



KENYA LEATHER DEVELOPMENT COUNCIL



**CRITERIA FOR OCCUPATION OF THE KENYA LEATHER INDUSTRIAL PARK
(KLIP)**

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TABLE OF CONTENTS

ABBREVIATIONS.....	3
1. CONCEPT OF KENYA LEATHER INDUSTRIAL PARK (KLIP)	4
2. OBJECTIVES OF THE KLIP	5
3. KENYA LEATHER INDUSTRIAL PARK INCENTIVES	5
3.1 MODERN COMMON INFRASTRUCTURE	5
3.2 RAW MATERIALS	5
3.3 HUMAN CAPITAL	6
3.4 FISCAL INCENTIVES.....	6
3.5 Other Park Benefits.....	6
3.6 MARKETS ACCESS AND LOGISTICS	6
4. SCOPE FOR INVESTOR OCCUPATION.....	7
4.1 ELIGIBLE ENTERPRISES	7
5. GENERAL CRITERIA REQUIREMENTS	8
5.1 APPLICATION FEE.....	8
5.2 PRELIMINARY REQUIREMENTS FOR LOCAL INVESTORS	8
5.4 AUDITED FINANCIAL STATEMENTS AND ACCOUNTS	8
5.5 STATUTORY REQUIREMENTS	8
5.6 COMPREHENSIVE SPECIFIC INVESTMENT PROPOSAL.....	9
5.7 SUSTAINABLE ENVIRONMENTAL STANDARDS.....	9
5.8 QUALITY CONTROL AND ASSURANCE	9
5.9 MODERN TECHNOLOGY APPLICATION	9
5.10 CONTRACTUAL AGREEMENT	9
5.11 APPLICABLE LAWS.....	10
6. SPECIFIC CRITERIA FOR TANNERIES.....	10
6.1 CRITERIA FOR THE LEATHER INDUSTRIAL WAREHOUSES	10
6.2 CRITERIA FOR SERVICED INDUSTRIAL PLOTS FOR TANNERIES.....	11
7. SPECIFIC CRITERIA FOR LEATHER PRODUCTS MANUFACTURING (LPM)	13
7.1 SPECIFIC CRITERIA FOR KLDC CONSTRUCTED LEATHER PRODUCTS MANUFACTURING WAREHOUSES (LPMW).....	13
7.2 CRITERIA FOR SERVICED INDUSTRIAL PLOTS FOR LEATHER PRODUCTS MANUFACTURING	14
8 SPECIFIC CRITERIA FOR AUXILIARY INDUSTRIES.....	16

9	SPECIFIC CRITERIA FOR SERVICE PROVIDERS.....	18
10	APPLICATION PROCEDURE	19
	ANNEXURE 1: MASTER PLAN FOR KENYA LEATHER PARK AT KINANIE – L.R NO.23961	20
	ANNEXURE 2: APPLICATION FORM	21
	ANNEXURE 3: KLIP ADVERT	Error! Bookmark not defined.

ABBREVIATIONS

AFCFTA	African Continental Free Trade Area
AU	African Union
CETP	Common Effluent Treatment Plant
COMESA	Common Market for Eastern & Southern Africa
EAC	East African Community
EPZ	Export Processing Zone
EPZA	Export Processing Zones Authority
KenInvest	Kenya Investment Authority (),
KLDC	Kenya Leather Development Council
KLIP	Kenya Leather Industrial Park
KRA	Kenya Revenue Authority
MDAs	Ministries, Departments & Agencies
MLD	Million Liters Per Day
MOU	Memorandum of Understanding
NEMA	National Environmental Management Authority
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
PIN	Personal Identification Number
Sq. Ft	Square Foot
Sq. Mtrs	Square meters
USD	United States Dollar
VAT	Value Added Tax

1. CONCEPT OF KENYA LEATHER INDUSTRIAL PARK (KLIP)

Kenya Leather Industrial Park (KLIP) is situated at Kinanie, Machakos County. The Park was conceptualized in the FY 2013/2014 to spur growth and advancement in the leather industry. The leather sector has been identified as a priority value chain playing a crucial role in the transformation of the economy. KLIP has been earmarked as a flagship project under the Bottom-Up Economic Transformation Agenda (BETA), MTP-IV and the broader Vision 2030 development blueprint.

KLIP is being jointly developed by the Export Processing Zones Authority (EPZA) and Kenya Leather Development Council (KLDC) in accordance with the MOU signed on 8th December 2015 and revised vide the First Amendment of the MOU signed in the year 2020. Pursuant to the MOU, EPZA has leased a 100-acre portion of the Park land L.R. No. 23961, portions 13 to 38, to KLDC for a 50-year term commencing on 1st September 2025 to 31st August 2075. KLDC shall use the leased land for the development of a Leather Industrial Park. The master plan for the 100-acre portion was developed by the State Department for Land and Physical Planning and subsequently approved by the Cabinet Secretary, Ministry of Lands, Public Works, Housing and Urban Development, on the 2nd of December 2020. (Annexure 1)

