe Factory	Zambia	Private

Footwear and Leather goods experts have been involved in the implementation programme. Technical consultations also occurred in other companies. (Activities 20 and 21)

5. Effluent Treatment

A model effluent treatment plant is to be established in Kenya at Sagana Tannery with project assistance. The final design has been prepared and approved by the Kenyan Water Department. The primary treatment part is planned to be operational by first quarter 1992 and the regional tannery effluent treatment seminar is planned to be conducted in Nairobi in early 1992.

In addition to the above, the following tanneries have received direct assistance in effluent treatment:

Alfa Rama Tannery	Kenya
Afro Leather	Tanzania
Afrotan	Sudan
Asaria Tannery	Zambia
Kitale	Kenya

In this respect, an international expert was recruited to appraise the existing situation of the effluent treatment plants in above-mentioned tanneries, and to suggest, in the current situation, how improvements could be obtained. (activities 22 and 24)

6. Marketing

Activity (23) - which is the responsibility of ITC through an inter-agency agreement - pertaining to marketing aspects has been reviewed in relation to the prevailing conditions in the sector. Most of the industrial activities are oriented to semi-processed leathers. Marketing inputs are not required at the present stage of development. Several prerequisites are still missing including: availability of quality finished leather and components as well as product design and adaptations. Therefore, the scope of this activity has been adjusted to focus on strategies and policies matters in preparation for subsequent activities.

7. Joint Verture

This activity (25) has been initiated through consultancy input where an assessment has been made of the prevailing conditions and possibilities for foreign collaboration which would focus on trade and technical agreements. A plan of action has been developed for the organization of a regional meeting involving African and potential European partners. In co-ordination with UNIDO/IPS Cologne, a plan has been made for the meeting to take place in Spring 1992 in conjunction with the Pirmasens Leather Fair. A joint stand will be prepared for display of selected products range from the region. This activity will provide valuable market feedback.

(b) INSTITUTIONAL ACTIVITIES

In the course of implementation, the programme activities have been extended to provide assistance to the existing leather institutions within the region.

1. The Leather Institute of Zimbabwe (LIZ)

LIZ was established in 1985 as a result of a joint undertaking between the leather and allied industries private sector, and the meat and hides/skins corporations. There are 33 different groups or bodies involved. Its primary purpose is to serve the hides/skins and leather industry. The institute owns its premises, operates an hides and skins improvement programme and extends routine physical, chemical and microbiological testing facilities to the industry.

LIZ is efficiently managed and operated. The project national expert chairs the institutes council and executive committee. Physical infrastructure consists of a pilot tannery with modest equipment, physical/chemical/microbiological testing laboratories, hides curing facilities as well as library and lecture rooms. Training programmes of LIZ are focussed on hides improvements where more than 300 rural area workers have completed training courses which last for one week. One course is held per month.

Although a basic infrastructure has been established, LIZ needs to consolidate further in order to meet the growing needs of the sector particularly in the areas of finished goods. The programme has provided assistance and expertise to LIZ for the setting up and operation of a CAD/CAM system in order to provide computerized footwear design/pattern making services to the industry including training facilities. Equipment and expertise have been also provided for setting up a training unit for leather goods. However, further training facilities are still needed to support developments in the footwear sub-sectors. The mission noted that further staff are required at LIZ with expertise in tanning, footwear and leather goods. The training services of LIZ are being provided to neighbouring countries in the region.

2. KIRDI - Leather Development Centre (LDC) - Nairobi

The Leather Development Centre (LDC) in Nairobi, Kenya, established and strengthened by projects US/KEN/78/204 and US/KEN/84/163 and bi-lateral assistance, is now equipped with a pilot tannery with equipment capable of processing raw hides and skins to finished leather, a leather quality control laboratory, a leather goods design and production unit and a pilot tannery effluent treatment plant.

The Centre was designed as a multi-purpose institute to provide direct assistance to the Kenyan leather industry in the improvement of the leather processing and product development. This includes physical testing and chemical analysis of leather, effluent analysis and pollution control advice. The tannery is well equipped and capable of processing leather from the raw to the finished state.

A small leather goods design and production unit was set up by the present regional programme to provide assistance to the leather goods industry by training future technicians and designers in modern leather goods manufacturing.

However, many problems have been encountered over a long period, and the full potential of the LDC remains to be realized.

During the mission's visit to the LDC it was apparent that important developments were now in progress. Discussions have taken place over a long period concerning the autonomy of the LDC. This has now been granted, and the LDC is now performing as a separate entity within the KIRDI organization and will operate its own financial accounting system.

The appointment of a new manager has clearly produced an improvement in the situation. The efficiency of services has improved through a reorganization as recommended by the project and by the introduction of a system which ensures that each individual records the amount of work performed daily. The leather industry is now utilizing the services of the LDC. There is no doubt that the UNIDO Tanning and Finishing Seminar, which was held in the LDC from 8-14 April 1991, has had an effect. Relations with the industry have also improved through the appointment of a representative of the Kenya Association of Manufacturers to the KIRDI board, and the LDC is elected as a member of the Kenya Tannery Association.

LDC is now beginning to produce results and earning large part of its income from services provided to the industry.

(c) OTHER PROGRAMME RELATED ACTIVITIES

The programme has initiated during its implementation the following activities which are of interest.

1. Revolving Funds

During the implementation of the rehabilitation programme a revolving fund system was developed by the project. The companies assisted pay the equivalent local currency cost of equipment provided into a revolving fund over a set period of time. The money is then used by the participating industry associations/institutions to support hides and skins improvement or related schemes. The modus operandi is explained in detail under Chapter V (Lessons Learned).

As an example, in Zimbabwe, the Belmont, Eagle and Imponente tanneries, are paying the equipment supplied by the US/RAF/88/102 in Zimbabwe dollars to the Leather Institute of Zimbabwe (LIZ). Ten equal instalments will be paid over a period of ten years. Transport costs of the machinery are paid by the tanneries.

UNIDO/Leather Unit has already instructed UNIDO/Purchase Section to initiate procedures for the transfer of the title of the equipment to the LIZ institute. The agreement is such that LIZ will transfer the title to the tanneries, when the final payment has been made.

The LIZ has already received the first instalment from the tanneries as

agreed.

From these proceeds a special revolving fund was created to be used for further hides and skins improvement activities in Zimbabwe. Such activities may include organization of hides and skins improvements seminars, introduction of new collection points, purchase of improved flaying tools and equipment, as well as remuneration of international and local experts on special short-term improvement activities. The fund is to be under the joint control of the director of LIZ, the president of the Tanners Association, and the Permanent Secretary of the Ministry of Industry.

Similar arrangements are underway for the implementation of the revolving fund system and the same in other countries and the same rules and procedures will be adopted by the project.

2. Women in Development

The integration of women in industrial development is one of the main elements in UNIDO's medium-term plan 1990-1995. Initially the programme did not provide for resources to address this issue. Subsequently, the need to give special attention to this issue was recognized. Resources have now been obtained from Germany to finance an expert in this field. It is anticipated that the work of the "women-in-development" expert which has just begun, will identify appropriate measures and activities which will enable women to fully benefit from the programme. In this respect, the expert has concluded her preliminary visits to the associated countries. However, it is expected that major initiatives to support the integration of women can only be realized in the next phase of the project when the detailed actions needed to be undertaken will have been identified. The women in development expert funding has been secured until May 1993.

3. Regional Leather and Leather Products Institute (LLPI), P.T.A., Addis Ababa

On the special request received from the PTA Secretariat UNIDO has prepared the Project Document US/RAF/91/033 for the establishment of the LLPI in Addis Ababa. The financing of that project is subject to possible contributions from donor countries. The Government of Ethiopia has set aside the land for the Institute. The National Leather and Shoe Corporation (NLSC) has already prepared the civil engineering designs.

The institute is expected to serve the PTA regional requirements for the entire sector.

(d) IMPLEMENTATION PROBLEMS

1. Experts Inputs

Judging from the information obtained from their resumes and reports produced, the quality standard of 32 International Experts and 6 National Experts was of a very high standard.

However, the mission noted the difficulties encountered with the implementation of the large personnel component particularly in recruiting qualified international experts. The exceptionally tough travel schedules does not attract long-term experts. This has been remedied by certain changes in the expert component by hiring more short-term experts.

2. Administrative Support

The implementation of the programme components has demonstrated the need more administrative support than had been originally envisaged - in Africa and at UNIDO headquarters.

Various administrative difficulties have been encountered connected with experts travel and financial arrangements, equipment delivery, and limited local purchase authority.

3. Inter-agency Co-operation

FAO is one of the associated agencies of the programme. Through an inter-agency agreement funds were transferred to FAO to carry out the following activities by FAO experts (activities 5-12):

- Hides and skins improvement in co-operation with local experts, sub-contractors and local organizations concerned, in the various countries to establish/rehabilitate/assist the hides and skins improvement schemes.
- Translate into local languages and arrange printing of materials such as guide books, grading norms, butcher and flayers' licenses etc.
- Work out suitable grading system for the various countries, taking into consideration the individual needs of the countries; raw material base and socio-economic situation. This work is to be carried out in co-operation with the local authorities, trade and the sub-contractor concerned.
- Elaborate a framework for a suitable incentive system for primary producers, hide collectors etc. for the various countries. The individual characteristics and needs of each country must be taken into account.
- Procure tools and implements needed for the hides and skins improvement scheme, distribute and instruct on correct usage.
- Conduct local training courses for hides and skins improvement officers, butchers, flayers etc. These courses are to be conducted in co-operation with the sub-contractor's personnel in accordance with the contract's terms of reference.

It should be noted that the co-operation with FAO has not functioned satisfactorily at the HQ level. One of the reasons is certainly the bureaucratic structure of the UN system which makes co-operation most cumbersome. The main reason is, however, the fact that FAO has no technical officer with competence in hides and skins improvement which belongs to the formal competence area of FAO.

During the initial project design stage FAO had a technical officer with whom the UNIDO leather unit co-operated with, and who also represented FAO in the UNIDO leather panel. However, after his retirement the post has not been filled.

Up to now not a single report has been received from FAO and the UNIDO CTA had to travel to Rome at UNIDO expense to discuss project implementation problems. The BSO has visited Rome on two occasions in connection to similar problems.

This situation seems to prove that the inter-agency co-operation within the UN system is very difficult to achieve during the implementation of a programme of this type.

4. Sub-contracts

The implementation of the sub-contracts awarded to Ewbank Preece Ltd. were only partly effective as shown below:

The following three (3) seminars were satisfactorily implemented:

- (1) Tannery Machinery Maintenance (Addis Ababa)
- (2) Hides and Skins Improvement (Bulawayo)
- (3) Leather Tanning and Finishing (Nairobi)

The Effluent Treatment Process component was partly only implemented, as the plan proposed by the Ewbank Consultant for the Sagana Tannery in Kenya was not realistic. This part of the contract was discontinued.

The Sagana Tannery rehabilitation project was not satisfactorily implemented. The tannery did not provide the correct information and details prior to the feasibility study. A consultant was recruited by the project to obtain the correct information. A new feasibility study was prepared by a UNIDO Consultant.

