

MONGOLIA

Scope of activities

Sustainable textile value chain
Certification and ecolabelling
Policy development
Green financing

Beneficiaries

Mongolian:
Textile sector processing MSMEs (~97)
Textile sector business intermediaries (6)
Herder organizations (~180)
Finance Institutions (~37)
Policymakers and state institutions
Total population of targeted areas
Cashmere & fine wool industries and brands worldwide

Period

2025 - 2028

Budget

1,875,000 EUROS

Consortium partners

- AVSF: Agronomes Et Veterinaires Sans Frontieres
- CSCP: Collaborating Centre on Sustainable Consumption and Production
- GGMRRRC: Green Gold - Mongolian Rangeland Research Center
- MSFA: Mongolian Sustainable Finance Association

Donor



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switchasia
GRANTS PROGRAMME

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Target areas

Ulaanbaatar city
Arkhangai province
Bayankhongor province
Uvurkhangai province



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Project STeP EcoLab II

Sustainable Textile Production and Eco-Labeling in Mongolia Phase II

Context

The project design was developed collaboratively by the project consortium partners, leveraging their extensive experience in sustainable fiber and textile value chain projects within Mongolia. This design builds upon the successful outcomes and lessons learned from the preceding STeP EcoLab I project.

Through stakeholder consultations, assessments, and collaborations with herders, local authorities, businesses, and financial institutions, the consortium gained deep insights into Mongolia's cashmere and fine wool value chains. The STeP EcoLab I evaluation emphasized the need to institutionalize Sustainable Consumption and Production (SCP) practices in the textile sector.

The project aims to contribute to Mongolia's transition to a low-carbon, resource-efficient, and circular economy, while promoting a more sustainable textile value chain and supporting economic recovery. Various activities under the project will consolidate and replicate successful SCP practices, improve value chains, and strengthen institutional frameworks. Its goal is to drive sustainable development in Mongolia's textile industry by promoting eco-friendly production, enhancing stakeholder collaboration, and scaling up proven business models.



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Objectives

To support Mongolia's transition to a low-carbon, resource-efficient, and circular economy by promoting a sustainable textile value chain, fostering economic recovery, and integrating MSMEs into global green supply chains by:

- (i) engaging and supporting MSMEs in the replication of sustainable and certified raw material sourcing mechanisms;
- (ii) reinforcing the credibility of eco-labeling schemes;
- (iii) developing a conducive environment for the textile processing sector to switch to sustainable production practices.

Expected results

To achieve the specific objective, STeP EcoLab II will articulate 4 outputs focused on different levels of engagement with target groups/key stakeholders.

Result 1

High potential Herders Organizations (HOs) are inclusively supported to adopt exigent certified sustainable practices.



Result 2

Mongolian textile MSMEs are strengthened in their adoption of SCP practices, their credibility is reinforced on global markets and their relationship with HOs is strengthened.



Result 3

Textile MSMEs and HOs have access to green finance instruments responding to their needs.



Result 4

Policymakers adopt regulations in favour of Mongolian textile sector SCP, and (inter)national consumers awareness is improved.



Methodology

The project employs a **participatory, multi-stakeholder approach**, engaging target groups throughout implementation and building on STeP EcoLab I's structures. Consortium partners will contribute to the relevant networks and platforms to ensure collaboration and synergies among all key stakeholders.

An integrated strategy will **enhance sustainability in the cashmere and fine wool supply chains through digital traceability, circular economy innovations, and access to green financing**. Advocacy efforts will support regulatory improvements, creating a long-term enabling environment for sustainable practices and market competitiveness.



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Sarangoo Ukhnaa

u.sarangoo@avsf.org

#402, 4th floor, MGG
Properties Office, 2nd
khoroo, Sukhbaatar district,
Ulaanbaatar, Mongolia

www.avsf.org

Pawel Zylka

pawel.zylka@cscp.org

Hagenauer Strasse 30
42107 Wuppertal, Germany

www.cscp.org

Khaliun Byambaa

khaliun@toc.mn

2nd floor, Vista Office, 1st
khoroo, Sukhbaatar district,
Ulaanbaatar, Mongolia

www.toc.mn

Ankhubayar Erdenebat

ankhubayar.erdenebat@greenmongolia.mn

#606, 6th floor, Tokyo
residence, 26th building, 3rd
khoroo, Bayanzurkh district,
Ulaanbaatar, Mongolia

www.greenmongolia.mn