The overall implementation of KLIP is a Government initiative which is being undertaken by multiple government Ministries, Departments and Agencies (MDAs). These MDAs are responsible for implementing sector-specific components within the Park. They include: -

- i. Ministry of Investments, Trade and Industry;
- ii. Ministry of National Treasury and Economic Planning;
- iii. Ministry of Roads and Transport;
- iv. Ministry of Lands, Public Works, Housing and Urban Development;
- v. Ministry of Water, Sanitation and Irrigation;
- vi. Ministry of Energy and Petroleum;
- vii. Ministry of Information, Communication and the Digital Economy;
- viii. Ministry of Interior and National Administration;
- ix. Kenya Leather Development Council (KLDC);
- x. Export Processing Zones Authority (EPZA)
- xi. Kenya Investment Authority (KenInvest);
- xii. National Environmental Management Authority (NEMA);
- xiii. Relevant County Government; and
- xiv. Other government agencies.

The Park will create a favourable business environment for investors within a delineated special park through integrated infrastructure facilities; a specialized, integrated, sector-specific manufacturing zone to offer a one-stop-shop solution, and provide demand-driven services and facilities for the leather & leather products.

2. OBJECTIVES OF THE KLIP

The overall objective of the Kenya Leather Industrial Park is to drive the transformation of the leather value chain from a raw material/semi-processed export-driven sector to a finished leather and leather products regional manufacturing hub for both local and export markets.

This will be achieved through the following specific objectives:

- i. Provision of serviced industrial plots/warehouses supported by modern infrastructure facilities that include a common effluent treatment plant, industrial power, adequate water, all-weather roads, ICT and security services;
- ii. Creation of an integrated park consisting of various auxiliary industries for efficient production;
- iii. Provision of affordable housing and other social amenities;
- iv. Incentivizing and mobilizing of both local and foreign investment in the sector for growth and development;
- v. Promote sustainable environment goals through the adoption of cleaner technology in leather and leather product manufacturing; and
- vi. Creation of a Centre of Excellence in leather research, innovation and technology transfer.

3. KENYA LEATHER INDUSTRIAL PARK INCENTIVES

3.1 MODERN COMMON INFRASTRUCTURE

The investors will be eligible to benefit from the modern infrastructure that has been developed for common use. These include:

3.1.1 Common Effluent Treatment Plant (CETP)-Investors will enjoy the benefits of a modern CETP built to international standards with a combined capacity of 12.5 MLD.

3.1.2 “Plug and play” model **Industrial warehouses for tanneries and leather products Manufacturers**

3.1.3 Serviced Industrial Plots - (water, sewerage, ICT infrastructure, industrial power and all-weather roads)

3.1.4 Common Solid Waste Management – Investors will benefit from a shared solid waste management system to reduce production costs.

3.1.5 Integrated Transport System - Access to a modern and efficient transport system, including Standard Gauge Railway, Inland Container Depot, International Airport and a highway connecting to the port of Mombasa.

3.2 RAW MATERIALS

Access to readily available raw materials locally and within the East African Region. The availability is supported by the regional fiscal policy that currently imposes an 50% export duty on raw hides and skins.

3.3 HUMAN CAPITAL

Kenya has a large pool of youthful, productive, skilled and easily trainable workforce.

3.4 FISCAL INCENTIVES

3.4.1 Industry Specific Incentives

The tax regime supports the leather sector through the following fiscal policies:

- 3.4.1** Exemption of import duty on industrial machines and equipment;
- 3.4.2** Exemption of import duty on leather processing chemicals;
- 3.4.3** Export duty of 50% on raw hides and skins;
- 3.4.4** An investor who incurs capital expenditure on building and/or machinery used for manufacture is entitled to an investment deduction equal to 100% of the cost. For capital expenditures on building and/or machinery exceeding Ksh.200 million, if the investment is outside Nairobi, the investor can claim 150% allowance.
- 3.4.5** Industrial Building Deduction (IBD), which is an allowance granted to an investor who incurs capital expenditure on a building used as an industrial building at the rate of 10% of the cost (net of investment deduction, if any).

3.5 Other Park Benefits

- 3.5.1** Project approval within 21 days
- 3.5.2** Unrestricted investment by foreigners;
- 3.5.3** Cluster synergies and innovation
- 3.5.4** Export competitiveness and market access
- 3.5.5** Centralized environmental compliance support
- 3.5.6** Enhanced security and controlled access

3.6 MARKETS ACCESS AND LOGISTICS

3.6.1 Nairobi as a Regional Business and Logistics Hub-Nairobi is the regional business and logistics hub in East and Central Africa. Most multinational banks, Global development institutions and the United Nations bodies are located within the city. Investors will have easy access to both financial and other logistical services within the park's locality.

3.6.2 Local Market – Existence of supply-demand deficit for local footwear; as it stands, the local production of footwear accounts for approximately **8 million** pairs against a demand of approximately **44 million** pairs annually. This leaves a deficit of approximately **36 million** pairs that is currently filled by imports, creating a great opportunity for import substitution.

3.6.3 East African Community (EAC) Membership- investors will have access to the East African Community markets. They will benefit from the East African Community common external tariffs (tax) regime within the six members state, including Kenya, Uganda, Tanzania, Rwanda, Burundi and South Sudan.