A Ewbank Preece draft report on a Hides and Skins Improvement Scheme was circulated to the National Experts and FAO Consultants to obtain their views of the Ewbank Preece performance. In general there were negative reactions from the programme field personnel towards the performance of the subcontractor. This included the CTA, international consultants and the national experts. A decision was then taken to terminate their services.

CHAPTER III: PROGRAMME RESULTS

A. Outputs

Output 1

"Improved policy guidelines and industrial strategy for the development of the region's hides and skins, leathers and leather products industry development. This output will be in the form of a regional document, specifying firstly, the regional aspects and secondly the individual country aspects."

The marketing expert and a consultant are presently in the process of analyzing the available information and data and preparing recommendations. Information and statistics have been collected in relation to

- (1) World situation and future prospects
- (2) African, Regional and Country situations and future prospects
- (3) Trade patterns
- (4) Production
- (5) Statistical data from each area
- (6) Government policies and strategies
- (7) African cultural patterns
- (8) Constraints regarding quality, pricing structure, productivity, delivery time
- (9) Environment (Effluent treatment)
- (10) Recommendations

At the ECDC Workshop on Trade in Hides, Skins, and their derived products at Bulawayo, it was stated that the industry was confronted with a multitude of serious problems at all processing levels. It was agreed that a number of measures would need to be taken in terms of production, transformation and marketing at the national, regional and wider international level. It was suggested that the review of policies currently governing the sector should also lead to a non contradictory policy framework including coherent fiscal taxation and subsidization measures applied to external trade in the hides, skins and derived products sector.

Clearly the production of this document is of extreme importance in improving policy guidelines and determining the industrial strategy for the development of the leather industry in the region for future years. The completed document will be presented at the FAO Third Sub-group Meeting on Hides and Skins improvement which will be held in Rome in April 1992.

The document will be completed during the first phase of the project, and the findings will be utilized for the second phase of the project.

Output 2

"Established and/or rehabilitated, well operating national hides and skins leather and products improvement schemes with trained flayers, skinning and hides and skins improvement officers, and better tools and chemicals for conservations. The various country schemes are described in detail in the individual country documents."

It is obvious from the countries visited, that a considerable amount of training has occurred since the implementation of the project. In Zimbabwe, over 500 Agritex and Veterinary staff have attended training courses, which cover all aspects of the output, such as correct animal practices, branding of animals, slaughter floor practices, handling, grading and preservation of hides. Similar course have also been held in Kenya and Zambia, and in the other countries involved in the project.

As a result of project financial grants, flaying knives and chemicals have also been made available, and this factor has also contributed to the improvement in quality in the target areas. In the Kiambu target area in Kenya, improvements in quality represent an increase from (1st grade) 30% to 55%. Improvements have also occurred in Zambia and Zimbabwe.

The output is in the process of being produced.

Output 3

"Improved statistical intelligence. A uniform statistical country report will be provided periodically to the regional office for analysis and transmission to UNIDO/FAO/ITC for further monitoring and dissemination."

The results obtained under this output are not satisfactory. Efforts have been made by the programme management to collect statistics, but have mainly concentrated in the target areas. There is no systematic follow-up of the output in the regional Headquarter in Nairobi or in Vienna. The project management are aware that this output will be difficult to produce and that additional efforts are needed.

The UNIDO Leather Unit have initiated discussions with the PPD/IPP/Statistical Unit regarding the possibility of organizing and preparing a project for the improvement of the statistical process. Information already available within the Leather Unit and the data collection capabilities within the sector will be used. The project will be administered by the Statistics Unit and the Leather Unit. The project concept is available (see Annex III)

This output will not be produced at the end of the project, but is expected that a pilot scheme will be operating in selected countries. It is anticipated that the implementation of this output will occur in the second phase of the project.

Output 4

"Improved quality of raw hides and skins through incentives to primary producers and a realistic grading system based on a well operating hides and skins improvement scheme (as per output 2). The quality monitoring is closely connected with the improved statistical intelligence and the results of this output will be judged on the basis of the statistical data on pricing and grading to be collected under output 3."

FAO is one of the associated agencies of the US/RAF/88/100 programme. Through an Inter-Agency Agreement, funds were transferred to FAO to provide specific services.

Two of the services were as follows:

- (1) To prepare a suitable grading system for the various countries, taking into consideration the individual needs of each country's raw material base and socio-economic situation. This work is to be carried out in co-operation with the local authorities, trade and the sub-contractor concerned.
- (2) To elaborate a framework for a suitable incentive system for primary producers, hide collectors etc, for the various countries. The individual characteristics and needs of each country must be taken into account.

The grading system has not yet been completed. The framework for a suitable incentive system for primary producers has not been produced.

The programme management formed a working party headed by Mr. J. Berg. They have been working for some time on the preparation of a grading system that will cater for each country within the project. During the seminar on Hides and Skins Improvement in November 1990 in Bulawayo, a draft standard for a grading system was presented and approved. During the Workshop in Bulawayo in July 1991, draft guidelines for the grading of trimmed skins, prepared by the Programme Management were accepted. It was also suggested that this grading system should be further elaborated and expanded to include the grading of hides. UNIDO will present a draft compendium to the Third Hide and Skin Sub-group Meeting in April 1992. ICB will be present at the meeting. This International Commodity Body, who are authorized to negotiate with UNCTAD, are the only functioning body with authority to decide on the relative merits of an international grading system for the region.

Output 5

"Increased collections of raw hides and skins. The increased quantity is expected to be achieved through minimizing waste and through providing suitable incentives to the primary producers. The results of the output will be monitored through the statistical intelligence to be collected under output 3."

Improvements are beginning to occur in the target areas. However, this output is linked to outputs 3 and 4 which need to be completed prior to the realization of output 5.

Output 6

"Rehabilitation plan for selected tanneries and shoe factories for improved productivity and trained personnel. The factories to be selected for the rehabilitation programme are described in more detail in the individual country documents. To facilitate monitoring, the base line situation of each selected factory will be established prior to starting the rehabilitation programme."

The rehabilitation programme has been extremely successful. Financial and expert assistance were provided in all of the companies supported. Results from some of the companies are as follows:

Imponente Tannery (Zimbabwe)

The total cost of the Imponente Tannery operation was US\$ 1,220,330. The UNIDO contribution amounted to US\$ 538,734.

The work flow in the tannery has been improved considerably. There have been energy and waste savings. Resulting from the introduction of Fleshing and Spraying machines, there has been a reduction of 13,6% in the amount of salt used and a reduction of 30% in finishing products and pigment. Productivity per person has increased from 103 sq.ft. to 136 sq.ft. per day. The total weekly production has increased from 13,500 sq.ft. to 18,000 sq.ft. The processing of hides can also occur with the new machinery. Consequently new products can be developed, with the possibility of export and foreign exchange earnings.

Belmont Leather Tannery (Zimbabwe)

There has been a 21% increase in output. Overtime has been eliminated except for machine breakdowns. Energy savings have occurred. Materials are more uniform in substance with less rejects. The area yield has increased by 12%. The quality of high grade leather has increased by 10%.

Awash Tannery (Ethiopia)

The National Leather and Shoe Corporation contributed US\$ 1,700,700 towards the investment. The UNIDO contribution was US\$ 834,042. The production format has changed as a result of the investments and expert assistance. The company has progressed from "wet blue" production to crust and partially to finished leather. Additional foreign earnings can be obtained as a result. The production flow and factory layout has been improved. Resulting from the installation of a new retanning drum, the daily output has increased by roughly 18%. Quality has improved, and the number of damages has been reduced considerably. There has been a reduction in the chrome salt consumption. The improved drying process is capable of processing 4,000 skins daily, as compared with 800 in three days.

Ambessa Footwear Company (Ethiopia)

The UNIDO contribution amounted to US\$ 223,296. Prior to the rehabilitation programme, the daily production at Ambessa amounted to 1,400 pairs in two (8 hour) shifts. Resulting from the rehabilitation programme and expert assistance, the company is now producing approximately 2,200 pairs in one (8 hour) shift.

Bata Tannery (Zambia)

The Bata Tannery has also been assisted through the provision of machinery and expert assistance. Due to antiquated machinery and maintenance problems, the company was achieving 70% only of the specified production target. Since this tannery was the main supplier of upper materials, footwear manufacturers encountered serious difficulties in obtaining the amount of upper material needed to meet the customer demands for footwear. Resulting from the rehabilitation programme Bata has increased production from 70% to 100% of the required target. This has clearly benefitted the entire footwear industry.

Pachar Shoe Company (Kenya)

This company has been assisted with some closing and making machinery. The company manufacturers men's medium priced shoes, and the production total was increased to 500 pairs weekly. Many of the operations are being performed manually, but the productivity is high. Clearly the UNIDO input has assisted in achieving the success that is now being attained.

This output has been achieved.

Output 7

"A well functioning model effluent treatment plant located in a suitable tannery for demonstration and training purposes on a regional level."

The installation of the model effluent treatment plant at Sagana (Kenya) is in the process of being installed. A UNIDO Consultant modified the initial feasibility study. The required machinery was ordered. The machinery is now available. The civil works programme has been initiated.

The project has also assisted several tanneries in solving their effluent treatment problems. The tanneries involved are:

Afro Leather	Tanzania
Alpharam Tannery	Kenya
Bawazir Tannery	Kenya
Afrotan Tannery	Sudan
White Nile Tannery	Sudan
Khartoum Tannery	Sudan
Asaria Tannery	Zambia
Kitale Tannery	Kenya

The output is in the process of being achieved.

Output 8

A list of suitable, technical and/or joint venture partners for the various African tanners and leather products manufactures. Through meetings, contacts between individual potential partners to discuss concrete collaboration opportunities. At least one meeting will be organized in each participating country.

Work has already begun in the establishment of business relations between potential partners within the region and the industrialized countries. It was recommended by the senior consultant engaged on this project, that this output should be modified. It was suggested that one centralized co-operation meeting should be held in Nairobi. However, as a result of discussions with UNIDO Investment Promotion Service in Cologne, it has been decided that both organizations will organize a combined export promotion exhibition. A meeting will be held to identify suitable technical, marketing and joint venture partners. The exhibition meetings will occur in Pirmasens, during the Leather Fair in Spring/Autumn 1992. The African companies will be selected on the basis of product quality and export potential.

A joint venture partnership is being encouraged to initiate a Nile perch skin tanning process in Kenya. A fish skin tanning consultant has been recruited to assist KIRDI/LDC in achieving an internationally acceptable quality standard of fish skin leather finishing. It has been recommended that KIRDI/LDC should initiate a small production programme of 200 skins in the initial stage. The consultant has advised LDC in relation to the production processes. Negotiations for a joint venture with an Australian company (Neptune Leather) are ongoing.

