

IMPACT SHEET • SWITCH-ASIA PROJECT
GREEN PRODUCTS DEVELOPMENT AND LABELLING

BETTER PRODUCTS AND IMPROVED LABELS GREEN MONGOLIA'S MARKET



**SWITCH-ASIA PROJECT ON PRODUCTS AND LABELS INVOLVED
370 COMPANIES TO IMPROVE THEIR PRODUCTS AND
REDUCE WATER, ENERGY AND MATERIALS CONSUMPTION
THROUGH CLEANER PRODUCTION AND ECO-DESIGN**



THE CHALLENGE

Mongolia has a strong history of locally produced goods. But the products have in average poor quality; the manufacturing process often has an inefficient use of resources and little pollution prevention. The constraints for the manufacturers are the lack of experience on improving, manufacturing and marketing their products in line with sustainable product standards, being unfamiliar with the upcoming green label developments in Mongolia. Fast growing of SMEs and manufacturing sectors in Mongolia requires an sustainability approach not only for SMEs but also for policymaking. The manufacturing sectors in terms of resource use and pollution prevention is very often inefficient. Consumers are not aware of green choices. Eco labelling was initiated earlier, but did not succeeded due to inconvenient procedure, lack of awareness and involvement of stakeholders.

OBJECTIVE

This project aims to encourage green products development and eco-labelling for locally produced products in Mongolia in order to reduce negative environmental impacts. It aims to strengthen the Mongolian certification standards and procedures and provide business support network on development and promotion of sustainable products.

TARGET GROUPS

- Small and medium sized enterprises producing traditional products from wood, leather, handicraft or producing wool/cashmere and diary and meat or tourism.
- The business support network of the beneficiary organisations, Mongolian National Chambers of Commerce and Industry (MNCCI) and Mongolian Agency for Standardisation and Metrology (MASM)
- Ministry of Food, Agriculture and Light Industry and Ministry of Nature, Environment and Trade (associates)

ACTIVITIES / STRATEGY

The *Green Products Development and Labelling in Mongolia* project encourages green products development and eco-labelling for locally produced products in Mongolia in order to reduce their negative environmental impacts, strengthen Mongolian standards on sustainability and enhance production and sales. By improving the product quality and the manufacturing efficiency, the position of the products can be strengthened on the market. This strongly contributes to local economic development and rural poverty alleviation. The traditional, natural sources of the manufactured products have a distinct potential to meet international standards for eco-products and to be exported.

The project built capacity to develop promotion policies on sustainable consumption addressing retailers and consumers. In addition the project increased commitment for the development and implementation of Green Mongolian Products procurement programmes at ministries and public bodies. The project's local partners have an extended network of local representatives and business partners in all provinces of Mongolia. The project aims to train members of this network in order to have local support on sustainable products all over in Mongolia. The project conducted a Green Products Challenge - a Mongolian business plan competition to promote clean production and establish eco-products. An objective was to provide entrepreneurs with a better appreciation and understanding of clean production and eco-design.



SCALING-UP STRATEGY



A BUSINESS PLAN COMPETITION TO SCALE UP SCP

The Green Products Challenge – a business plan competition - was at the centre of the project. Companies from sectors including leather, wood, wool & cashmere, food, handicraft and tourism participated in this green product development contest. Companies with promising business plan were supported on green product development via trainings and workshops not only about cleaner production, eco-design and green labels but also about business planning.



A CERTIFICATION PROCEDURE TO STRENGTHEN SCP

Project partners and associated policy bodies took the lead in the development of the Mongolian eco-label framework and a new version of the Mongolian Eco-label Standard was drafted in July 2011. The ambition of the responsible Ministry department is now that an eco-label regulation is submitted and accepted by Parliament.



A LINK TO EXPORT MARKETS

A mechanism to scale-up SCP practises is to link SMEs to export markets. The project found that the traditional, natural components of certain Mongolian products have potential for meeting international standards for eco-products. The project found it important to link Mongolian products with export potential to the growing markets for 'sustainable products with a distinct cultural background' in Europe, Northern America, and Asia (Japan, Korea, China).



A STRATEGY FOR RAISING PUBLIC AWARENESS

The project established public campaigns using chambers of commerce and national fairs, to promote green products. The Mongolian National Chamber of Commerce and industry organised an Organic and Green Products National Fair in 2010 and 2011 with over 10-thousand visitors and registered sales of a 30 thousand US-dollars.