3.6.4 Common Markets for Eastern and Southern Africa (COMESA)

Kenya is a member of COMESA, and the investors will access the regional market that comprises nineteen countries. They will benefit from a free trade area and a reliable regional transport and communication infrastructure.

3.6.5 African Union (AU)

The adoption and operationalization of the African Continental Free Trade Area (AFCFTA) in 2021 under the AU Agenda 2063 has further enlarged the market access

3.6.6 African Growth Opportunity Act (AGOA)

Kenya is one of the beneficiaries of the preferential duty-free access to the US market under AGOA. The investors will access the US market as leather products are included under the Act.

4. SCOPE FOR INVESTOR OCCUPATION

The investor occupation may be either:

- i. In the “plug and play” leather industrial warehouses, or
- ii. The serviced Industrial Plots itemized in Annexure one (1)

4.1 ELIGIBLE ENTERPRISES

Applicants shall be required to operate leather sector-related manufacturing or support services. These enterprises will include;

4.1.1 Industrial Enterprises

Tanneries, leather products manufacturers, leather chemicals manufacturers/suppliers, accessory manufacturers/ suppliers, leather machines/spare part manufacturers/fabricators/ suppliers and solid waste recyclers (glue/ gelatin manufacture).

4.1.2 Institutional Support Services

Leather Training Centre, ISO certified leather laboratories, leather research & testing Centre, administration & trade Centre and logistics park (banks, clearing and forwarding companies, regulatory bodies).

4.1.3 Affordable Housing and Social Support Services

Affordable Housing, Health Centre, Schools, Hospitality, Recreational & Entertainment and other Social Amenities.

5. GENERAL CRITERIA REQUIREMENTS

5.1 APPLICATION FEE

All applicants will be required to pay a non-refundable application fee of KES. 35,000 for both local and foreign investors.

5.2 PRELIMINARY REQUIREMENTS FOR LOCAL INVESTORS

Local investors will be required to submit the following documentation on application;

- 5.2.1** Certified copies of company registration and/or incorporation documents, including registered place of business;
- 5.2.2** Corporate structure and corporate profile brief of the entity;
- 5.2.3** Litigation history
- 5.2.4** Certified profile of the shareholders & directors and their IDs and KRA PINs;
- 5.2.5** Valid tax compliance certificate and
- 5.2.6** Any other document that may be required by law.

5.3 PRELIMINARY REQUIREMENTS FOR FOREIGN INVESTORS

Foreign investors will be required to submit the following documentation on application;

- 5.3.1** Immigration Clearance and Work Permit;
- 5.3.2** Registration certificate from Kenya Investment Authority (KenInvest);
- 5.3.3** Certified copies of the foreign company's memorandum and Articles of Association;
- 5.3.4** Certified copy of the certificate of Incorporation duly certified by a Notary Public;
- 5.3.5** If in a Foreign Language, certified copies of translated documents by a Notary Public;
- 5.3.6** Litigation history
- 5.3.7** Appointment of a Local representative of the Foreign Company in Kenya;
- 5.3.8** Registered address of the Foreign Company in the country of registration;
- 5.3.9** Details of the registered representative address in Kenya;
- 5.3.10** Valid tax compliance certificate document duly certified by a Notary Public and;
- 5.3.11** Any other document that may be required by law

5.4 AUDITED FINANCIAL STATEMENTS AND ACCOUNTS

The applicant shall be required to submit audited financial statements for the past three (3) preceding years or since inception, whichever is shorter. The financial reports shall be accompanied by a certificate of means, a bank reference letter and certified copies of bank statements.

5.5 STATUTORY REQUIREMENTS

A successful applicant shall be required to meet and comply with all statutory requirements, including;

- 5.5.1** PIN and VAT registration;

- 5.5.2** NSSF and NHIF registration;
- 5.5.3** Single Business Permit;
- 5.5.4** Work /investor permit (foreign investor);
- 5.5.5** National Employment Authority (NEA) approvals;
- 5.5.6** Directorate of Occupational Safety and Health (DOSH);
- 5.5.7** National Environmental Management Authority (NEMA) certificate; and
- 5.5.8** National Industrial Training Authority (NITA) registration.
- 5.5.9** Tannery registration by Director of Veterinary Services (DVS)

5.6 COMPREHENSIVE SPECIFIC INVESTMENT PROPOSAL

Every applicant shall submit a comprehensive proposal on application. This proposal shall be a detailed business plan that the applicant intends to implement in the Park. It shall include the following information;

- 5.6.1** Investor details;
- 5.6.2** Specific industries/services;
- 5.6.3** An impact analysis with key econometrics;
- 5.6.4** Financial capacity and commercial feasibility of the proposal
- 5.6.5** Projected employment opportunities for Kenyans’;
- 5.6.6** Training and technology transfer;
- 5.6.7** Forward and/or backward integration locally and internationally;
- 5.6.8** Projected production in line with minimum production or output levels; and
- 5.6.9** Identified target markets.

