

Creating a market for sustainable cashmere

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While it only accounts for less than 3.4 percent of exports, a distant second after mining, cashmere could bring far greater wealth to Mongolia. The government last year prioritized this issue by launching the National Cashmere Programme to improve its competitiveness.

This year, UNDP organized 'The Conference on 'Multi-Stakeholder Collaboration for Systemic Change: The Case of Sustainable Cashmere' which brought together 100 groups to identify a common course of action.

Development partners, UN agencies and others show consistent appetite for programmes to foster climatically resilient and socially responsible pasture management. "I always remind people that climate change is the greatest threat to the country," said Beate Trankmann, Resident Representative of UNDP Mongolia. The twin challenge of land degradation driven by climate change and poverty rates, despite the country's recent economic recovery, are what UNDP is addressing.

Sustainable cashmere can play a key role.

The usual conference could have been a one that gathered civil society organizations, domestic industry groups and the government. This time, however, representatives from leading global brands such as Gucci

and H&M also came. As did Textile Exchange, a global non-profit representing nearly 400 international companies. H&M's announcement to phase out 'conventional' cashmere added a sense of urgency. The press conference demonstrated the desire for immediate action. The retailers' message was clear: They are ready for sustainable cashmere.

Is Mongolia ready to supply?

Sustainable cashmere remains an elusive concept, and not only in Mongolia. For some, it stands for cashmere harvested in a manner that respects animal welfare, ecosystems and wildlife. For others, it emphasizes clean processing. For all, metrics are important, but poor traceability and the textile's relatively long supply chain makes a sustainable solution expensive.

This is why UNDP's Green Commodities Programme (GCP) expertise was called for. The programme has already successfully supported ten governments in promoting eight sustainable commodities.

Four groups were asked to develop priority issue areas that would require collaboration. The delegates acknowledged that a consensus on sustainability was required, skills need to be developed across the value chain and, finance and incentives for suppliers are crucial, as is market access.

Participants realized they were not only discussing an economic opportunity, they were part of a mission to save centuries-old nomadic heritage.

"Producing sustainable cashmere is not that difficult as it has been embedded into our centuries-long nomadic lifestyle. For us Mongolians, our livestock is not just a commodity or an economic asset. Instead, any Mongolian herder would establish a special bond with the livestock," said L. Sukh, a herder from Tsagaan-Ovoo province.

Sustainable management of pastureland

Later that week delegates visited a village in eastern Mongolia where UNDP has been promoting sustainable management of pastureland. During this year's cashmere harvesting season they have tried to connect several co-operatives to buyers. Having seen that the market was increasingly recognizing the value of sustainable livestock production, and that buyers began considering paying for a premium, we conducted a pilot project to test the

commercial viability of sustainable cashmere value chain. Price premium was envisioned as the most visible way of acknowledging its value.

Unfortunately, the market was not yet ready for a price premium. While a few corporate Samaritans were discreetly paying for a premium in partnership with civil society organizations, a system that would credibly signal the environmental and social value *at scale* has yet to emerge.

Herder Batmunkh was one of the pioneers who voluntarily sold the cashmere to our pilot project at a price lower than then-market price.

“I might be cutting off some portion from my kids’ dinner today but it is fulfilling to think that I have also done my tiny part in supporting the bigger goal that we are trying to achieve, which is the creation of the sustainable value chain,” he said.

Overwhelming support

When the delegates arrived at the village, they received overwhelming support. Herders want to be connected to the global market and to sell to buyers who value cashmere made in Mongolia. Many of them were aware that their long-term livelihood depends on the healthy pastureland and have enthusiastically attended trainings and workshops on sustainable management.

In a meeting of more than 60 people, the delegates received a warm welcome, with traditional dancing and singing before discussions began.

It became the turn for a male herder to ask his question. He inquired about how UNDP could help them sell their cashmere on the global market. The delegates paused for a moment, looking for the right answer. Breaking a moment of silence, the Resident Representative explained that this mission was already a part of UNDP’s efforts to connect them to the global market and that as a testimony, representatives of H&M and Textile Exchange had come to the village. Following her response, the H&M representative explained that the objective of her joining the mission was to gauge the potential of sustainable cashmere.

Neither the man nor the audience reacted. The herders did not know about H&M. After another few seconds, the H&M representative explained that they have more than 4,000

stores in 60-plus countries. It took a while for the herders to understand the magnitude of opportunities they were facing. Before long it became clear that they were sitting with a representative of a company representing a potentially huge global market and they were eager to work with them.

UNDP will continue to work with Mongolian cashmere producers to develop global markets and to receive a fair price for their products. The conference-goers positive feedback shows that Mongolia has already taken a step towards becoming a leading producer. I am delighted to have this new opportunity to follow through on the work we have begun.