



THE
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PACT**



Sustainable Mongolian Cashmere **Guidance for Brands**

2023



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Sustainable Mongolian Cashmere Guidance for Brands

Introduction and project overview

As part of the project Transforming the Fashion Sector with Nature, funded by the Global Environment Facility and co-executed by Conservation International & The Fashion Pact, Textile Exchange is working with The Fashion Pact members to achieve the following outcomes.

- Support herders in Mongolia to produce and supply sustainable cashmere that not only avoids negative outcomes but drives positive social, animal welfare and environmental impacts
- Provide The Fashion Pact members with information about different Mongolian cashmere sourcing options
- Encourage The Fashion Pact members to commit to sourcing sustainable Mongolian cashmere
- Invite The Fashion Pact members to support herder transition to sustainable cashmere production through Impact Incentives

This guidance document is designed to provide information on cashmere programs in Mongolia to help brands decide which programs best meet their needs when sourcing sustainable cashmere. The two certifications in Mongolia are Responsible Nomads and Sustainable Fibre Alliance, but there are other initiatives around sustainable cashmere that are included here to give a fuller picture of the work in Mongolia.

1. Responsible Nomads (RN):

Statistics for RN:

- Regions/Soums where operational: 18 provinces (aimags), 184 Soum association of pasture user groups (soums) and 1575 Pasture User Groups (herder communities) are covered under the program.
- Number of herders/goats: 28,350 herder households organized in 82 herder cooperatives and more than 4.6 million goats were covered under the program in 2022.
- Volume of cashmere: Certified cashmere fiber reached 380 tonnes in 2022.

Overview of the RN standard:

The RN standard is the national-level cashmere standard in Mongolia. This standard known as MNS 6891:2020, was adopted in 2020. The aim of the standard is to establish, evaluate and certify the basic code of practice and criteria for ensuring animal welfare, responsible rangeland management and livestock production at the level of primary producers- nomadic herder households and cooperatives. The Responsible Nomads standard is being implemented by the Mongolian National Federation of Pasture User Groups of Herders (MNFPUH). This cashmere initiative was previously referred to as the Green Gold and Animal Health program (see section 6 below).

Animal welfare and RN:

Under the RN standard animals must have access to healthy rangelands, water and minerals to get sufficient nutrition across all four seasons of the year. During the cold seasons of winter and spring, animals must be provided with roofed shelters and dry bedding.

Animals must be provided with proper animal health services; herders have to make contract with local veterinary service units which are monitored by the General State Veterinary Authority.

RN is linked to the state animal health traceability system and animal health is monitored as part of this system. Indicators include traceability and origin of the animals, their health status, and the provision of veterinary medicines. RN also includes additional requirements to ensure good animal welfare is met.



Photo credit: Responsible Nomads

Rangeland management and RN:

Rangeland health is a key part of the RN standard. It is monitored by two set of indicators: rangeland recovery classes and grazing impact monitoring.

Based on the long standing Mongolian traditional arrangements, where a group of herder families share access to the same four-season rangelands, Pasture User Groups (PUGs) of herders are formed.

Responsible management of shared seasonal rangelands for the PUGs is guaranteed by collective planning and enforcement of rotational grazing schedules between seasonal rangelands to adjust grazing pressure and stocking density. RN focuses on stocking

density and grazing pressure as key factors to address when working to restore damaged rangelands.

Provided that herders are members of PUGs and have adopted common grazing and movement plans as well as having internal regulations, a long-term Rangeland Use agreement is established with local government. Since it is a national-level standard, the MNFPUG has access to state-owned databases on Rangeland ecosystem health monitoring and grazing impact monitoring. As well as other verification activities, rangeland monitoring photos are taken once a year in August during the growing season.

Audit and verification and RN:

- Self-assessment is carried out by herder households and cooperatives to evaluate their activities in accordance with the requirements and criteria specified in the standard.
- Second level verification is carried out by trained and certified auditors accredited by the State Accreditation Authority. They verify the evidence of the self-assessments. A certificate of verification and a QR code for traceability is issued at this stage.
- Third level external verification is carried out by Mongolian State National Authority for Accreditation which oversees the verification implemented by MNFPUGs on an annual basis. They monitor the compliance with an internationally recognised standard of conducting third-party verification and certification.