5.7 SUSTAINABLE ENVIRONMENTAL STANDARDS

Undertake to comply with local and international sustainable environmental standards, including adherence to production technology guidelines provided by the KLIP management.

5.8 QUALITY CONTROL AND ASSURANCE

The investors shall be required to have quality management systems and ensure compliance with the same. The quality management systems must be in tandem with local and international standards.

5.9 MODERN TECHNOLOGY APPLICATION

The applicant shall be required to demonstrate the adoption, utilization, promotion and development of modern technology in the production process.

5.10 CONTRACTUAL AGREEMENT

The applicants shall consent to be bound by the various contracts of engagement. This shall include contractual obligations with regard to leasing, the operationalization of the facility within the set timelines and all other park regulations that may be determined from time to time.

5.11 APPLICABLE LAWS

For all intents and purposes, the law applicable will be the law of the Republic of Kenya, which shall include the statute laws; subsidiary legislations; regulation; guidelines; codes of practice and policies.

The applicants shall submit a declaration of consent to refer all disputes to the Nairobi Centre for International Arbitration on application. The Centre shall determine all disputes in accordance with provisions of the Nairobi Centre for International Arbitration Act (Cap. 49A) - Revised Edition 2022 of the Laws of Kenya or any statutory modification or re-enactment thereof for the time being in force.

6. SPECIFIC CRITERIA FOR TANNERIES

The specific criteria requirements are in addition to the general criteria in clause five (5) above and shall apply to all applicants who intend to invest in the operation of tanneries within the Park.

All applicants shall plug into the common effluent treatment plant and will be charged at a rate per cubic meter discharged into the plant.

For purposes of these criteria, the tanneries are classified into large, medium and small as set out in the table below;

TABLE I: Category of tanneries by capacity.

	Category	Installed Capacity per day	Estimated production (per annum)
1.	Large tanneries	Above 20 tons of hides and skins	Minimum 10.5 million Sqfts of finished leather
2.	Medium Tanneries	Between 10 - 20 tons of hides and skins	Minimum 7 million Sqfts of finished leather
3.	Small tanneries	Below 10 tons of hides and skins	Minimum 4 million Sqfts of finished leather

Prospective investors may apply either for;

- i. Occupation of the 2No Industrial warehouses of 5,000 m² each, constructed at the KLIP reserved for tanneries or;
- ii. Serviced Industrial Plots.

6.1 CRITERIA FOR THE LEATHER INDUSTRIAL WAREHOUSES

There are two leather industrial warehouses (LIW) comprising 5,000 m² each. Each warehouse has the capacity to accommodate a large tannery as defined in Table A.

The LIWs are available for lease for a minimum term of ten (10) years and a maximum term of twenty (20) years, renewable on application. The cost shall be USD 2.0 per sq ft, per annum, plus a fifteen percent (15%) service charge.

- 6.1.1** Upon acceptance, the successful applicant shall deposit a non-refundable commitment fee equivalent to twelve (12) months' rent as prescribed in the lease agreement.
- 6.1.2** The successful applicant shall be bound to operationalize the facility within the first twelve (12) months from the date of execution of the contract of engagement.
- 6.1.3** The minimum project cost is estimated at USD four (4) million and shall be itemized to include the distribution of the cost to plant and machinery; other equipment; pre- operational expenditure; working capital requirement; rental cost; details of investment & financing program in the provided as Annexure two (2).
- 6.1.4** All successful applicants will be required to provide a production schedule, projected uptake of raw material, the export and domestic markets, proposed product pricing, employment categorization and detail of the technical know-how provider which is prescribed in Annexure two (2). Keep books for record purposes.
- 6.1.5** **Production thresholds** Successful applicant will have to meet the minimum annual production of 10.5 million Sq fts of finished leather.
- 6.1.6** **Insurance;** The successful applicant shall acquire an insurance policy to cover all attendant risks to the buildings, equipment and personnel.
- 6.1.7** **Legal and regulatory requirements;**
The applicant shall ensure that they possess the minimum requirements for acquisition of all necessary licenses and authorization to operate a tannery within Kenya.

6.2 CRITERIA FOR SERVICED INDUSTRIAL PLOTS FOR TANNERIES

The available industrial plots are as delineated and itemized in Annexure one (1).

The lease term shall be for a minimum of 10 years and a maximum of twenty (20) years, renewable. The cost shall be USD 2,000 per acre, per annum, plus fifteen percent (15%) service charge.

The land available for investment comprises:

- i. Two (2) plots measuring two (2) acres each, which can accommodate large tanneries.
- ii. Two (2) plots measuring 1.5 acres each, which can accommodate medium tanneries.
- iii. Two (2) plots measuring 0.5 acres each, which can accommodate small tanneries.

- 6.2.1** Upon acceptance, the successful applicant shall deposit a non-refundable commitment fee equivalent to twelve (12) months as prescribed in the lease agreement.
- 6.2.2** The successful applicant shall undertake to complete development and operationalization of the facility within the first twenty-four (24) months from

the date of execution of the contract. They will, however, enjoy a twelve (12) months moratorium on payment of the rent from the date of commencement.