The mission, in assessing progress under this output, were informed of a programme of industrial co-operation within the region and an overseas association. Technical assistance was provided by the project during the programme. The details are as follows:

- A university in Finland, willing to assist in financing a programme to enable African Manufacturers to sell African footwear products in Scandinavia, contacted the leather backstopping section at Vienna. The type of samples required were presented.
- The representative of the university was informed by the BSO that some companies were available that were capable of producing the required products. Two companies were chosen in Zimbabwe. The representative was informed, that a UNIDO expert, working in Zimbabwe would assist during the manufacturing of the samples.
- It was necessary to modify the lasts and produce new designs. The modifications were produced quickly by the manufacturers with the assistance of the project expert.
- The samples were received at the university in Finland. The representatives were extremely impressed with the manufacturing quality, and the speed at which the samples were produced. The quality of the leather finish needed to be improved.
- The BSO and Project Management decided that the project expert in leather finishing, who was already in Zimbabwe, would improve the leather and eliminate the problem.
- The buyers in Scandinavia have now agreed on prices and delivery date. When the leather problem is removed the manufacturing process will begin.

The benefit of the leather programme approach was clearly evident during this exercise. UNIDO was certainly identified as an Organization that is involved in the promotion of industrial development in the African Region. Since the programme covered both leather and footwear products, it was possible to deal speedily and efficiently with the problems involved with leather finishing and the footwear manufacturing process. The flexibility of the programme enabled the BSO to quickly provide technical assistance to the two companies. The results of the exercise also suggests that the quality of the technical assistance was of a high standard.

B. Achievement of the immediate objective(as stated in the ProDocs.)

(a) To establish a regional pilot scheme, and to demonstrate in practical terms, the process of hides and skins improvement from butchering and flaying to conservation, grading and collection.

Pilot schemes in target areas have been established in all of the countries involved in the project. The project has provided equipment and transport. Training programmes in Hides and Skins Improvement have been ongoing and they have contributed to the success that has been achieved to date. It is anticipated that the grading system now being prepared by the Project Management will be finalized at the Third Hide and Skin Group Meeting in April 1992. However, the immediate objective cannot be completely realized until the grading system has been implemented.

Difficulties have been encountered in the collection of statistics. The operation is normally performed by the Government Counterpart Agency. Lack of motivation has occurred because of financial and transport problems. The timing of collections, the location points and the organizational structure of the statistical data collection systems are areas that need to be examined by the Government involved, with the assistance of the programme management.

(b) To act as catalyst to national authorities to introduce incentives for improved quality performance.

Although financial incentives are used in the leather industry on occasions, by local tanners, it is a fragmented approach with varying forms of financial incentives.

Success in this area can only be achieved when the Leacher Associations in each country, with the assistance of the project, develop a framework for a suitable financial incentive system. This is a critical factor involved in the Hides and Skins Improvement Scheme.

The implementation of a financial system will ensure that quality improvements occur. Further strengthening of the tanning/finishing capacities will also create an additional pressure to obtain the quality improvements.

(c) To rehabilitate existing infrastructures and selected tanning and processing plants by increasing their efficiency and capacity utilization, upgrading technical standards, operational methods and skills, product quality and marketing performance, as well as knowledge of those attached to these industries at various levels starting from primary producers.

The Rehabilitation Programme has been successful in many areas. Production flow resulting from an improved layout has occurred in many of the companies visited. There has been a reduction in the amount of chemicals and salt used because of the introduction of more modern machinery. Productivity has increased, and there has been an increase in the material yield. The quality standards have increased. Training has occurred at all levels.

Development Objectives

The development objective is to contribute to the employment of the regions and the participating countries economy, create new employment opportunities, improve export performance, increase the income of primary producers, and provide the international leather and leather products market with additional semi-processed raw materials and finished products.

The project has contributed to the economy of the existing countries, and new employment opportunities have been created. The improvements to date, in the Hides and Skins Improvement Scheme have begun to provide increased quality and output. The Rehabilitation Programme has also created an improvement in quality and increased output. Work has begun on a programme to produce grading and financial incentives for primary producers.

However, it will be necessary to continue the improvements with emphasis on the development of leather and leather products.

CHAPTER IV: CONCLUSIONS

(1) In spite of the vast complexity of the pilot scheme, it has been successful in many areas, particularly in relation to the Leather and Leather Products Rehabilitation Programme. This success has created considerable good will in the participating countries towards the programme and UNIDO. It has created an awareness that there is need for change and improvement, and clearly the pilot scheme is being viewed as the catalyst to assist in creating the changes.

(2) The programme was designed in such terms that it allowed a certain amount of flexibility. Part of the success of the programme can be attributed to the ability of the backstopping officer and programme management to change course when necessary, to achieve the required result and to be able to do so without undue constraint.

It was this flexibility that allowed the backstopping officer and the programme management to diversify and to create the "Revolving Fund", which enabled tanneries to obtain modern machinery, which could not otherwise have been purchased, due to lack of foreign exchange. Repayments, over a ten-year period, to the "Revolving Fund" will be used for the improvement of the Hides and Skins Improvement Scheme (description of "Revolving Fund" process, see Chapter V: Lessons Learned).

Co-operating Leather and Leather Products Associations, who manage the fund, now have the financial means for the next ten years to concentrate on and develop the Hides and Skins Improvement Scheme.

(3) Most countries within the region lack a coherent sector-specific policy for the industry. It is necessary to increase government awareness of the sub-sector's needs, and the effects of government legislation. Tariff, non-tariff, fiscal and non-fiscal measures, besides a wide range of governmental rules and regulations, are affecting the profitability of the industry and its ability to sell on the domestic and international markets.

A Leather and Leather Products Association is needed in each country within the region which represents all of the activities that are related to the production of leather and leather products from primary producers to retailers. This ensures that the views expressed in discussions with government are the clear distinctive views of the unified industry. It eliminates the fragmentary views of small groups within the industry who, in discussions with governments, present different views and varied interests. The associations can assist governments in formulating realistic policies for promoting progress in the sector.

The project has already recognized this factor and has ensured that these associations should administer the "Revolving Fund" wherever it was possible to do so. Two of the national experts are members of their respective associations. Each national expert should be a member of the association within his country. Close co-operation with local associations will help ensure that a mechanism is established to carry on with the leather industry development programme initiated by UNIDO.

(4) The documents for the improved policy guidelines and industrial strategy for the development of the regional hides and skins, leather and leather products industry development will not be available until the end of the current phase.

Although more progress could have been made, if the document had been available earlier, the mission concluded that, since there was a need for a rather extensive survey of the conditions that exist and the policies and strategies that currently prevail in each country within the region, it would not have been possible to produce this document at an earlier time.

The experience gained with the industry during the implementation of the project will have assisted in the formulation of more realistic strategies and policies specified in the project documents.

(5) During this first phase of the project, problems have arisen on some occasions, because of long delays in the arrival of machines and auxiliary items at the specified destination. The project personnel were aware of the delays, and were constantly discussing the problems with the authorities concerned. Mainly the local UNDP offices, which were identified as the main bottlenecks for the delayed custom clearances and slow inland transport. There is a need to reach agreement with UNDP offices on a clearly structured follow-up system which should ensure that the parties concerned are notified of the dates and location from which goods are despatched, and the due date of arrival at the specified destination.

(6) Improvements have occurred in the target areas in the Hides and Skins Improvement Scheme. This is clearly visible from the latest statistics. However, progress has fallen short of expectations, because of various problems.

As both the subcontractor and FAO failed to produce grading and incentive systems which was a pre-condition for success, it was necessary for the UNIDO project team, although not in the original plan, to begin work on the production of those systems.

Clearly the introduction of these systems earlier, would have accelerated the improvement process.

A constant improvement occurs in the quality of flaying and curing, when regular visits are made by the government officials to the target areas. This does not always occur because of lack of transport, motivation and other factors.

(7) Information between the national experts, the CTA at Nairobi, and the project management at Vienna may be relayed when necessary by telephone, fax or telex.

A system of "progress reports" also exists. The reports are produced by the national experts, for the CTA at Nairobi and the BSO at Vienna. The information on those reports may vary from country to country. The reports are often produced at different times during the month, and on occasions the period between reports may vary.

The mission concluded that a more structured system could be introduced on a monthly basis.

(8) It was concluded by the mission that despite the termination of the subcontract, due to a resourceful BSO and a flexible project management, many of the subcontract outputs are in the process of being achieved.

(9) The mission concluded that although there exists a flexible management structure at the backstopping section, it is evident that the work load is now excessive, and that it will continue to increase, as two extra countries are added to the project in the second phase. The success of the backstopping section can be attributed to the BSO, whose knowledge of the industry, his personality and leadership qualities have all contributed to the success. It is extremely important that this section is increased to the required level. It is necessary to employ knowledgeable and competent personnel who can be moulded into an existing successful unit.

Within the region it is also evident that extra trained personnel are required, for a second phase of the project. Ten countries will be involved. It is important that the National Experts are visited each year, and that all project activities within the country are examined on those occasions. Emphasis on the Hides and Skins Improvement Schemes will require an extra input on a longer term basis. Assistance in forming Leather and Leather Goods Associations and strengthening the existing establishments will create an extra load. The administrative section at Nairobi will require extra personnel, as the term of the current occupant of the post is almost complete.

The mission concluded that the backstopping unit has reached their absorptive capacity.

(10) On a regional basis, a number of meetings were arranged for the national experts in which common problems were discussed. They also had the opportunity to visit various countries within the region. The three seminars, held in different countries, with many participants from the region, also complemented the regional aspects. The mission concludes that the project has created greater awareness in the region of possibilities for co-operation especially in the field of training, exchange of expertise and eventually industrial co-operation agreements.

(11) The mission is of the opinion that the project US/RAF/88/100 had been successful in many areas. The Rehabilitation Programme was a notable success. In this instance, the entire programme was organized and executed by the UNIDO agency. The approach with FAO in the target areas of the Hides and Skins Scheme had produced some improvements, but the rate of progress was less than had been expected, and there were problems which forced UNIDO to provide most of the backstopping support in this area.

(12) There were problems encountered at the approval and early implementation stages, mainly associated with difficulties in obtaining official government requests and clearance of counterpart inputs. The problems occurred in the Programme approach project because of the involvement of three government

ministries. Co-operation between the ministries is extremely cumbersome. Governments are unaccustomed to the Programme Approach Project structure and are often reluctant to take decisions. Excessive time can be spent by the programme management and many difficulties encountered in attempting to solve the problems.

(13) The mission concluded that the programme's implementation did not always operate smoothly between the UN agencies. The difficulties were created by the fact that currently, FAO do not employ a technical officer who is knowledgeable in the Hides and Skins area. The mission concluded that it is necessary for an appointment to occur prior to the introduction of the second phase.

(14) The good will towards the programme has been exceptional within the leather and leather products industry sector in the African countries and within the international leather community. The programme results and achievements have been extensively publicized in local and international branch papers and in the mass media including TV. Requests from other African countries to be involved in the project have also been received. Requests have also been received from the International Leather Community to co-operate with the programme.