Web link: [Mongolian National Federation of Pasture User Groups of Herders](#)



Photo credit: Responsible Nomads



2. Sustainable Fibre Alliance (SFA)

Statistics for SFA:

- Regions/Soums where operational: 15 provinces (aimags), 73 secondary subdivisions (soums) are covered under the SFA program.
- Number of herders/goats: 16,058 herder households organized in more than 100 herder cooperatives and 3.6 million goats were covered under the program in 2021.
- Volume of cashmere: SFA-Certified cashmere raw fiber from Mongolia reached 750 tonnes in 2022.

Overview of the SFA standard:

The SFA Cashmere Standard was launched in January 2023 following an extensive revision and multi-stakeholder consultation throughout 2022. This revision involved a restructuring and integration of the SFA's three herder-level codes of practice: the Rangeland Stewardship and Animal Husbandry Codes of Practice, which have been in operation in Mongolia since 2017 and 2019 respectively, and the SFA x ICCAW Cashmere Goat Welfare Code of Practice, which has been in operation in China since 2020.

The SFA Cashmere Standard lays out the definition of responsible cashmere production, by upholding five global principles, which are that herders:

1. Ensure the welfare of their goats
2. Safeguard biodiversity and use land responsibly
3. Promote decent work
4. Preserve and enhance fiber quality, and
5. Operate an effective management system

By adhering to these principles and committing to a process of continuous improvement, herders produce cashmere in a way that is measurably better for the environment and their communities.

The global principles and criteria are interpreted at the country level through Country Guidance, which is currently being developed by the in-country teams for the Mongolian and Chinese production contexts (due to be completed in Q1 2023). This means that the Mongolia Country Guidance will be appropriate to the Mongolian semi-nomadic pastoral system of cashmere production, while the China Country Guidance will be relevant for sedentary, farm-based production.

The Mongolian government has made a resolution to ban the export of greasy and scoured cashmere starting from January 1, 2023. For brands to be able to source SFA certified cashmere from Mongolia, they need to have SFA certified primary processors in Mongolia to source de-haired cashmere or cashmere processed beyond such as yarn or finished goods. [Note: at the time of publication of this document – March 2023 – there were some reports that the Mongolian government was not going to enforce this

ban, but for full traceability of certified fiber there is still a need to use SFA certified processors].

Animal welfare and SFA:

In their revised standard, the SFA has shifted from the five freedoms model to five domains model of animal welfare. This is to ensure that the standard encourages positive experiences and emotional states for goats, as well as minimizing suffering and discomfort as much as possible.



Photo credit: Sustainable Fibre Alliance

Rangeland management, biodiversity and SFA:

SFA has criteria to ensure herders understand the value of natural resources, how to protect them and how to manage grazing in a way that maintains soil health, prevents degradation of pasture and minimizes conflict with wildlife.

There are also criteria that address the conservation and enhancement of biodiversity and natural habitats, including non-lethal predator control, the management of water resources and minimizing the introduction of hazardous materials. All of these elements are to be addressed through the development of a Rangeland Management Plan that supports traditional herding practices, is integrated with local administrative land use planning and includes monitoring and evaluation.

Decent work and SFA:

The SFA has focused this aspect of their standard on ensuring fair hiring practices and working conditions, equality in wages, protecting traditional communities, preventing child labour and promoting health and safety.

Fiber quality improvement and SFA:

To address the ongoing decline in the quality of cashmere fiber both in Mongolia and globally, they have included fiber quality improvement as a key principle in their standard. The focus is on improving breeding and post-harvest management of fiber.

Audit and verification and SFA:

The SFA assurance process is based on three step verification:

- First party: Following training, self-assessments against the standard requirements are carried out by the producer organization or primary processor
- Second party: Self-assessments reviewed by the SFA and/or ICCAW (International Cooperation Committee of Animal Welfare) to see if the producer organization or processor is ready for independent audit
- Third party: An independent audit is carried out by an SFA-approved Conformity Assessment Body (CAB). There is currently one approved CAB in Mongolia (NEXUS Connect) and SFA is in the process of approving SFCS LLC.