6.2.3 The successful applicant shall be required to submit approved architectural, structural engineering, machine/ equipment layouts and any other necessary drawings of the proposed development, duly certified by a registered architect and engineer practicing within the Republic of Kenya.

6.2.4 The successful applicant will have the sole responsibility of conducting a feasibility study for their specific proposed project, including the suitability of the parcel of land sought to be assigned.

6.2.5 The minimum estimated project cost will be as per the table below and shall be itemized to include plant and machinery, other equipment, pre- operational expenditure, working capital requirement, rental cost, details of investment and financing in the prescribed application form (Annexure two).

TABLE II: Estimated investment per category

	Category	Minimum Investment
1	Large Tannery	USD 4.5 Million
2	Medium Tannery	USD 3.5 Million
3	Small Tannery	USD 2 Million

Production threshold is as per the categorization in Table I.

6.2.6 Insurance; The successful applicant shall acquire an insurance policy to cover all attendant risks to the buildings, equipment and personnel.

6.2.7 Legal and regulatory requirements;

The applicant shall ensure that they possess the minimum requirements for acquisition of all necessary licenses and authorization appertaining to the business and operation of a tannery within the Republic of Kenya.

7. SPECIFIC CRITERIA FOR LEATHER PRODUCTS MANUFACTURING (LPM)

The specific criteria requirements are in addition to the general criteria in clause five (5) above and shall apply to all applicants who express interest in investing in Leather Products Manufacturing (LPM) within the Park.

The opportunities available for investment in LPM are tabulated below:

TABLE III: Category of leather products industries per capacity

	Category	Specifications	No. Available	Estimated minimum production per year.
1.	KLDC constructed Leather industrial warehouses	2,500 sq mts	2	Footwear 2,000,000 pairs Leather goods 1,000,000 pieces Other specialized leather products
2.	Large LPM	2-acre plots	3	Footwear 2,000,000 pairs Leather goods 1,000,000 pieces Other specialized leather products
3.	Medium LPM	1-acre plots	7	Footwear 1,000,000 pairs Leather goods 500,000 pieces Other specialized leather products

7.1 SPECIFIC CRITERIA FOR KLDC CONSTRUCTED LEATHER PRODUCTS MANUFACTURING WAREHOUSES (LPMW)

There are two leather products manufacturing warehouses (LPMW) measuring 2,500m² each. Each warehouse has the capacity to accommodate a large LPM as defined in Table C above.

The LPMWs are available for lease for a minimum term of ten (10) years and a maximum term of twenty (20) years, renewable on application. The cost shall be USD 2.0 per sq ft, per annum, plus a fifteen percent (15%) service charge.

- 7.1.1** Upon acceptance, the successful applicant shall deposit a non – refundable commitment fee equivalent to twelve (12) months' rent as prescribed in the lease agreement.
- 7.1.2** The successful applicant shall be bound to operationalize the facility within the first twelve (12) months from the date of execution of the contract of engagement.
- 7.1.3** The estimated minimum project cost shall be USD 1.5 Million and shall be itemized to include the distribution of the cost to plant and machinery; other equipment; pre-operational expenditure; working capital requirement; rental cost; details of investment & financing program in the Application form provided as Annexure 2.

7.1.4 All successful applicants will be required to provide a production schedule, projected uptake of raw material, the export and domestic markets, proposed product pricing, employment categorization and details of the technical know-how provider which is prescribed in the application form (Annexure 2).

7.1.5 Production thresholds Successful applicant will have to meet the minimum annual production as itemized in Table III above.

7.1.6 Insurance; The successful applicant shall acquire an insurance policy to cover all attendant risks to the buildings, equipment and personnel.

7.1.7 Legal and regulatory requirements;

The applicant shall ensure that they possess the minimum requirements for the acquisition of all necessary licenses and authorization to operate a leather products manufacturing facility within Kenya.

7.2 CRITERIA FOR SERVICED INDUSTRIAL PLOTS FOR LEATHER PRODUCTS MANUFACTURING

The available Industrial plots are as delineated and itemized in Annexure one (1). The lease term shall be for a minimum of ten (10) years and a maximum of twenty (20) years, renewable. The cost shall be USD 2,000 per acre, per annum, plus fifteen percent (15%) service charge.

The land available for investment comprises:

- i. Three (3) plots measuring two (2) acres each, which can accommodate large facilities.
- ii. Seven (7) plots measuring one (1) acre each, which can accommodate medium facilities.

An investor may apply for more than one (1) parcel of land within any of the above categories.

7.2.1 Upon acceptance, the successful applicant shall deposit a non-refundable commitment fee equivalent to twelve (12) months' rent as prescribed in the lease agreement.

7.2.2 The successful applicant shall undertake to complete development and operationalization of the facility within the first twenty-four (24) months from the date of execution of the contract. They will, however, enjoy a twelve (12) months moratorium on payment of the rent from the date of commencement.

7.2.3 The successful applicant shall be required to submit approved architectural, structural engineering, machine/ equipment layouts and any other necessary drawings of the proposed development, duly certified by a registered architect and engineer practicing within the Republic of Kenya.