CHAPTER V: LESSONS LEARNED

UNIDO Programme Approach

- UNIDO's System of Consultations generates a broad range of recommendations concerning development opportunities and constraints. The leather programme in Africa demonstrates that they can be translated into a programme of action which effectively follows up on these.
- The leather programme has developed good approaches for establishing close working relationships with industry on a partnership basis.
- The programme, albeit with difficulty, has demonstrated that up and downstream linkages critical to successful sectoral development can be addressed by UNIDO which under standard technical co-operation projects are not given due attention.
- Such programmes can contribute to the promotion of a regional community of interest in a particular sector willing to share experiences and know-how. The central guiding and facilitating role played by UNIDO in this is indispensable and well appreciated.
- Innumerable implementation hurdles and problems were encountered by UNIDO and its programme counterparts in the countries concerned. Through the hard work, tenacity and flexibility the strong UNIDO backstopping section has overcome most of these. No government agency, UNDP field office, industrial association, sub-contracted consulting company could have resolved them on its own.
- There is still a lack of understanding within UNIDO and amongst the donor/financing community of what a programme approach actually entails. Guidelines are required, particularly with respect to programme design, formulation and implementation.
- Integrated programmes may call for UN inter-agency co-operation in designing and implementing them. Guidelines will need to be developed to facilitate co-operation and to minimize potential conflict.
- Standard financial control and reporting systems for in-house and donor/financing agency management purposes are needed.
- Co-ordination of activities to implement the programmes require a great deal of extra work normally not encountered with traditional technical co-operation projects. Programme budgets should include provisions for strengthening UNIDO administrative backstopping staff both at UNIDO and at the regional headquarters for the sake of efficient implementation and to enable technical staff to provide more substantive support to the programme.
- Programme field staff, national experts and/or national programme coordinators must be well versed in UNIDO/UNDP's mandate and role; administrative and financial practices, and monitoring/reporting systems. Special training should be provided at the earliest possible time, preferably at UNIDO headquarters.

- In a regional programme better implementation control and flexibility can be exercised by UNIDO with respect to expert selection and assignment to those countries that are ready to make maximum use of their services.
- UNIDO's active technical presence in the region allows it to identify and respond quickly to emerging needs such as investment and technical advice.
- Regional programmes foster TCDC through regionally conducted technical training seminars.
- The regional seminars conducted under the programme was effective in disseminating programme findings and results to government authorities, industry and other agencies.
- The leather programme has demonstrated that UNIDO can provide a broad range of assistance to private industry through industrial associations while closely co-operating with government. The approach could serve as a model for other UNIDO programmes.

This project has been most efficient and effective in countries where close co-operation with the local leather association has been established. UNIDO can only catalyze and facilitate sectoral development in the countries concerned. In the long run industry itself will need to be in a position to develop and implement its own support programmes. Industrial associations can play an important role in this area. UNIDO should systematically support associations to develop such programmes and to assist implementing them whenever external assistance is required.

- One interesting equipment supply modus operandi developed by the programme is as follows:

The recipient country government approves the assistance to the private sector.

The recipient country should have an established non-profit organization such as a leather institute, a leather association or a chamber of commerce which is authorized to receive assistance from international organizations (as for example the Leather Institute of Zimbabwe).

The private industry which will benefit from project inputs provides a letter of commitment to co-operate as well as a letter of intent to repay the funds in local currency to a trust fund to be established.

After the rehabilitation or feasibility study has been carried out and approved, the machinery will be ordered in accordance with the normal UNIDO practice including the international bidding procedure. After the machinery has been delivered and installed the title of the equipment will be transferred to the local organization. The local organization makes a leasing agreement with the end-users and the end-users make their repayments in local currency to the institute's trust fund to be used for hides and skins improvement, training and testing etc. This leasing agreement should be formally drawn up by local lawyers according to the local law practice. It

should be noted that this agreement is a local arrangement between the chamber or institute and the end-user and not an agreement between UNIDO/UNDP and the end-user. The agreement should, however, be approved by UNIDO.

It is proposed that the trust fund be controlled by a committee consisting of the institute's director, the chairman of the tanners association, the UCD or UNDP resident representative, representatives of ministry of agriculture and ministry of industry. Local variation in the committee membership is possible. The funds can be used only for hides and skins improvement projects or similar activities within the country.

This type of approach could be applied to various rehabilitation projects including the privatization of para-statal.

CHAPTER VI: RECOMMENDATIONS

(1) It is recommended that the Hides and Skins Improvement Scheme should continue and that the Leather Associations, in conjunction with the Programme Management, should implement a financial incentive and grading system. This should be the main priority in the initial instance. Once improvement schemes are deemed to be fully operational in the respective target areas, studies should be undertaken to evaluate the schemes and recommend possible expansion to new target areas incorporating lessons learned.

(2) It is recommended that the Rehabilitation Programme should continue with the main emphasis on the Footwear and Leather Goods Industries. The strict selection criteria used by UNIDO for the Rehabilitation process should continue. Selection committees from within the country should be established to recommend the companies which will participate in the Rehabilitation Programme. The selection committees should be organized whenever possible by the industrial associations and UNIDO. UNIDO will participate in the selection process with the power of veto. The potential of manufacturing for both the domestic and export markets should be considered during the company selection process. The Rehabilitation Programme should include an input in Marketing, Product Design, and Product Development. The introduction of management systems which will complement the manufacturing process is required if companies which are assisted are to become more fully competitive.

(3) It is recommended that a broader managerial and administrative base is created to enable the project management to cope with the increased work load.

(4) It is recommended that the programme makes a conscious and directed effort to assist in establishing Leather and Leather Products' Associations where they do not exist, and to strengthen existing associations, to enable them to play a key role in developing and implementing programmes for the sector. The programme should encourage the associations to examine the problems of the industries, and to support them in the implementation programmes for improvement.

(5) It is recommended that the monthly progress report system used by the National Experts and CTA be modified by introducing a new format. The new format should also be used for the regional report. The BSO section have already agreed to implement an improved system suggested by the evaluation team.

(6) It is recommended that a study be undertaken soon in the target areas to review the problems of the statistical gathering process.

(7) It is recommended that the Government Agencies, the Associations with the assistance of the programme management should examine the problems in the target areas, connected with the lack of transport, motivation and other constraints.

(8) It is recommended that a BSO with technical knowledge in the Hides and Skins area is appointed by the FAO agency prior to the introduction of the second phase.

(9) The problems with inter-agency co-operation seem to prove that it is very difficult to achieve results when implementing programme approach projects which are entering into the formal competence area of a sister agency. It is recommended that as a result of this rather expensive experiment of co-operating with a sister agency, the situation should be re-examined. Strict pre-conditions and binding implementation agreements should be set by UNIDO with the associated agency during the project design phase. If such pre-conditions and binding agreements cannot be achieved, UNIDO should be given the possibility of proceeding on its own to implement the programme.

(10) It is recommended that the procedures involved in the delivery of machinery and other components are examined and that a system is introduced that will ensure that machinery and components arrive at the nominated destination at the specified time. In future, programmes of this kind should include a systematic training programme for the local counterparts and National Experts in UNIDO and UNDP administrative and reporting procedures.

(11) It is recommended that the problems encountered at the design stage in obtaining official requests and clearance of counterpart inputs can only be eliminated in time, as the government ministries gain experience in the process needed for the Programme Approach Project. However, during the planning of future programmes the delays experienced during the implementation of this project should be taken into account.

(12) It is recommended that the second phase of the programme should support the development and implementation of country specific development strategies for leather industries, together with detailed action programmes involving both governments and industrial associations.

(13) It is recommended that the second phase of the programme should promote industrial co-operation within the region or with potential overseas partners, with a view towards accelerating the process of manufacturing finished leather to international standards.

(14) The KIRDI Leather Development Centre (LDC) at Nairobi is now beginning to produce results. It is now recommended that during the second phase, additional closing machinery is provided for the leather goods section, to enable the Centre to train more people for the industry. It is recommended that a training fee should be obtained from the companies involved. The increased number of trainees will increase the output of leather goods which should assist the section in becoming financially viable.

(15) It is recommended that chosen local management staff at supervisory level in the footwear and leather goods industries within the region, are provided with the opportunity to participate in the technological and managerial courses at certificate and diploma level.

(16) It is recommended that a second phase of the Project (US/RAF/88/100) should be introduced, and that the additional countries (Namibia and Uganda) should be added. The reasons for the recommended action are as follows:

(a) The programme was designed as a pilot scheme in accordance with the recommendation of the African Sectoral meeting, held in Alexandria, January 1987. Being a pilot scheme, it is expected to be continued and extended if the first phase is successful.

(b) A request from all the recipient countries has been received regarding the introduction of a second phase of the project. These requests have been endorsed by the national TPR meetings with participation of major donor countries. The PTA has also requested that all PTA countries should be included in the scheme. The Regional TPR recommended that the scheme should be expanded to include two additional countries (Namibia and Uganda).

(c) The workshops, round table meetings and seminars conducted during the life of the project have made specific recommendations to continue the programme. These meetings included the following:

- Tannery Machinery Maintenance Seminar, Addis Ababa, October 1990
- Hide and Skin Improvement Seminar, Bulawayo, November 1990
- Tanning and Finishing Seminar, Nairobi, April 1991
- Round Table Meeting, Lusaka, August 1991

(d) The FAO organized ECDC Workshop on Trade in Hides and Skins and their Derived Products, held in Bulawayo 29 July - 2 August 1991, recommended inter alia:

"The joint UNIDO/FAO/ITC Regional Hides and Skins, Leather and Leather Products Improvement Scheme should continue and efforts should be made to enlarge the programme to include additional African countries who have applied to join the programme."

(e) Major improvements have occurred during the short period that the pilot scheme has been operating, particularly in the Rehabilitation Scheme. Many of the activities carried out have resulted in exceptionally good outputs. The programme has been creative in producing new interesting approaches both in technical terms (fish skin tanning) and the financial administrative section (revolving funds/assistance to private industry). However, many of the results achieved are not yet sustainable, and further work is required.

(f) The second phase would therefore be designed to consolidate the results of the first phase and to provide increased assistance to the footwear and leather goods industry and in the marketing of finished leather and leather products.

ANNEXES

TERMS OF REFERENCE FOR THE IN-DEPTH-EVALUATION OF
US/RAF/88/100 AND ASSOCIATED PROJECTS

A. BACKGROUND

1) General

The large-scale Regional Africa Hides and Skins, Leather and Leather Products Improvement Scheme, US/RAF/88/100 is the largest Industrial Development Fund (IDF) programme and comprises several new elements in so-called "programme approach". The programme is a joint effort of three agencies namely UNIDO, FAO and ITC. UNIDO is the main executing agency and provides the total funding through IDF special purpose contributions from six donor countries, namely, Austria, France, Federal Republic of Germany, Italy, the Netherlands, Switzerland. Inter-agency agreements with FAO and ITC provide expertise in their respective competence areas.

The East Africa programme US/RAF/88/100 is well under way in eight associated countries: Ethiopia, Kenya, Malawi, Somalia, Tanzania, Zambia and Zimbabwe.

2) Immediate Objectives

The project immediate objectives are:

- a) to establish a regional pilot scheme and to demonstrate, in practical terms, the process of hides and skins improvement from butchering and flaying to conservation, grading and collection;
- b) to act as catalyst to national authorities to introduce incentives for improved quality performance;
- c) to rehabilitate existing infrastructures and selected leather tanning and processing plants by increasing their efficiency and capacity utilization, upgrading technical standards, operational methods and skills, product quality and marketing performance, as well as knowledge of those attached to these industries at various levels, starting from primary producers.

