

Gobi Climate Resilient Cashmere Value Chain Project

01

Climate risk

Cashmere herders in Mongolia, who have minimal adaptive capacity, are experiencing heatwaves, droughts, *dzuds* (summer drought followed by extreme winter), and flooding associated with climate change. During the 2024 *dzud*, Mongolia lost ~10% of its total livestock and 2,250 herder households have reportedly lost more than 70% of their livestock.

02

Adaptation investment

Herder level. Working capital to Gobi ensures uninterrupted raw cashmere procurement from herders; Technical Assistance (TA) scales Gobi's existing herder program to improve productivity and to build adaptive capacity.

Gobi level. Incentivize Gobi through sustainability-linked loan (SLL) to achieve KPIs focused on direct procurement from herders, energy/water savings and herder training.

03

Resilience outcomes and transformational impact

Number of herder households integrated into the value-chain increased to ~1,000; direct procurement from herders increased; at least 200 herders (of whom 80 women) trained in sustainable pasture management, financial literacy, and gender equality; and energy/water usage reduced by 12-17%.

04

Investment case

A \$30 million SLL with a \$1 million TA reaches ~1,000 herder households through the company that buys from them: working capital keeps procurement and herder payments stable; TA builds herders' capacity to adopt resilient pasture practices; and KPI-linked pricing ties Gobi's cost of funds to verified sustainability measures.

PROJECT SNAPSHOT

Mongolia | Agribusiness - Cashmere | Gobi JSC
Signed 2023, under implementation | Herder households

KEY TAKEAWAY: Offtaker-level lending, paired with targeted TA, is an effective channel for delivering adaptation finance and capacity building to dispersed, climate-vulnerable producers, replicable across Mongolia's livestock value chains.