7.2.4 The successful applicant will have the sole responsibility of conducting a feasibility study for their specific proposed project, including the suitability of the parcel of land leased.

7.2.5 The minimum project cost will be as per the table below and shall be itemized to include plant and machinery, other equipment, pre-operational expenditure, working capital requirement, rental cost, details of investment and financing in the application form prescribed.

TABLE IV: Estimated Minimum Investment per category

	Category	Minimum Investment
1	Large LPM	USD 2.5 Million
2	Medium LPM	USD 2.0 Million

Production threshold is as per the categorization in Table III.

7.2.6 Insurance; The successful applicants shall acquire an insurance policy to cover all attendant risks to the buildings, equipment and personnel.

7.2.7 Legal and regulatory requirements; The applicant shall ensure that they possess the minimum requirements for the acquisition of all necessary licenses and authorization to operate a leather products manufacturing facility within Kenya.

8 SPECIFIC CRITERIA FOR AUXILIARY INDUSTRIES

The specific criteria requirements are in addition to the general criteria in clause five (5) above and shall apply to all applicants who express interest in investing in auxiliary industries within the Park as per the table below;

Table V: Category of auxiliary industries

	Type of Industry	Products manufactured
1.	Leather chemical industries	Leather processing chemicals
		Leather products, finishes and adhesives
2.	Sole industries	Leather and non-leather soles
3.	Leather products accessories	Various accessories (fittings, fasteners, linings, reinforcements and decorative items, etc.)
4.	Machinery parts, machine repairs and maintenance	Machines/spare part fabricators, repairs and maintenance
5.	Tools and equipment	Tools and equipment for fabricating leather and leather products

The available parcel of land is as delineated and itemized in Annexure one (1). The lease term shall be for a minimum of ten (10) years and a maximum of twenty (20) years, renewable. The cost shall be USD 2,000 per acre, per annum, plus fifteen percent (15%) service charge.

The land available for investment comprises three (3) plots measuring 1 acre each, which can accommodate auxiliary industries. An investor may apply for more than one (1) parcel of land.

- 8.1** Upon acceptance, the successful applicant shall deposit a non-refundable commitment fee equivalent to twelve (12) months' rent as prescribed in the lease agreement.
- 8.2** The successful applicant shall undertake to complete development and operationalization of the facility within the first twenty-four (24) months from the date of execution of the contract. They will, however, enjoy a twelve (12) months moratorium on payment of the rent from the date of commencement.
- 8.3** The successful applicant shall be required to submit approved architectural, structural engineering, machine/equipment layouts and any other necessary drawings of the proposed development, duly certified by a registered architect and engineer practicing within the Republic of Kenya.
- 8.4** The successful applicant will have the sole responsibility of conducting a feasibility study for their specific proposed project, including the suitability of the parcel of land leased.

8.5 The minimum project cost will be as per the table below and shall be itemized to include plant and machinery, other equipment, pre- operational expenditure, working capital requirement, rental cost, details of investment and financing in the prescribed application form (Annexure 2).

Table VI: Estimated investment for auxiliary industries

	Type of Industry	Minimum Investment
1	Chemical industries	USD 500,000
2	Sole industries	USD 500,000
3	Leather products accessories	USD 500,000
4	Machinery parts, machine repair and maintenance	USD 500,000
5	Tools and equipment	USD 500,000

8.6 Insurance; The successful applicants shall acquire an insurance policy to cover all attendant risks to the buildings, equipment and personnel.

8.7 Legal and regulatory requirements;

The applicant shall ensure that they possess the minimum requirements for acquisition of all necessary licenses and authorization to operate a leather auxiliaries manufacturing facility within Kenya.

9 SPECIFIC CRITERIA FOR SERVICE PROVIDERS

The specific criteria requirements are in addition to the general criteria in clause five (5) above and shall apply to all applicants who express interest in investing as service providers within the Park. These will include: Trade Centre, logistics, health Centre, hospitality services and financial institution.

The available parcel of land is as delineated and itemized in annexure one (1). The lease term shall be for a minimum of ten (10) years and a maximum of twenty (20) years, renewable. The cost shall be USD 2,000 per acre, per annum, plus fifteen percent (15%) service charge.