Web link: [Sustainable Fibre Alliance](#)



Photo credit: Sustainable Fibre Alliance

3. The Good Growth Company (GGC)

Statistics for GGC:

- Regions/soums where operational: three groups of pasture users in two soums under regenerative management in 2023; six more groups in preparation for regenerative management across two more soums
- Area of land under regenerative management in 2023: 150,000 ha

Overview of GGC work:

GGC is engaged in long term landscape regeneration - implementing a financially sustainable regeneration model that can be replicated across multiple places. GGC was a recipient of a grant under Conservation International's Regenerative Fund for Nature. They are working to introduce regenerative land management techniques and restore rangelands to health, working with specific herder communities to demonstrate an economic model that supports biodiversity and regeneration in the long term. GGC brings together ecosystems science, community partnerships and value chain design to create value for nature, people and places.

The GGC model enables herders to earn from diverse income streams through multiple value chains, reflecting the diversity of nature in each landscape. The goal is to stop herding communities being dependent on a single commodity for their income; finding markets for all the diverse materials that are produced by integrating and designing value chains. This relieves pressure on the landscape and makes herder livelihoods more resilient.

Web Link: [Landscapes | Good Growth](#)

4. Sustainable Cashmere Union (SCU):

Statistics for SCU:

- Number of herders: 11 cooperatives including 977 herder households
- Number of goats: 252,006 goats in 2021
- Area of land covered: 1.9 million hectares
- Volume of fiber: Greasy cashmere fiber production transacted through SCU increased from 60 tonnes in 2020 to 83 tonnes in 2021.

Overview of SCU work:

The Sustainable Cashmere Union was established with the support of the Agronomes et Vétérinaires Sans Frontières (AVSF) Mongolia organization in 2017 (see also section 6 below). The AVSF cashmere certification scheme for herders was developed by the Sustainable Cashmere Union in Mongolia in 2019.

In the AVSF cashmere certification scheme, there is a total of 25 criteria covering sustainable management of pastoral resources, good herding practices, quality management, good governance, financial management, and fair profit distribution.



Based on the adoption of those criteria by herders and their communities, they are certified against “Sustainable Cashmere”. The regular verification is done by Independent Veterinary Service. In future there will be greater links between this work and Responsible Nomads (see above) and the RN criteria will be the baseline for requirements.

Web Link: [Sustainable Cashmere Union](#)

5. Other current cashmere initiatives

5.1 Global Environmental Facility (GEF) 7: Promoting dryland sustainable landscapes and biodiversity conservation in the eastern steppe of Mongolia:

The project is part of a wider GEF 7 program, Sustainable Forest Management Impact Program on Dryland Sustainable Landscapes. The goal of the project is to support the transformation of Mongolia’s Eastern Steppe ecosystems into a resilient landscape that enhances biodiversity conservation, and sustainable utilization, restores soil fertility, and reduces greenhouse gas (GHG) emissions.

The project is funded by GEF and carried out by the Mongolian Ministry of Tourism and Environment and is expected to run until the end of 2025. The project targets eastern provinces: Dornod, Khentii, and Sukhbaatar.

Cashmere is also part of the project. They are promoting sustainable cashmere production and have worked with SFA (see section 2 above) and organized training for over a hundred and thirty herder households of four herder cooperatives from target regions.

In those target herder cooperatives, approximately 700,000 goats were counted with the capacity to prepare 200 tonnes of cashmere. Initial output is around 60 tonnes of sorted cashmere.

The aim is for local communities to benefit from enhanced value chains, public-private partnerships and access to markets in support of sustainable grazing practices

Web link: [Global Environment Facility](#)

5.2 Ensuring Sustainability and Resilience (ENSURE) of Green Landscapes in Mongolia project – Improving Livestock Quality and Protecting Genetic Resources:

Ensuring Sustainability and Resilience of Green Landscapes in Mongolia project was initiated in 2019. It is jointly implemented by the Ministry of Agriculture and Light Industry, Ministry of Tourism and Environment, United Nations Development Programme, and funded by GEF. The project is expected to run until the end of 2025.



