Concept Note

Promoting Trade and Regional Integration in the Leather and Leather-related Subsector in Eswatini

Component 1: Validation Workshop for the Joint Procurement Framework
6–7 October 2026

Component 2: Capacity-building Workshop
25–27 November 2026

1. Background and Context

The leather value chain offers a practical pathway for industrialization, entrepreneurship, employment creation, women's economic empowerment, import substitution and regional trade. In Eswatini, MSMEs producing footwear, bags, belts and accessories face persistent constraints,

including high and irregular input costs, limited working capital, uneven technical capability, inconsistent product quality and weak business systems.

The absence of domestic tanning capacity reinforces dependence on imported finished leather and contributes to value leakage from the export of raw hides. Fragmented sourcing and variable hide handling also undermine input quality and reliability. The United Nations Economic Commission for Africa (UNECA) is financing an initiative to support the development of a joint procurement and revolving raw-material input scheme for footwear and leather-goods to benefit micro, small and medium-sized enterprises (MSMEs) in the Kingdom of Eswatini. The Africa Leather and Leather Products Institute (ALLPI) is the technical partner for the assignment and will provide specialized leather-value-chain guidance, tools and quality assurance. The responsible Ministry of Industry and Commerce in Eswatini will serve as the national counterpart and facilitate government coordination, beneficiary access and stakeholder engagement.

This proposed project responds to the local sourcing needs of MSMEs in Eswatini by combining a Joint Procurement Framework (JPF) for strategic bulk sourcing with targeted capacity-building targeting at least 20 MSMEs. This initiative will aim at strengthening the MSMEs capabilities to utilize the JPF effectively and strengthen their production and sustainable business practices. The project builds on machinery and equipment already available to leather MSMEs through earlier and ongoing partner interventions. It therefore emphasizes better utilization of existing assets, structured access to inputs, practical skills and institutional ownership rather than duplicating capital investment. The proposed mechanism is intended to address persistent constraints affecting MSMEs in the leather and leather products sector, including high input prices, fragmented demand, low purchasing volumes, supplier minimum-order quantities, inconsistent quality, stock-outs, long delivery lead times and limited access to working capital.

Before designing a pilot, UNECA, ALLPI, and the Government of Eswatini require reliable enterprise-level and cluster-level evidence. The assessment must establish whether sufficient verified demand, commercial benefit, repayment capacity, specification compatibility, governance readiness, storage capacity, and stakeholder support justify pooled procurement and a controlled revolving input facility. The exercise must also identify risks and safeguards and must not create an expectation or entitlement to finance or stock allocation. The success stories and lessons learnt from this initiative will be replicated and scaled up in other countries in Southern Africa with the scope of enhancing inclusive industrialization through the leather value chain.

2. Objectives

The project aims to strengthen the capacity of leather MSMEs in Eswatini to improve productivity, access inputs and participate in regional markets through enhanced value-chain coordination and business capabilities.

3. Expected Outputs

The following are the expected outputs of the project:

1. A Leather Value Chain Joint Procurement Framework for governance and strategic bulk sourcing is established and validated.
2. Capacity Building Workshop for at least 20 MSMES to utilize the leather Value Chain Joint Procurement Framework.
3. Reports on Proceedings.

4. Expected Outcomes

The project is expected to deliver the following outcomes:

i. Enhanced Capacity of the MSMEs to utilize the Leather Value Chain Joint Procurement Framework through a capacity building programme.

ii. Improved capabilities for Leather MSMEs in Eswatini on local sourcing for increased productivity,

iii. Enhanced access to inputs and raw materials for Support Eswatini MSMEs access inputs to the leather and leather products sector; and

iv. Enhance participation of Eswatini MSMEs in regional markets leveraging the AFCFTA, SADC and COMESA trade agreements.

5. Proposed Project Activities /components and implementation approach

5.1 Activity /Component 1: Validation of the Joint Procurement Framework

A two-day multi-stakeholder workshop will be convened on **6–7 October 2026** to review, refine and validate the draft JPF. The workshop will focus on governance, membership and eligibility, demand aggregation, supplier selection, quality assurance, ordering and distribution, financial controls, risk management, reporting, dispute resolution and a phased handover to the Leather Industry Association.

- Day 1: shared understanding of value-chain constraints, presentation of the draft JPF and technical review of governance and operating arrangements.

- Day 2: working-group refinement, agreement on institutional responsibilities, validation of the framework and adoption of an implementation action matrix.

5.2 Activity/Component 2: Capacity-building for MSMEs

A three-day capacity-building workshop will be held on **25–27 November 2026** for at least 20 MSMEs. Training will translate the validated JPF into practical tools and key elements required for participation, including demand planning, group ordering, quality specifications, costing, record-keeping, inventory control, repayment discipline, risk awareness and preparation of a simple Business Model Canvas and enterprise action plan.

- Day 1: How the JPF works, member obligations, procurement cycle, input specifications, demand forecasting and collective ordering.
- Day 2: costing and pricing, cash-flow and records, inventory controls, responsible access to in-kind support, Business Model Canvas and individual action plans.
- Day 3: Hands on practical utilization of the JPF.

6. Target beneficiaries

The project will benefit at least 20 MSMEs in the leather sector to be identified through a survey led approach by the Africa Leather and Leather Products institute in collaboration with the Ministry of Commerce and Industry in Eswatini.

7. Date and Venue

Validation Workshop (Component 1) will be held on **6-7 October 2026** whilst the Capacity-building Workshop (Component 2) will be held on **25–27 November 2026.** Venue for both meetings to be advised (TBA).

8. Contacts

The request for additional information on the project and on the planned workshops should be directed to:

1. Ms. Talumba Chilipaine, Economic Affairs Officer, ECA Sub Regional Office for Southern Africa, Lusaka, Zambia. Email: talumba.chilipaine@un.org

2. Ms. Zodwa Mabuza, Regional Advisor on Trade and Regional Integration, ECA Southern Africa Sub Regional Office, Lusaka, Zambia. Email: zodwa.mabuza@un.org
3. Mr. Nicholas Mudungwe, Executive Director, African Leather and Leather Products Institute (ALLPI), Addis Ababa, Ethiopia. Email: nmudungwe@allpi.int