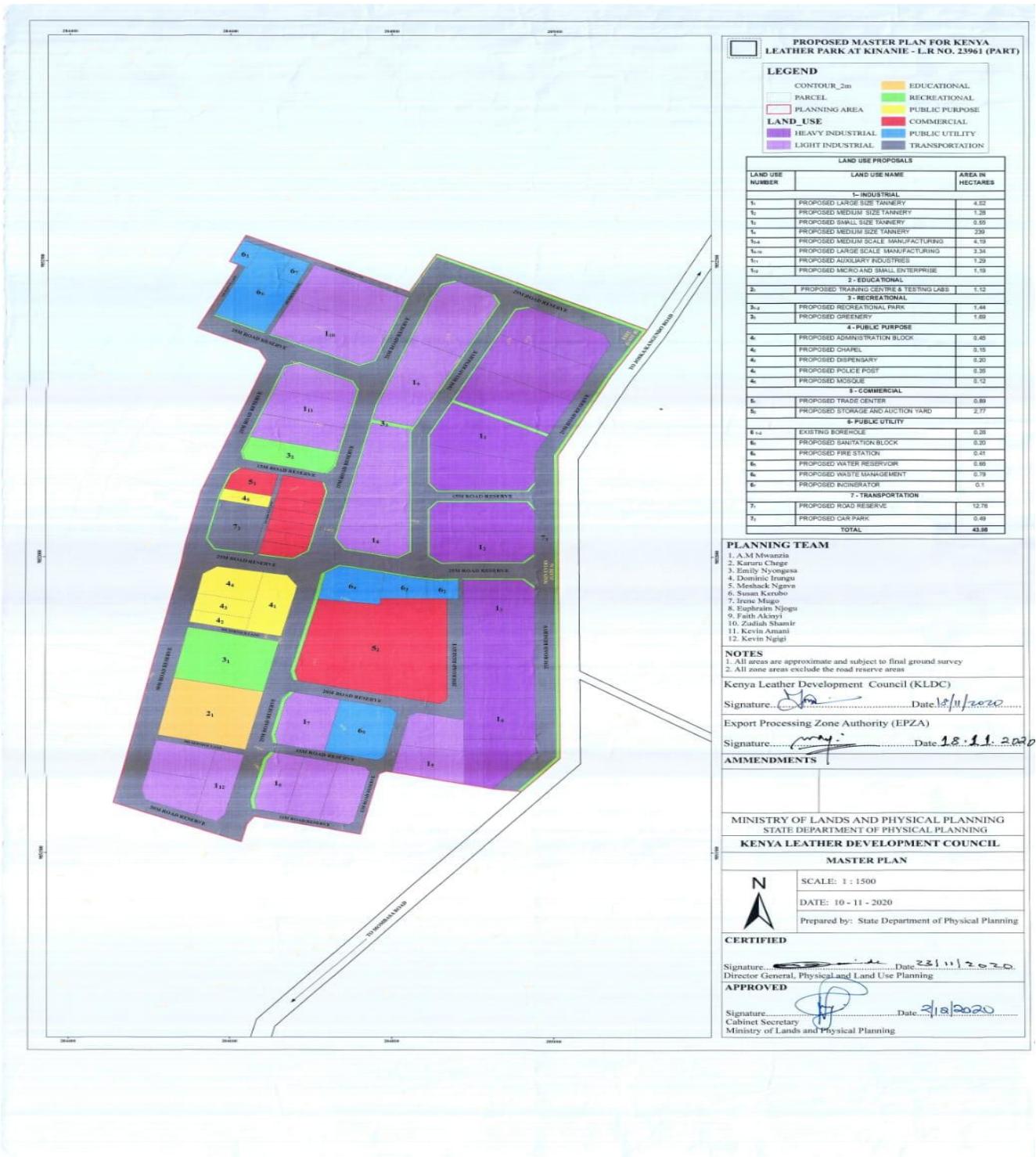
The land available for investment comprises 5 acres, which can accommodate the service providers.

- 9.1** Upon acceptance, the successful applicant shall deposit a non-refundable commitment fee equivalent to twelve (12) months' rent as prescribed in the lease agreement.
- 9.2** The successful applicant shall undertake to complete development and operationalization of the facility within the first twenty-four (24) months from the date of execution of the contract. They will, however, enjoy a twelve (12) months moratorium on payment of the rent from the date of commencement.
- 9.3** The successful applicant shall be required to submit approved architectural, structural engineering, machine/ equipment layouts and any other necessary drawings of the proposed development, duly certified by a registered architect and engineer practicing within the Republic of Kenya.
- 9.4** The successful applicant will have the sole responsibility of conducting a feasibility study for their specific proposed project, including the suitability of the parcel of land leased.
- 9.5** The minimum project cost will be USD 200,000 and shall be itemized to include plant and machinery, other equipment, pre- operational expenditure, working capital requirement, rental cost, details of investment and financing in the application form prescribed.
- 9.6 *Insurance;*** The successful applicants shall acquire an insurance policy to cover all attendant risks to the buildings, equipment and personnel.
- 9.7 *Legal and regulatory requirements;***
The applicant shall ensure that they possess the minimum requirements for the acquisition of all necessary licenses and authorization to operate as a service provider.

10 APPLICATION PROCEDURE

- 10.1** Upon advertisement of the invitation for Expression of Interest (EoI) by the Council, a prospective investor shall submit their EoI in the format prescribed and shall attach all supporting documents within the prescribed timelines.
- 10.2** The prospective investor shall make the application in accordance with the criteria for occupation of the Park, which shall be available on the Council's official website at www.leathercouncil.go.ke and at its headquarters in Nairobi.
- 10.3** The applicant shall, upon submission of their EoI, Proposal and Application Form, deposit a non-refundable application fee of **KES. 35,000** for local and foreign investors, respectively; through E-citizen platform via (<https://investors.leathercouncil.go.ke/>)
- 10.4** The applicants shall be informed in writing of the evaluation results within forty-five (45) days from the closing date of receiving applications.
- 10.5** Any applicant who is dissatisfied with the evaluation results or requires clarification on the same may lodge a request for review or for provision of further clarification within seven (7) days.
- 10.6** The Council shall respond to the request in 10.5 above within the next seven (7) days.
- 10.7** Successful applicants shall be required to notify the Council of their acceptance of the notification of offer to invest within fourteen (14) days from receipt of the notice date.
- 10.8** The commencement of the engagement shall be as provided in the contract and lease agreement to be executed within twenty-one (21) days from the date of receipt of acceptance.