3) Justifications

The Regional Hides and Skins, Leather and Leather Products Improvement Scheme embraces 15 national projects under two umbrella programme in East, West and Central Africa respectively (US/RAF/88/100: Ethiopia, Kenya, Malawi, Somalia, Sudan, Tanzania, Zambia, Zimbabwe) (US/RAF/88/101: Burkina Faso, Burundi, Niger, Cameroon, Senegal, Rwanda).

Based on the recommendation of the UNIDO Third Consultation on the Leather and Leather products Industry, Innsbruck, Austria, 1984, a pilot project for such a scheme, covering initially five countries was prepared for presentation to the Regional Meeting on the Leather and Leather Products

Industry in Africa, which took place in Alexandria in January 1987.

The Alexandria Meeting deliberated on the main constraints and shortcomings experienced in Africa and sanctioned a scheme and its expansion to a larger group of countries. Subsequently, the scheme was presented to and endorsed by the first session of the FAO Inter-governmental Sub-group on Hides and Skins, Rome, Italy, January 1987.

The studies prepared and research conducted for the UNIDO global leather sector consultations and the deliberations of the UNIDO Leather Panel, the Sectoral Meeting on the Leather and Leather Products Industry in Africa, and the FAO Inter-governmental Sub-Group Meeting on Hides and Skins in Rome have all clearly proven that there is an enormous waste of raw hides and skins, under-utilization of production capacities, low productivity and lack of trained personnel at all levels of the African hides and skins, leather and leather products sector. At the same time, the potential of some of the African countries for becoming major suppliers of semi-processed leathers to the export markets and for producing finished leather products for their own markets, is excellent and based on a large indigenous, replenishable raw material source of cattle hides and petty ruminant skins. This potential could be realized with the help of a major sectoral technical assistance programme.

The purpose of the regional Umbrella project is to obtain maximum benefits from and utilize in the most economic way possible the international inputs for the participating countries, while catering to their specific needs in individual national projects. This particular structure is justified on the grounds that:

- the national projects to be implemented need a number of common international inputs;
- there should be a maximum of flexibility in responding to individual national needs, and inputs should be on call on both a timely and appropriate basis;
- inputs should be provided in a complementary way between countries, and national institutions should not seek to duplicate each other in their entirety;
- maximum utilization should be made of various national facilities to serve regional needs.

The country projects, on the other hand, are concentrating on direct assistance through expert and sub-contract services. This direct assistance is, firstly, put into effect in the hides and skins improvement sector and, secondly, in the rehabilitation of selected tanneries and leather product industries. Such rehabilitation objects have been subject to a careful rehabilitation study which has established the base line data and clear rehabilitation outputs. The rehabilitation of suitable objects has been carried out under the parallel project US/RAF/88/102, Regional Tannery Rehabilitation Scheme.

The problems of the tannery effluent waste treatment and disposal are also receiving special attention.

The development of women in this industry sector is also taken into consideration within the project activities.

B. IMPLEMENTATION

The following projects were financially approved in March 1989: US/RAF/88/100 (US\$ 4,588,930), US/ETH/88/100 (US\$ 1,042,402), US/KEN/88/100 (US\$ 501,494), US/SOM/88/100 (partly: US\$ 379,115), US/SUD/88/100 (US\$ 401,828), US/URT/88/100 (US\$ 684,102), US/ZIM/88/100 (US\$ 314,140). The project US/ZAM/88/100 (US\$ 641,840) received financing from Switzerland in May 1989 and the Malawi Liwonde tannery received financing through and is now being implemented under project DP/MLW/88/029, with a total of UNDP inputs of US\$ 882,154. The project US/MLW/88/100 (US\$ 537,880) was financially approved by the Federal Republic of Germany in December 1989 and implementation was started immediately. The only project from the original list not being implemented is the related project US/URT/85/031 (US\$ 1,224,299), it is still pending financial approval.

A complementary project entitled "Regional Tannery Rehabilitation Scheme", US/RAF/88/102, was added to the East-Africa Programme during the project negotiations with the Italian authorities. This project with a total of IDF-inputs (excluding support cost) of US\$ 4,500,000 was financially approved in February 1989.

The implementation activities started in early 1989 by fielding the CTA and two short-term consultants. This action was carried out through a IDF General Pool financed project UC/RAF/88/200, which advanced funds towards the programme in order to accomplish preparatory actions.

The implementation results during the first year can be summarized as follows:

) Financial

As the Project Allotment Documents (PAD's) for the projects were received later than originally expected, the implementation rate for the 1989 operations can be considered very satisfactory. Early 1990 project revisions were prepared for each of the projects in accordance with the following criteria:

- Rephasing of the unspent balance of 1989 to future years.
- Follow-up of the recommendations of the UNIDO backstopping officer (BSO) based on the findings of his mission to the region (16.11.-14.12.1989). The mission report was forwarded to all donors.
- Recommendations from the National Experts Seminar, Addis Ababa, 27.1.1990.
- Consultations with the Chief Technical Adviser (CTA) and the team leader of the sub-contractor, 6.3.1990.

b) International and National Experts

The international experts component is being satisfactorily implemented in most of the countries. Some of the experts have long-term contracts some are for short consultancy missions only. The recruitment of the national experts has been concluded. The work of the national experts has been a valuable asset to the programme. The programme has also employed a regional co-ordinator; Mr. Muriuki (KEN) was found qualified for this demanding task.

c) Sub-Contracts

The five sub-contracts (1. The Hides and Skins Improvement Component; 2. the Application of a Uniform Grading System for Hides and Skins and Semi-processed Leathers for Expert; 3. the Tanning, Finishing and Tannery Rehabilitation Component; the Tannery Machinery Maintenance Seminar; the Tannery Effluent Treatment Component) have been awarded to a British company Ewbank Preece Ltd. Final measures have also been taken between UNIDO and KIRDI on the local sub-contract for the provision of the infra-structural arrangements for the regional headquarters at the LDC.

d) Seminars

Two seminars, the Tannery Machinery Maintenance Seminar and the Hides and Skins Improvement Seminar, have been already organized.

The first Seminar took place at the Awash Tannery, Ethiopia from 8 to 12 October 1990. It was successfully completed on schedule. The report of Mr. Berg refers and the final report of the sub-contractor is under preparation. Over 20 tanneries sent their chief engineers to the seminar. The main conclusions can be summarized as follows:

- Scheduled maintenance is a must for successful tannery operations
- Governments and the managements of tanneries should allow sufficient funds and foreign exchange to operate a preventive maintenance system with sufficient spare parts stock
- UNIDO should continue to assist the various tanneries, case-by-case, to install preventive maintenance systems as demonstrated during the seminar and as operated by Awash Tannery.

The second one took place at the Leather Institute of Zimbabwe (LIZ), Bulawayo, Zimbabwe from 19 to 23 November 1990. The following recommendations were agreed to:

- With UNIDO assistance, responsible governmental/ministry departments should formulate incentive schemes to counter the lack of motivation and neglect in hides and skins improvement.
- Governments should encourage the state-owned and private leather industrial sector to be involved in hides and skins improvement through closer collaboration with the hides and skins sub-sector and by facilitating the creation of independent, self-financing entities for the benefit of leather industry development, and where possible, in conjunction with existing trading, tanning, leather associations and institutes.

- Governments should use the funds raised from the levy on hides, skins and leather trades solely for the purpose of hides and skins improvement with the assistance of existing trading, tanning, leather associations, institutes and with international organizations such as UNIDO or FAO.
- As recommended jointly by the UNIDO/National Experts of the Regional Scheme and the Veterinary Departments, Animal health, Veterinary hygiene and Hides and Skins Extension Officers of the target areas should be involved in hides and skins improvement country projects.
- Extension schemes should be organized in each country (and in each target area) in order to establish a standard reporting system on collection, grading and pricing structure.
- The necessity to create associations where they do not exist to act as promotion/inter-professional/lobbying forum to speak on behalf of the industry with Governments.
- UNIDO/FAO should encourage/persuade governments to set up slaughter slabs in small towns and in villages as an essential step for hides and skins improvement.

The Chief Technical Adviser presented these draft recommendations to the participants and stated that these will be further elaborated for final formulation and submission during the joint FAO/UNIDO seminar to be held in Bulawayo, in July 1991.

Preparations for the Tanning and Leather Finishing Seminar (Industrial Research and Development Institute (KIRDI), Nairobi, Kenya, 8 - 19 April 1991) are ongoing and it was recommended that the in-depth evaluation mission members participate as observers in the seminar during the last three days in order to be able to interview some of the participants.

The Effluent Treatment Seminar is planned to take place at KIRDI/Leather Development Centre (LDC) and Sagana Tannery, Kenya in September 1991 (Duration: 5 working days)

Other meetings at regional and international level such as participation of the National Experts in the "Semaine du Cuir" and in "The PTA Leather Fair" have been organized.

Various Study tours in Europe have taken place.

e) Equipment

The equipment for US/RAF/88/100 as well as for most of the associated country projects has been requisitioned.

In the case of the rehabilitation project US/RAF/88/102, the first preliminary studies have been concluded, the machinery for the 1989 portion has been purchased and in many cases delivered. Additional studies to select further rehabilitation objects have been conducted early 1990 and their results have been evaluated. Requisitions for the machinery purchase for selected factories have been prepared and the purchasing action for the 1990 portion was completed in September 1990 during the "Semaine du Cuir".

f) Problems and Prospects

From the administrative and implementation point of view, the project proved to be more difficult than expected. In spite of the excellent co-operation within UNIDO various divisions concerned, the project has highlighted some of the handicaps of the present system to allow smooth administration and implementation of this type of large multi-financed, regional project with the involvement of several donor countries, several recipients and three UN agencies. As this programme is in its administration in many ways treading on new grounds, it is important to study carefully the problems arisen in this respect and to recommend measures for improvement of the system to facilitate the smooth implementation of this type of programme in the future.

An assessment including recommendations by the backstopping unit are planned at mid-term of the project.

In spite of the problems mentioned above the project operations have started much faster than expected. Taking into account the circumstances, i.e. the project design was agreed upon in February 1988, officially presented to the donor countries in June 1988 and the financial approvals of the projects came into the hands of the substantive unit only between February-June 1989, it is considered a credit to the project management that implementation is so well under way.

g) Institution-building aspects

The programme is considered to be mainly for institution-building. In order to avoid over-lapping and costly duplication of efforts the KIRDI/Leather Development Centre was selected as the regional lead centre and the headquarters of the Programme. Strong linkages are, however, envisaged with the other National Institutes such as the Ethiopian Productivity Centre (planned to be upgraded as PTA leather centre), Leather Institute of Zimbabwe, and other national institutes which may qualify for such co-operation.