The project objective is to enhance ecosystem services in multiple landscapes in Mongolia by reducing rangeland and forest degradation and conserving biodiversity through sustainable livelihoods.

Their key actions are to:

1. Strengthen legislation, and enhance enabling framework and financial mechanisms to help conserve biodiversity and ecosystem
2. Restore rangelands, forests, and biodiversity. They are aiming to reduce the degradation of 300,000 hectares of rangelands, 20,000 hectares of boreal, and 25,000 hectares of saxaul forests as well as expanding national protected areas by 940,000 hectares to reduce threatened biodiversity loss
3. Provide benefits to and support local communities
4. Improve knowledge for management, monitoring, and evaluation.

Web link: [United Nations Development Programme](#)

5.3 Mongolian Noble Fiber Certification project of MWCA, Mongolian Wool and Cashmere Association:

The MWCA is the first professional association established in 1993 by the initiative of more than 10 factories to carry out activities aimed at restoring national industries, providing raw materials, protecting the interests of herders, and improving the quality of wool and cashmere. In cooperation with Asian Development Bank, they have initiated the Mongolian Noble Fiber Certification project to certify that products are made with 100 percent high quality wool and cashmere sourced from Mongolia. Ministry of Food, Agriculture, and Light Industry of Mongolia holds and own the certification mark, and accredited MWCA to promote the scheme. This certification scheme operates only at the processor level.

Web link: [Mongolian Wool and Cashmere Association](#) & [Mongolian Noble Fiber Certification](#)

5.4 Improving Adaptive Capacity and Risk Management of Rural Communities in Mongolia project:

This project has the objective of strengthening the resilience of resource-dependent herder communities in four aimags vulnerable to climate change. The aim is to have an integrated approach to address climate change impacts on herder livelihoods and on the natural resources on which they rely. This project is expected to run until 2028.

Web link: [United Nations Development Programme](#)

Brands interested in any of the projects in **Section 5** should contact the Mongolian Sustainable Cashmere Platform (MSCP) for more information

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6. Previously existing cashmere initiatives:

The names of the following projects may be familiar to some, who might wonder why they are not included in the main part of this document. Work on these projects has now ended or shifted focus, but they accomplished important work while they were in operation as can be seen below.

6.1 Green Gold:

The Responsible Nomads standard (see section 1 above) was initially developed by the Green Gold and Animal Health project and funded by Swiss Agency for Development and Cooperation (SDC). The project started in 2017 and ended in 2020. Besides the development of rangeland assessment and monitoring system and establishment of PUGs, the SDC assisted Mongolia in drafting a new Animal Health Law that was in alignment with international standards. New control strategies and action plans for brucellosis and foot-and-mouth disease were developed which has improved the responsiveness of authorities to outbreaks.

Web link: [Mongolian National Federation of Pasture User Groups of Herders](#)

6.2 Agronomes et Vétérinaires Sans Frontières (AVSF):

The AVSF team implemented the StepEcoLab project which was addressed to processors rather than engaging directly with herders. The project was officially ended in October 2022. In collaboration with Mongolian Wool and Cashmere Association, AVSF has developed the MNS 6926:2021 Mongolian national standard for textile production. See also section 4 above.

Web link: [Agronomes et Vétérinaires Sans Frontières](#)

6.3 Wildlife Conservation Society (WCS)

The WCS program also known as the South Gobi cashmere project was implemented to achieve conservation outcomes in the South Gobi region. The project was a collaboration between Kering and OyuTolgoi mining company with input from the Wildlife Friendly Enterprise Network. Initially there was a goal to develop a standard which not only looked at animal welfare and rangeland management but also wildlife conservation.

The project has gone through a substantial review and changes. Moving forward, WCS will be working to deliver the science and monitoring implementation required for the verification of sustainable practices and will transition away from community engagement and engagement directly in cashmere sale processes. WCS will be working with the Sustainable Cashmere Union and the Good Growth Company (see above) to continue working with herders and cooperatives to develop a sustainable mechanism for livestock husbandry and cashmere producing process.

Web link: [Wildlife Conservation Society](#)

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