ANNEXURE 1: MASTER PLAN FOR KENYA LEATHER PARK AT KINANIE – L.R NO.23961





ANNEXURE 2: APPLICATION FORM
Kenya Leather Development Council
P.O. Box 14480-00800, CPA Centre, 5th Floor, Thika Rd. Nairobi,
Tel: +254(020)4442321, Cell: +254 704617705
E- mail: info@leathercouncil.go.ke, ldckenya@gmail.com
Website: www.leathercouncil.go.ke



KLIP INVESTMENT APPLICATION FORM

Proposed Industries/Services:

A. PARTICULARS OF APPLICANT/COMPANY

1. (i) Name of applicant:

(ii) Address of applicant:

(iii) Telephone/Mobile No:

2. (i) Name of company which will undertake the manufacturing project:

(ii) Date of incorporation of company:

(iii) Address of registered office:

(iv) Telephone No:

(v) Proposed Investment:

B. PARTICULARS OF DIRECTORS

Name	Identity Card No./ Passport No.	Nationality	Residential Address

C. PROJECT COST

If this project is to be implemented in phases, indicate investment cost and the timing for each phase.

Cost of Proposed Project(KES.)

- i. Land (Specify area)
- ii. Factory buildings (Specify covered area)
- iii. Plant and Machinery
- iv. Other equipment
- v. Pre-operational expenditure
- vi. Working Capital requirement

TOTAL _____

*(Where the land, factory buildings, plant and machinery are to be rented/leased, indicate the annual cost of rental/lease).

D. FINANCING**Proposed (KES.)**

1. Authorized Capital

2. Sources of fund:
(i) Paid up Capital
Kenyan

Foreign Nationals (Specify Country)

(a)
(b)

TOTAL _____

(ii) Loan
(a) Foreign

(b) Domestic

(iii) Other sources of fund
(a)
(b)

Sub - Total _____

TOTAL _____

E. MANUFACTURING PROCESS AND MACHINERY REQUIRED

1. Explain **with the aid of a flow chart** the proposed manufacturing process.
2. State the major items of machinery required for the proposed project.

Major items of machinery	Condition (new or used)	Country of origin	Estimated cost	No.

F. REQUIREMENT OF RAW MATERIALS/COMPONENTS

Indicate the raw materials/components required in the manufacture of proposed products for the first 12 months.

Raw materials/components	Quantity	Value (KES.)	Indicate whether locally available or imported

*(In the case of companies which intend to commence production on an assembly basis, attach a program of progressive local manufacture of component parts)

G. PRODUCTION SCHEDULE

For each product, indicate the estimated annual production for the first 3 years. State the maximum attainable annual production capacity per 8 hour shift for each product.

Proposed Products	PRODUCTION SCHEDULE						Maximum attainable annual production capacity per 8 hour
	Year 1		Year 2		Year 3		
	Quantity	Ex-factory value (KES.)	Quantity	Ex-factory value (KES.)	Quantity	Ex-factory value (KES.)	

H. MARKET

(i) Export:

Proposed products	Percentage of finished products to be exported			Major uses/principal consumers
	Year 1	Year 2	Year 3	

(ii) Domestic markets:

Proposed products	Percentage of finished products to be sold locally			Major uses/principal consumers
	Year 1	Year 2	Year 3	

I. PRODUCT PRICING

For each product to be manufactured or service offered, provide the percentage cost breakdown in terms of ex-factory price for the following items:

Items	Products(Indicate value in % of Ex-factory Price)
i. Cost of imported raw materials/components	
ii. Cost of local raw materials/components	
iii. Cost of energy and fuel	
iv. Cost of labor	
v. Depreciation	
vi. Interest payments, indirect taxes, land rates, etc.	
vii. Administrative and marketing costs	
viii. Cost of technology	
ix. Manufacturing profit	
TOTAL	100%

**(Includes royalty, management services and other related costs).*

J. EMPLOYMENT

Employment Category	Full-time Employment	
	Kenyan	Foreign Nationals
i. Managerial Staff		
ii. Technical and Supervisory staff		
iii. Factory workers:		
a. Skilled		
b. Un-skilled		
iv. Sales, clerical and other workers		
TOTAL		

SOURCE OF TECHNICAL KNOW-HOW

Provide details including name and experience of the company providing technical know-how:

K. DECLARATION

I hereby declare that to the best of my knowledge and belief all the particulars furnished in this application are true.

.....
Signature of Applicant

.....
Name in Block Letters

.....
Designation in Company

Date