The institutes involved are expected to provide multi-purpose services to the industry against payment of fees. Such services include training, laboratory tests for quality control and tannery effluent analyses, product development, extension services and common facility services. The portion of the institutions running cost received from these services is expected to increase considerably through the improved quality of these services through the efforts of the programme.

h) Agreement for assistance to the private industry under US/RAF/88/102

Under the tannery rehabilitation project, financed through an Italian special purpose contribution to IDF, assistance is also given to selected private companies. It has been agreed in principle between the government authorities concerned, UNDP and the project management that such assistance can be provided if these companies pay the value of the machinery concerned in local currency to a fund or a suitable non-profit organization which will use these funds for further work in hides and skins improvement and/or similar activities in the interest of the country's leather and allied industry sector.

In the case of Zimbabwe the assistance is being provided to the Belmont, Eagle and Imponente tanneries and it has been agreed that these tanneries will pay the cost of transport and that the value of the machinery will be paid in Zimbabwe dollars to the Leather Institute of Zimbabwe (LIZ). The payment terms are ten equal payments within a period of ten years.

At the end of the project UNIDO will transfer the title of the machinery to the LIZ which will make an agreement with the tanneries that they are authorized to continue to use the equipment and after full payment LIZ will transfer the title to the tanneries. LIZ is a non-profit organization founded by the leather and leather products industry of Zimbabwe and has been operating successful extension service, training and development activities for about ten years.

The special fund thus created is to be used for further hides and skins improvement activities in Zimbabwe. Such activities may include organization of hides and skins improvement seminars, starting up new collection points, purchase of improved flaying tools and equipment, as well as remuneration of international and local experts on special short-term improvement activities. The fund is to be under the joint control of the director of LIZ, the president of the Tanners Association, and the Permanent Secretary of the Ministry of Industry.

A similar approach is being pursued in the other countries and is under active negotiation in Kenya, Tanzania and Zambia.

It is believed that the creation of this type of revolving fund for the hides and skins improvement will multiply the effects of the programme.

1) Outputs produced

In accordance with the project document the project has eight main outputs. The outputs of the regional project are directly related to those of the associated country projects. The outputs in this document, therefore, refer to the various sub-sectors in more general terms and the detailed outputs on the specific country level, organized to the extent possible in sub-sectoral order (raw hides and skins/tanning and finishing/footwear and other leather goods), are presented in the individual country project documents.

OUTPUT 1 as per project document

Improved policy guidelines and industrial strategy for the development of the region's hides and skins, leather and leather products industry development. This output will be in the form of a regional document specifying, firstly, the regional aspects and, secondly, the individual country aspects.

Status

The national experts have collected all the material from the present legislation. The CTA and the marketing expert are now in the process of analyzing the situation and preparing the report. Deadline for the preparation of the paper is 1990. The final results of this output are scheduled to be presented at the joint FAO/UNIDO ECDC workshop in Bulawayo in June/July 1991.

OUTPUT 2

Established and/or rehabilitated, well-operating national hides and skins, leather and leather products improvement schemes with trained flayers, skinners and improvement officers, and better tools and chemicals for conservation. The various country schemes are described in detail in the individual country documents.

Status

The work has started in all countries except Malawi (due to the late approval of the country project). The hides and skins improvement teams have been established. Equipment such as flaying and ripping knives, marking hammers etc. have been delivered. Transport has been organized by delivering project vehicles and motor bikes. New collection points are being established and drying sheds built. A hides and skins improvement handbook has been prepared by the FAO/UNIDO expert, Mr. Devassy, printed by the project and distributed to the various countries for guidance. Posters to enhance the popularity of the hide and skin improvement process have been printed in the different countries in native language. Output achievement is well on the way.

OUTPUT 3

Improved statistical intelligence throughout the region. A uniform statistical country report will be provided periodically to the regional office for analysis and transmission to UNIDO/FAO/ITC for further monitoring and dissemination.

Status

The national experts have started the collection of statistics. A draft country report format was prepared and sent to them. Further work for this output is planned together with FAO.

OUTPUT 4

Improved quality of raw hides and skins through incentives to primary producers, and a realistic quality grading system, based on a well-operating hides and skins improvement scheme (as per output 2). The quality monitoring is closely connected with the improved statistical intelligence and the results of this output will be judged on the basis of the statistical data on pricing and grading to be collected under output 3.

Status

As for output 2 the work has started well and the first national hides and skins improvement efforts have given good results. As an example can be mentioned the results obtained in Zimbabwe where the first hides and skins improvement workshop resulted in higher payments by the traders when purchasing material certified to have been flayed and cured under to the project's supervision. Certificates for this purpose are now being issued by the hides and skins improvement officers. An example is annexed together with a report from the national expert of Zimbabwe. On the regional level the sub-contractor has organized the regional seminar, held in Bulawayo, Zimbabwe, on 19-23 November 1990.

OUTPUT 5

Increased collections of raw hides and skins. The increased quantity is expected to be achieved through minimizing waste and through providing suitable incentives to the primary producers. The results of the output will be monitored through the statistical intelligence to be collected under output 3.

Status

The activities for this output are very much related to those of outputs 2 and 5. It is, however, too early in the process to make any assessment but it is expected that substantial improvement will be achieved in due time.

OUTPUT 6

Rehabilitation plan for selected tanneries and shoe factories for improved productivity and trained personnel. The factories to be selected for the rehabilitation programme are described in more detail in the individual country documents. To facilitate monitoring, the base line situation of each selected factory will be established prior to starting the rehabilitation programme.

In addition to the rehabilitation studies to be carried out under this output, the actual rehabilitation of the selected factories, mainly balancing up and renovating equipment and other necessary infrastructure, will be done with the additional funds available through project US/RAF/88/102.

Status

Rehabilitation of several tanneries and shoe factories is presently being carried out. A model tannery for the region has been selected and a rehabilitation study prepared. This tannery is a medium-sized Kenyan plant, fully owned and operated by Kenyan nationals. The tannery is called SAGANA tannery and located about 100 km from Nairobi. The feasibility study is being completed and the local financial inputs for the rehabilitation has been secured through a credit by KIE and by fresh capital from the present owners.

In addition to the above, active rehabilitation and/or technical advice and assistance is being provided to the following plants:

- Awash Tannery	Ethiopia	Public
- Ethiopian Tannery	Ethiopia	Public
- Modjo Tannery	Ethiopia	Public
- Dire Tannery	Ethiopia	Private
- Ambessa Shoe Factory	Ethiopia	Public
- Universal Leather Goods	Ethiopia	Public
- Alfa Raha Tannery	Kenya	Private
- Sagana Tannery	Kenya	Private
- Joy Shoe Factory	Kenya	Private
- Afro Leather	Tanzania	Private
- Moshi Tannery	Tanzania	Public
- Morogoro Tannery	Tanzania	Public
- Liwonde Tannery	Malawi	Public/Private
- White Nile Tannery	Sudan	Public
- Afrotan	Sudan	Private
- KM 7 Tannery	Somalia	Public
- Bata Tannery	Zambia	Private
- Kamra Shoe Factory	Zambia	Private
- SIDO Tannery	Zambia	Public
- Asaria Tannery	Zambia	Private
- Eagle Tannery	Zimbabwe	Private
- Belmont Tannery	Zimbabwe	Private
- Imponente Tannery	Zimbabwe	Private

Exceptionally good results were achieved in the rehabilitation of the Ambessa Shoe Factory. The productivity of the factory was increased about 100 per cent. A special report by the expert, Mr. Linz, has been distributed to concerned parties.

The regional seminar for tannery machinery maintenance was held in Addis Ababa at the Awash Tannery in October 1990 to demonstrate among other things a well functioning preventive maintenance system established with UNIDO assistance.

OUTPUT 7

A well-functioning model effluent treatment plant located in a suitable tannery for demonstration and training purposes on a regional level.

Status

The model effluent treatment plant is to be established in Kenya at Sagana Tannery.

The primary treatment part is planned to be operational by September 1991 and the regional tannery effluent treatment seminar will be conducted in Nairobi in September/October 1991.

In addition to the above, the following tanneries will receive direct assistance in effluent treatment:

-	Alfa Rama tannery	Kenya
-	Afro Leather	Tanzania
-	Afrotan	Sudan
-	Asaria Tannery	Zambia

OUTPUT 8

A list of suitable technical, marketing and/or joint venture partners for the various African tanners and leather products manufacturers. Through meetings, contacts between individual potential partners to discuss concrete collaboration opportunities. At least one such meeting will be organized in each participating country.

Status

Very little concrete results have been achieved so far in this area.

However, a joint venture expert has been recruited and it is foreseen that during his next mission, the marketing expert will devote special attention to this matter.

C. EVALUATION AND REPORTING

a) The Tripartite Review Meeting, 4 December 1990

The TPR was held during first week of December 1990. The TPR meeting recommended that an in-depth evaluation should be carried out about April 1991.

The main recommendations of the meeting were the following:

- Recognizing the good contributions of the national experts and consultants the meeting recommended that additional funds be provided for the employment of national experts and consultants on BL 17-00 of the US/RAF/88/100 by transferring savings from the BL 11-99 international experts and consultants.
- The mandatory project revisions for all the projects within the programme should be made early 1991, based on the final accounts of end 1990. All balances should be transferred to 1991 and allocated in accordance with the work plan attached to the report. The revisions should be sent for information to the recipient and donor countries as soon as available.
- The modus operandi for the revolving fund in Kenya, which is to be created by providing capital equipment to the private industry within the framework of the regional rehabilitation project (US/RAF/88/102), should be further studied. A consultant should be engaged to make the study and the results should be presented to a committee consisting of all parties concerned.

- The meeting noted the requests received from other PTA countries to be included in the programme. Due to the limited resources available it was agreed that, in the first instance, two additional countries, namely, Uganda and Namibia could be considered. It was recommended that the CTA will prepare draft project documents for these countries and propose additional resources needed within the regional Umbrella project to handle the possible inclusion of these countries in the programme. These documents, after clearance by the UNIDO Project Review Committee, should be presented to potential donors for financial consideration.
- The meeting endorsed the request from ICHSALTA to pay the membership fees of the African countries within the programme who, for lack of foreign exchange, were unable to pay their fees (£ 350 per year).
- It was agreed that local arrangements of the tanning and finishing seminar, to be held in April would be given to a organizing committee. This committee would be headed by a KIRDI staff member.
- The meeting endorsed the proposed timing of the in-depth-evaluation of the programme in April 1991. The independent evaluator should be in Nairobi during the end part of the regional seminar in order to be able to meet participants from other countries. The TOR of the evaluation should be forwarded to the regional project management as soon as possible.

The TPR also recommended that separate TPR meetings should be held in each of the countries. A time table for these TPRs should be agreed upon. The CTA and the Regional Co-ordinator should divide the regional headquarter participation between them. A suggested schedule is as follows:

COUNTRY	TIMING	PARTICIPANT	REMARKS
Ethiopia	21 January 1991	CTA	
Kenya	4 February 1991	CTA/RCO	
Malawi	28 January 1991	CTA	HQ partic. needed together with DP/MLW/88/029
Somalia	24 May 1991	CTA	
Sudan	25 February 1991	RCO	
Tanzania	18 March 1991	RCO	
Zambia	1 March 1991	CTA	
Zimbabwe	4 March 1991	CTA	

b) The in-depth evaluation mission

1) Scope, purpose and methods of the evaluation

In accordance with the provisions of the policies and procedures for in-depth evaluations, the primary purpose of this in-depth evaluation is as follows:

Overall strategy - the approach

- In view of the overall strategy of the approach, i.e. integrated programme approach, to review the concept and its validity in this specific "regional project". The findings, which will include a clear assessment of the performance, design of the programmes and inter-relationship of the individual projects, should serve as a management tool that would assist in decision-making with respect to the future of the integrated programme approach.
- Review of administrative, financial and recruitment processes of the project, especially in the light of its complexity and as this project is new grounds for the Organization.