RESULTS



BUSINESS PLAN DEVELOPMENT

During the 1st and 2nd round of the Green Product Challenge a total of 34 companies developed business plans and invested a total of € 1.831.000 in energy, water and waste reduction & recycling measures. Business plans were developed in all the target sectors of the project and investments were made in leather, food, handicraft, wool & cashmere and wood sector. Of the enterprises that applied for outside loans a substantial number were approved. Project partners thus seem successful in supporting companies wanting to invest in environmentally improved products.



NEW MARKETS ESTABLISHED

Leather: New green product entrances on the market were reported by Darkhan Nekhii, the biggest sheepskin tannery and garment manufacturer in Mongolia, which developed 10 new products made from skin waste. Darkhan Nekhii and the leather company Darkhan Minj have also indicated an interest in acquiring an eco label for leather when it comes available. When these large companies show their motivation to green their products and acquire labels this is often an incentive for smaller companies to follow suit.

Food: Monos and Misheel Solongo received a “Made in organic Mongolia” label for a number of their products (Khan juice, Seabuckthorn oil, Vitamin & Jam). Other companies participating in the Green Product Challenge such as SBB Zuunkharaa, Mon Suu, Zagdaa have indicated an interest in acquiring a label. The large dairy producer Suu received a best green product award for “My Mongolian Milk” during the National Fair.



Wool: Nine wool & cashmere manufacturers participated in the project, of which the company Noosen Zangilaa, a manufacturer of wool & felt products, as well as Shilmel Esgii (wool manufacturer) have developed new products (such as blankets) from waste wool. The company Khangain has started producing and selling gher tents made from waste fleece and stated that its sales increased by 30%. Other companies reported increases in sales that they attributed to the project. The company Nooson Zangilaa for example, a producer of felt slippers, boots, scarfs and felt experienced a winter sales increase of 10% and the Nooson cooperative (made up of 250 home producers). Urantengis and Ujeed saw production costs decrease by 5% due to reduced energy and water consumption. Montulga has stated that exports increased by 12% and are setting up an international system of “Ecologically pure products”.



LABEL DEVELOPMENT

With regards to the label development a good foundation has been laid by the project but due to the political situation the progress is not so far as was to be expected at the beginning of the project. Staff changes at MONET and MOFALI, unclear management situation at MASM yielded delays and required repeated capacity building efforts. Despite this eco-label procedures has been produced and put forward to the relevant authorities for ratification. Eco-labels for leather and hotels have been established and organic agricultural produce and felt are in the pipeline.

IMPACT IN NUMBERS

ECONOMIC IMPACT



- 34 companies developed business plans and invested a total of € 1.831.000 in energy, water and waste reduction & recycling measures

ENVIRONMENTAL IMPACT



- 43 companies developed and implemented green ideas on EE, water use efficiency improvement, product improvement/eco designing, 3R (recycling, reuse, reduce)

ENGAGEMENT OF TARGET GROUP



- More than 370 companies, or two times the targeted participants, attended the information and expert training seminars
- 150 eligible green product applications with 80 companies selected for further support and for in-depth training
- 17 baseline assessments and 6 business plans had been received by the MNCCI. 14 more business development plans are reported to have been received by the Capitron Bank.
- Successful Green Products Fair was organized together with the “Organic Mongolia” programme with over 10-thousand visitors and registered sales of a 30 thousand US-dollars

POLICY LINKAGES



- A new version of the Mongolian Eco-label standard and procedures was drafted, followed by its translation for the international experts’ review
- Labels for leather products and hotel services have been established and for organic produce and felt are under development
- The adoption of a Mongolian Eco-label framework as expected will give the green products developments a further boost





Legend

- Eligible countries where SWITCH-Asia projects are implemented
- Eligible Asian countries for the SWITCH-Asia programme
- Non-eligible Asian countries for the SWITCH-Asia Programme

Project implementation area

- City
- Region
- Country

The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

OBJECTIVES

This project aims to encourage green products development and eco-labelling for locally produced products in Mongolia in order to reduce their negative environmental impacts, strengthen Mongolian standards on sustainability and enhance production and sales.

DURATION



TOTAL PROJECT BUDGET

933,257 EUR
(EU contribution: 80%)

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