



MONGOLIAN FELT FASHION ACCESSORIES APPEAL TO WORLD MARKET



EXPORT-LED POVERTY REDUCTION PROGRAMME OBJECTIVE

Project activities in Mongolia began in late 2004 with the objective of improving the livelihoods of 250 beneficiaries, 90% of whom were women, organized in 10 producer groups of felted wool fashion accessories in the provinces of Ulaanbaatar, Darkhan and Selenge (MDG 1 and 3).

THE CONTEXT

Working with wool and felt is part of Mongolian life and it is still largely characterized by nomadic and herding traditions. Raw wool is abundant in Mongolia, with more than 24 million heads of livestock and 10.6 million sheep. The processing and export of wool and felted fashion accessories is a promising opportunity to integrate poor communities in Mongolia into entrepreneurial activities, which will in turn create new employment and additional income. To establish the related supply capacity, general business skills as well as quality management and design capacity need to be built.



ACTIVITIES

The main project partner is the Norwegian Lutheran Mission (NLM), a NGO with long-standing experience in technical cooperation related to the wool and felt sector. In 2005, EPRP undertook a market survey identifying winner products and testing their export potential to European markets.

EPRP assisted in the strengthening of the board of cooperatives, the diversification of their product portfolio, and the building of export-marketing capabilities through consultancy and training. Since the workshop on quality management in 2008, the producers have been installing a basic quality control system, which helps them better meet market requirements. New collections based on natural dyes and colours have been developed with the help of an international design consultant and presented successfully at the Tendence Trade Fair in Frankfurt. The focus of the activities in 2008 was on facilitating the hand-over of the project to the beneficiaries.

RESULTS ACHIEVED SO FAR

A number of new felt products, which are suitable for export, have been developed and are currently being promoted in Asian and European markets. During trade fair participation in Frankfurt 2007 and 2008, the Mongolian Wool Craft Cooperative found new buyers from Germany, Italy, Japan, the Netherlands, France and from other countries guaranteeing export sales of US\$ 20,000 for 2008 with more orders pending. The project has already generated over US\$ 50,000 of export sales and about US\$ 450,000 of local retail sales.

Tsagaan Alt and the Cooperative Union also participated in domestic exhibitions in conjunction with bodies such as the Mongolian National Chamber of Commerce and Industry (MNCCI). At these events, the products received numerous awards and recognition including Mongolian 'Best 99 products' (2005 & 2007), 'Green Label' for Eco Product 2006 and Prize for Export 2007.

IMPACT ON THE POOR

On average, the project has increased the annual income of the 250 participating producers by US\$500, which has also benefited their families. The economic self-confidence and entrepreneurial skills created in the participating communities will be major factors in the sustainability of the export results. The once dispersed producers have now formed the Mongolian Wool Craft, an association of 10 wool and felt producer groups that will take over the management responsibilities at the end of the project, thus assuming full ownership.

FUTURE DEVELOPMENTS AND SUSTAINABILITY OF THE INTERVENTION

Working together towards the goal of common economic and social development has triggered political interest. In effect, the Mongolian Wool Craft Cooperative Union, supported by the ITC and the NLM, spearheaded the first National Assembly of Cooperatives in Mongolia in December 2007. Delegates from around the country and different sectors, including Members of Parliament, came together with the purpose of strengthening the policy framework for cooperatives. The Assembly recommended amendments to the Cooperative Law and developed an action plan for cooperative improvement and strengthening for export impact.

Efforts to improve the livelihoods of poor communities through exports of woollen and felted fashion products now receive considerable attention from policymakers. The application of the EPRP approach is planned in the context of a national export strategy to be developed by ITC in cooperation with the Ministry of Industry and Trade and the Mongolian National Chamber of Commerce.

FOR FURTHER INFORMATION, PLEASE CONTACT



Fabrice Leclercq
Export-led Poverty Reduction
Programme (EPRP)
International Trade Centre
Palais des Nations, CH-1211
Geneva 10, Switzerland
T. +41 22 730 0111
F. +41 22 730 0816
Leclercq@intracen.org