Project concept, design and implementation

- To assess the validity of the project concept and strategy.
- To assess the performance of the regional programme and associated country projects in order to determine that the project objectives are being obtained or likely to be obtained; the problem the project(s) is (are) supposed to solve is clear and the approach to be used is sound; the beneficiaries and users of the project results are identified, the objectives and outputs are explicitly stated, precisely and in terms that are verifiable; that the objectives, the outputs, activities and inputs are clear, logical and commensurate, given the time and resources available. In addition, the mission will:
 - Review whether the approaches utilized by the individual projects have led or will lead to optimum results or whether other approaches could produce better results. These should include the cost effectiveness of the project activities undertaken.
 - Review the need for a follow-up to this project, taking in view the needs of the participating countries.
- To assess the outputs being produced and how well they are being produced as well as their relevance and significance for the country or region.
- To check on the results of the activities that have thus far been implemented comparing them to the work plan.
- To check on the effectiveness of the technical approach used in producing those results and the main constraints which have affected the production of the results.
- To check on the cost effectiveness of the project strategy.
- To check on the performance of inputs.
- As part of the above-mentioned tasks the evaluation team should especially:

- Review the extent to which the equipment provided meets the needs of the project and whether they are being properly utilized;
 - Review the arrangements for sub-contracts and the possible extent to which they are likely to provide the expected outputs and their cost effectiveness;
 - Review the suggested approach for the integration of the private sector into the project and examine the relevance of that approach;
 - Review the mechanism/system for the smooth implementation of a programme of this nature.
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- To identify internal factors which may or have influenced the projects' objective achievement or non-achievement. For example, factors could include project design, quality of expertise provided, adequacy of training, etc.
 - To identify external factors which may or have influenced the projects' objective achievement or non-achievement. For example, factors could include unexpected changes in government priorities, changed economic conditions, or new developments in technology.
 - The evaluation team should record any significant lessons that can be drawn from the experience of the project or any of the associated project and its/their results, in particular anything that worked well and that can be applied to other projects and anything that worked badly and should be avoided in future.

Regional Africa - US/RAF/88/102
Regional Tannery Rehabilitation Scheme

This project is an outshoot of the Regional Project and is aimed at rehabilitation of selected leather tanning and processing plants, which is the reinforcing output no. 6 of the latter project. Its main aim is to define techno-economic processes that would, inter alia, increase efficiency, productivity and capacity utilization of selected factories in selected countries. The following project specific issues should be addressed by the evaluation:

- How efficient were the identification process and diagnostic activities for the rehabilitation?
- Is the project ensuring or will it ensure an increase in the efficiency and capacity utilization, technical standards, operational methods and skills, etc. of the selected enterprises?
- Have efficient production processes been established in the selected enterprises? Have the wastages in raw hides and skins been reduced? Are these activities in keeping with the rehabilitation studies?

- Is this project adequately integrated into the regional leather industry programme - "Regional Hides and Skins, Leather and Leather Products Improvement Scheme"? Is the anticipated reinforcement of output 6 by this project still valid?

An assessment of these issues will call for interviews with the management of the factories, government officials, end users, etc.

ii. Composition of the mission

The evaluation team will be composed of the following:

- During the whole mission (30 days)
- Two independent Evaluators to be appointed by UNIDO. Senior Consultants to cover the respective areas of hides/skins, leather, footwear and leather products with several years of experience within the leather and leather products sector. Previous experience from international assistance work is required. No connection to the present programme design or development.
- Staff Member of the UNIDO Evaluation Staff in advisory capacity to participate field mission to Zimbabwe

This team should not have been directly involved in designing, appraisal and implementation of the project.

iii. Programme outline for in-depth evaluation

24 - 26 July	Briefing Vienna
27 July	Travel to Harare
29 - 30 July	Visits in Harare
	- UNDP
	- Ministry of Industry
	- Imponente Tannery
	- Superior Shoe Factory
	- R & K Shoes
31 July	Travel to Bulawayo
31 July - 5 August	Visits in Bulawayo and near by area
	- LIZ - FAO ECDC work shop
	- G & D Shoe factory
	- Belmont Tannery
	- Cold Storage Corporation
	- LIZ facilities including CAD
	- LIZ TPR meeting
	- Hides & Skins Improvement area

6 August	Travel to Lusaka
6 - 9 August	Visits to Lusaka
	- UNDP
	- Ministry of Industry and Agriculture
	- Round table meeting
	- Bata, Kafue
	- Asaria Tannery
	- Kamara Shoe
	- Hides and Skins Improvement area
10 August	Travel to Kenya
10 - 15 August	Visits in Kenya
	- UNDP
	- Ministry of Science and Technology
	- KIRDI/LDC
	- Alfa Rama
	- LIK
	- Sagana - Kenya Tanners Association
	- Leather Masters
	- Patchar Shoes
17 August	Travel Vienna
19 - 23 August	Report writing; Debriefing

iv. Timetable and report of the mission

In so far as required, the team will receive briefings at UNIDO Headquarters. Upon arrival in each selected country for the evaluation exercise, the mission will be briefed by the Resident Representative of UNDP who will provide the necessary substantive and administrative support. Upon completion of its work in the field, it will be debriefed by the Resident Representative of UNDP. At the end of the mission, the Resident Representative will organize a meeting for discussion of the initial findings. This will be followed by consultations debriefing with the Leather Unit at the Headquarters.

The mission will conclude its findings with an evaluation report to be provided in 10 copies to UNIDO.

PERSONS CONTACTED AND KEY PLACES VISITED

A. Zimbabwe

UNIDO/UNDP

Mr. D. Dragic	UNDP Resident Representative
Mr. R. Church	UNDP Deputy Resident Representative
Mr. A. Hauge	UNIDO Junior Professional Officer
Mr. J. Berg	UNIDO Backstopping Officer
Mr. A. Lesuisse	UNIDO Project Coordinator
Mr. D. Manly	UNIDO Marketing Expert
Mr. J. Hewett	UNIDO Hides and Skins Consultant
Ms. H. Chigudu	UNIDO Expert Human Resource Development promotion of women
Mr. G.J. Hof	Associate Computer Expert
Mr. R. O'Shaughnessy	UNIDO National Expert Zimbabwe
Mr. H. Imam	UNIDO, Machine Maintenance Expert
Mr. D. Kannisto	UNDP Harare

Ministry of Industry and Technology

Mr. I.C. Chiri	Deputy Secretary
Mr. A.S. Rambo	Officer
Mr. A. Mushaminsa	Officer

Confederation of Zimbabwe Industries

Mr. M.D. Humphrey	Chief Economist
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National Planning Agency

Mr. Hove	Senior Under-Secretary
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Industry Representatives

Cold Storage Commission

Mr. F.C. Ndhlova	Assistant General Manger Livestock
Mr. A. Mukuze	Marketing Manager (Hides & By-Products)

Imponente Tanning/Superior Footwear

Mr. C. Costa	Managing Director
Mr. J.C. Touguinha	Technical Director (Tannery)
Mr. M. Dos Santos	Manager, Superior Footwear

Industry Representatives

Ms. K. Maine	Kamra Ltd, Shoe Factory, Chairperson Leather Industry, Association of Zambia
Mr. K.R. Mehta	Asaria Tannery
Mr. A. Livermore	Managing Director Bata Tannery
Ms. C. Mwanamwambwa	Managing Director Binzi Leather Goods
Mr. F. Eboru	Factory Manager, Universal Footwear

C. Kenya

UNDP/UNIDO

Mr. J.J. Graisse	UNDP Resident Representative
Mr. B. Larsen	UNIDO Junior Professional Officer
Mr. J.M. Muriuki	Regional Co-ordinator
Mr. A. Lesuisse	UNIDO Consultant
Mr. S. Kiruthu	UNIDO Consultant, Revolving Fund
Mr. M. Carlos	UNIDO Tannery Expert
Mr. Marco Becci	UNIDO Associate Expert

Government officials

Mr. S. Arasa	Permanent Secretary, Ministry of Research, Science and Technology
Mr. A. Gauchi	Acting Director of Research
Mr. J. Muhuni	Deputy Director KIRDI
Mr. Inyundo	Plant Manager, LDC
Mr. Songok	Head of Technical Services KIRDI
Mr. R. K. Ronoh	Head, Hides and Skins Improvement - Ministry of Agriculture
Ms. L. Kamau	District Veterinary Officer, Kambu
Mr. Kinyua	Senior Hides and Skins Improvement Officer, Kambu

Industry Representatives

Mr. J.W. Kuria	Chief Executive Kenya Leather Association
Mr. A.M. Kassam	Leather Industries Kenya
Mr. J. Mugo	Sazana Tannery
Mr. H.G. Combos	Alpharama Tannery
Mr. I. Rupani	Leather Masters
Mr. Ch. Ngede	Pachar Shoe Factory

PROJECT CONCEPT

Title: Improvement of statistical intelligence within the leather and allied trade

Possible Funding: IDF special purpose donation

Project Objective: To improve the statistical intelligence of the leather and allied trade in selected countries

Background: The US/RAF/88/100 Regional Hides and Skins, Leather and Leather products Improvement Scheme has as one of its objectives the improvement of statistical intelligence within the eight participating countries. The experience gathered during the project implementation has clearly shown the difficulties involved to obtain, store, analyze and disseminate such (reliable) data. Although the project has made serious attempts and spared no efforts to work in this area, it is noted that additional inputs will be needed to complement the projects work and to expand and sort out the results made so far.

During the FAO, ECDC Workshop, held in Bulawayo the FAO presented an updated statistical compendium of all African countries. The discussion during the workshop revealed that many of the delegates were not satisfied with the figures presented and it was recommended that more work was required in this area. It was suggested in the first instance, that the conversion factors presented by FAO in a draft compendium in 1980, should be updated.

UNIDO Leather Unit has large amount of data in various project files from all over the world and has possibilities to continue the gathering of such data through the international technical experts engaged in the technical assistance programme within the leather sector. In order to gather the data, a new format of a questionnaire should be prepared and a suitable computer programme should be prepared to store and analyze the data.

It would also be necessary to engage the services of a suitable consultant to work in this area and to visit the main centres working in the statistical intelligence of the leather sector such as FAO, EEC, SATRA etc. to co-ordinate the efforts. This work would also include the scrutiny of present trade and custom classifications used within the leather and allied trade and recommendations for possible simplification and modification.

Problem Areas:

The hide and skin trade has its very special problem areas which impedes easy recording and analyzing the data. The main constraints are that raw hides and skins are varying in size, shape and substance and are traded sometimes per weight, sometimes in area and sometimes per piece and are conserved by various methods such as drying, dry or wet salting and/or pickling. Each conservation method results in a different weight and type of material needing special conversion factor for easy comparison.

Additional problems are caused by the fact that the materials in semi-processed state move from country to country for further processing and are not properly recorded, thus causing double entries.

The products derived from the hides and skins such as footwear and other leather goods are most often produced with combination of various raw materials such as leather, synthetics, textiles, rubber etc. and a term "leather shoe" used in trade statistics may in some cases have no leather at all (USSR + former Eastern European centrally planned economy countries used to record conventionally produced footwear, which were produced by using various synthetics, as leather shoes).

The above mentioned problem areas should be studied and solutions recommended by the project. It is expected that by the end of the project a pilot project will be working in selected countries and that at the end of the project a round table meeting will be conducted to show the results and to plan for starting up all large scale implementation jointly with the international organizations concerned specifically FAO and UNIDO.

Inputs required:

International expert	120,000
International consultant	60,000
National consultant	60,000
End seminar	80,000
Computers + Software	60,000
Misc	15,000
Project total	395,000
13% support cost	51,350
GRAND TOTAL	446,350

PROGRAMME EXPERTS INPUT - FIELDING DETAILS IN THE REGION

Post	Title	Name	m/m start project	completed	Countries visited
11-01	CTA	G. Felsner, AUS	(36) 23.05.89		KEN-ETH-MLW-SOM-SUD-URT-ZAM-ZIM-NAM-UGA
11-02	H/S Improv. expert	E. Machanga, KEN	(18) 26.11.89	25.05.91	SOM-SUD-KEN
11-03	H/S Improv. expert	I. Leach, UK	(36) 09.07.90 (29.7)		URT-MLW-ZAM-ZIM
11-04	Tannery expert	C. Marzo, E	(12) 23.11.90		KEN
11-05	Finishing expert	H. Eckert, GER	(5) 07.01.90 (2.5) 18.02.91 (3) 12.09.91	06.06.90 01.05.91	KEN-ETH-ZAM-ZIM ETH-KEN-ZAM-ZIM KEN-ZAM-ZIM-SUD
11-06	Machinery Maintenance expert	A. Rongued, MOR	(35) 31.07.89 [12] 02.09.90	30.07.90 13.09.90	KEN-ZAM-ZIM-SUD ENT
11-06 B	Mach. Maint. expert	A. Zink, PER	(12) 22.09.90		workplan in elaboration
11-07	Leather goods expert	D. Tracy	(12) 26.11.89 10.02.91	25.11.90 09.05.91	KEN-MLW-ZAM-ZIM-ETH ZAM-KEN-URT
11-08	Footwear expert	J. Baradat O. Birkghaug	(12) 01.01.89 (2) 14.10.90 (2) 15.03.91	30.09.90 13.12.90 14.05.91	ETH-KEN-ZAM-SUD ZIM ZIM
11-09	Marketing expert	D. Manly, UK	(4) 26.01.90 (4) 22.01.91 (3) 27.07.91	25.05.90 21.05.91 26.10.91	KEN ... KEN ... ZIM-ZAM-KEN
11-10	Effluent expert	G. Clonfero, ITA A. Lesuisse, BEL	(4) 15.01.90 30.04.90 20.01.91 13.09.91 (3.1) 06.09.89	14.02.90 29.07.90 06.02.91 08.12.89	KEN-URT KEN-URT KEN-URT KEN-URT SUD-KEN-SOM-URT
11-11	Women develop. expert	H. Chigudo, UGA	(12) 04.05.91		MLW-ZIM-KEN-URT-ZAM (Preliminary Mission)
11-50	CONSULTANTS				
11-51		A. Lesuisse, BEL	(3.5) 22.02.89 (6) 01.07.90 (3) 06.04.91 (1) 26.07.91	05.06.89 20.10.90 05.07.91 25.08.91	KEN ETH-ZAM-URT-KEN KEN-MLW-SUD-URT KEN
11-52	Computer	B. Barothy, HUN	(5) 11.03.90	24.03.90	KEN
11-53	Shoe engineer	S. Linz, GER	(2.5) 12.08.90 (2) 10.02.91 (1) 13.05.91 (1) 01.08.91	26.10.90 09.04.91 12.06.91 10.09.91	ETH ETH SUD KEN
11-54	Evaluator (Sagana)	S. Kirulhu	(1) 02.07.90	01.08.90	VIENA (for KEN feasibility st. 102 Sagana)
11-55	H/S Improvement	T. Devossy, IND	(6) 15.01.90 (4) 01.02.91	14.07.90 01.06.91	ETH ETH
11-56	H/S Improvement	T. Devossy, IND	(3.5) 15.10.90	29.01.91	ETH

11-57	Consultant PTA	M. Mestvold, NOR	(0.5)	04.06.90	18.06.90	PTA leather centre in ETH, Vienna Prodoc
11-58	Consultant PTA	S. Kiruthu, KEN	(0.5)	04.06.90	18.06.90	"
11-59	Joint venture	O. Kloetzer, GER	(1)	18.11.90	17.12.90	KEN
11-60	Machinery Install.	G. Shilkin, AUL	(1.5)	29.10.90	14.12.90	KEN
11-61	Computer	B. Barothy, HUN	(2)	06.02.91		contract over a period. ETH
11-62	Fish Skin	S. Roberts, AUL	(1.1)	11.02.91	17.03.91	KEN
11-63	Revolving Fund	S. Kirulhu, KEN	(3) (3)	10.02.91 01.06.91	30.04.91 31.08.91	KEN-URT KEN
11-64	Chief Evaluator	W. Foran, IRE	(1.2)	24.07.91		ZIM-ZAM-KEN
11-65	Maintenance	A. Zink, PER	(3)	08.04.91	07.07.91	KEN-ZAM-URT-MLW
11-66	Maintenance	J. Iman, IND	(6)	23.03.91	22.09.91	KEN-ZAM-ZIM-MLW
11-67	Evaluator	M. El-Khair, EGY	(1.0)	26.07.91		ZIM-ZAM-KEN
11-68	Economist	M. Beci, ITA	(6)	17.06.91	16.12.91	KEN
11-69	Hides/Skins	J. Hewett, UK	(0.3)	27.07.91	05.08.91	ZIM
	US/RAF/88/102					
11-51		A. Lesuisse	(2.5) (6) (4)	14.06.89 02.01.90 06.01.91	15.09.89 30.06.90 05.04.91	ETH-URT-ZIM KEN-URT-ZAM ETH-KEN-URT-ZAM-ZIM

DETAILED FINANCIAL SITUATION OF EACH PROJECT BUDGET

US/RAF/88/100

BLS	TOTAL ALLOT.		PRIOR YRS		BAL CY	COMM. FYS	UNCOMM BAL
19-99	347.7	3,392,130	126.0	1,385,814	375,833	179,451	881,536
39-99		189,240		91,502	26,781		26,781
49-99		359,500		275,077	71,139		71,139
59-99		51,700		25,699	422		5,921
99-99	347.7	4,554,200	126.0	1,778,092	474,175	179,451	985,377

US,RAF/88/102

BLS	TOTAL ALLOT.		PRIOR YRS		BAL CY	COMM. FYS	UNCOMM BAL
19-99	12.0	136,900		94,842	4,026		4,026
39-99		-----		-----	-----		-----
49-99		3,750,310		2,867,145	430,651		430,652
59-99		6,500		2	4,990		6,488
99-99	12.0	3,982,301		2,961,989	453,660		455,159

US/ETH/88/100

BLS	TOTAL ALLOT.		PRIOR YRS		BAL CY	COMM. FYS	UNCOMM BAL
19-99	36.0	160,263	18.0	90,507	8,899	12,733	9,163
39-99		142,000		59,750	43,776		43,777
49-99		601,737		599,308	35,973		35,973
59-99		18,480		7,363	1,084		7,063
99-99	36.0	922,480	18.0	779,427	89,732	12,733	95,976

US/KEN/88/100

BLS	TOTAL ALLOT.		PRIOR YRS		BAL CY	COMM. FYS	UNCOMM BAL
19-99		82,000		42,421	36,589		41,589
39-99		95,200		10,766	28,922		28,922
49-99		242,600		100,442	24,460		24,461
59-99		24,000		8,817	4,221		4,221
99-99		443,800		162,446	94,192		99,193

US/MLU/88/100

BLS	TOTAL ALLOT.	PRIOR YRS	BAL CY	COMM. FYS	UNCOMM BAL
19-99	36.0 155,000	23,223	58,917	18,300	99,154
39-99	30,000	-----	19,095		23,095
49-99	271,000	218,707	16,284		16,285
59-99	20,000	4,000	9,850		13,850
99-99	36.0 476,000	245,930	104,146	18,300	152,384

US/SOM/88/100

BLS	TOTAL ALLOT.	PRIOR YRS	BAL CY	COMM. FYS	UNCOMM BAL
19-99	18.0 111,825	18.0 35,607	85,400		85,400
39-99	18,000	4,835	14,539		14,539
49-99	105,000	77,325	27,675		27,675
59-99	14,500	6,505	8,686		8,687
99-99	18.0 249,325	124,272	136,230		136,231

US/SUD/88/100

BLS	TOTAL ALLOT.	PRIOR YRS	BAL CY	COMM. FYS	UNCOMM BAL
19-99	36.0 151,000	11.0 59,082	33,064		57,065
39-99	34,000	5,000	24,262		29,262
49-99	148,000	48,198	79,817		79,817
59-99	22,600	5,809	1,501		9,602
99-99	36.0 355,600	118,089	138,644		175,746

US/URT/88/100

BLS	TOTAL ALLOT.	PRIOR YRS	BAL CY	COMM. FYS	UNCOMM BAL
19-99	72.0 177,983	36.0 49,791	54,709	7,050	104,407
39-99	85,000	7,554	75,857		75,857
49-99	307,762	190,663	94,748		94,748
59-99	34,655	12,380	3,356		13,631
99-99	72.0 605,400	36.0 260,388	228,670	7,050	288,643

US/ZAN/88/100

<u>BLS</u>	<u>TOTAL ALLOT.</u>		<u>PRIOR YRS</u>		<u>BAL CY</u>	<u>COMM. FYS</u>	<u>UNCOMM BAL</u>
19-99	36.0	184,405	18.0	59,200	63,910	7,198	100,732
39-99		35,000		3,000	16,243		26,243
49-99		320,595		135,495	129,830		129,829
59-99		28,000		2,530	8,165		18,655
99-99	36.0	568,000	18.0	200,225	218,148	7,198	275,439

US/ZIN/88/100

<u>BLS</u>	<u>TOTAL ALLOT.</u>		<u>PRIOR YRS</u>		<u>BAL CY</u>	<u>COMM. FYS</u>	<u>UNCOMM BAL</u>
19-99	36.0	125,193	18.0	58,707	753	8,647	10,104
39-99		56,000		3,000	55,747		55,747
49-99		80,657		80,625	243		243
59-99		16,150		7,502	1,423		5,071
99-99	36.0	278,000	18.0	149,834	58,166	8,647	71,165