

# IAA Sustainability Strategy for Peru's Alpaca Sector



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Internacional  
de la Alpaca  
International Alpaca Association



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# I. Introduction

In recent years, the international alpaca market has experienced a remarkable increase in sustainability demands. This shift has been driven by several forces, including pressure from Non-Governmental Organizations (NGOs) advocating for more responsible practices, the growing request from clients for detailed information regarding sustainability across the value chain, and the rise of environmental and social legislation in our target market.

At the initial stage of the value chain, alpaca producers face significant challenges stemming from climate change, which directly affects critical factors such as water supply and pasture availability. In addition, social conditions at this stage of the chain have not shown substantial improvements in recent years.

Aware that commercial pressures will continue to increase, the International Alpaca Association (IAA) has decided to develop a comprehensive strategy. The objective is to align with the international expectations and position itself as a proactive leader in the transformation towards sustainability. The IAA aspires to move beyond a reactive role and become a global benchmark in building a more sustainable textile industry.

The development of this strategy has been an inclusive process that has considered the knowledge and perspectives of all stakeholders across the value chain. Interviews and consultative sessions were conducted to gather valuable input. The Structure of the document covers the IAA's vision for the alpaca sector in Peru, the proposed lines of action, the specific projects to be implemented, and the key indicators to measure progress.

We invite all stakeholders to contribute to the definition of concrete projects and actions that will strengthen the proposed lines of action and programs within this strategy. The goal is to unite the entire value chain under a common purpose: to enhance the international image of alpaca, grounded in a solid track record and forward-looking vision aligned with sustainability.



## 2. Vision 2030

## The vision of the alpaca sector

In 2030, the alpaca sector has evolved into an integrated and collaborative community, where the value chain, from producers to end consumers, operates in an integrated way with a vision of excellence and sustainability. The alpaca product is an example of the highest quality, sustainability and cultural integration that manages to have a positive impact on the environment, strengthening social justice and strengthening the rich ancestral traditions of Andean communities.



## The vision for the product in 2030

In 2030, alpaca products have emerged as a key benchmark in the textile industry. Beyond offering high-quality garments, alpaca products serve as transformative agents, uniting and promoting a sustainable sector with a positive societal impact.

Our vision for alpaca products extends beyond the traditional realms of fashion and textiles. They are not just symbols of quality and elegance; they also act as catalysts for wellness opportunities, which are shared equitably throughout the value chain. The rich tradition of alpaca, with its 14 natural colors, has remarkably distinguished our products and continues to be a hallmark of sustainability. Alpaca products are highly valued in international markets. They utilize healthy inputs and renewable energy, enhancing the quality of ecosystems during their production process. Designed to be durable, reusable, repairable, and compostable, these products embody our commitment to circularity and waste reduction throughout their life cycle. By choosing alpaca from Peru, consumers are not only selecting quality and authenticity but are also engaging with a product that reflects a strong connection to the Andean traditions and worldviews of the people and communities involved. Each alpaca product is woven with cultural, social, and environmental respect in every fiber.

# The vision of the Alpaca product



It protects and regenerates the tradition and worldview of the people and communities involved.



Use healthy supplies



Efficient production process with a life-cycle perspective



Improves the quality of ecosystems with its production process



Uses Renewable Energy



It is durable, reusable, repairable, and compostable



The product is highly valued in the market.



Offers opportunities for development and well-being in an equitable manner



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## 3. Dimensions

The vision for 2030 understands competitiveness as the set of economic, social, and environmental conditions that allow domestic South American camelids, their actors and products, to insert themselves and grow sustainably in dynamic markets, generating well-being for all those involved in their development. To achieve it, it will be necessary to work on five approaches: market, sustainability, equity, interculturality and production chains.

## Market Dimension

Demand-oriented, clear rules, efficiency, and business development. The actions must:

- **To promote** the positioning of Peruvian alpaca and its derived products in the world and national markets.
- **Encourage** investment and financing for the development of the production chain.
- **To guide, promote, and encourage** the generation of greater added value in each link of the production chain, as well as a better distribution of the value created.
- **Promote** the association of actors, especially between producers and rural processors, in effective organizations to generate greater added value, economies of scale, and improve the quality of supply.
- **Promote and encourage** the standardization of processes, products, and services throughout the chain.
- **Formalize and make transparent** the intermediation channels in the chain, thus shortening the distances between breeders, the industry, and final consumers.
- **Promote** economic viability in the different links of the production chain, especially among producers and rural processors.
- **Promote** a market information system that is transparent, accessible, and adequate for all actors in the domestic camelid production chains.

## Equity Dimension

Equal opportunities and mechanisms that reduce the gaps between actors. The actions must:

- **Provide** for the necessary mechanisms to guarantee the proper application of technical standards in the production chain.
- **Promote** mechanisms that allow greater participation of the least favored actors in decisions on the development and competitiveness of the chain.
- **Promote** equal opportunities for access to natural resources, information, technology, and financing among the different actors in the chain.
- **Promote** mechanisms that reduce the gaps in the negotiation conditions between the extreme links of the chain (producers-industrialists).
- **Improve** the integration of women in the production chain.
- **Promote** the identification, articulation, and intersectoral coordination of programs and projects related to domestic camelids.

## Interculturality Dimension

Respect and recognition of the differences and cultural contributions of the actors. The actions must:

- **Recover and recreate** sustainable Andean technologies.
- **Promote** respect among all actors in the chain, considering their cultural identity.
- **To reassess** the link between the high Andean population and the alpaca as a flagship product.

## Climate and biodiversity Dimension

Rational use of natural resources and the notion of intergenerational equity. The actions must:

- **Guarantee** the sustainable and efficient use of natural resources.
- **Promote** and energize spaces for consultation and agreements for sustainability among the actors in the production chain.
- **Develop** actions to encourage the mitigation and adaptation of all agents in the value chain and the promotion of ecosystem regeneration.
- **Permanently submit** to economic, social, and environmental evaluations of each public or private intervention referring to domestic South American camelids.



## Dimension of Production Chains

Consultation and agreement between the actors in the chain for competitiveness. The actions must:

- **Promote** articulation and agreement between actors and projects
- **Promote** and stimulate private and public investment in all links.
- **Create** the conditions to improve the productivity and quality of products and services in the chain, with emphasis on the situation faced by producers.
- **Improve** the development, access, and use of technologies in all processes of the chain.
- **Strengthen** the production, management, and negotiation capacities of the actors, prioritizing the critical areas for the competitiveness of the chain (producers and artisans).
- **To promote, develop and strengthen** institutional representativeness for each of the actors in the chain.
- **To promote** the generation of research and technological development projects that guarantee continuous improvement.



No approach is exclusive but complementary to the others. While the emphasis is on competitiveness and responding to market demands, the other approaches are seen as decisive in providing structural support to the domestic camelid strategy.

The challenges of productivity and quality are met through the demands of competitiveness in each process of the production chain.



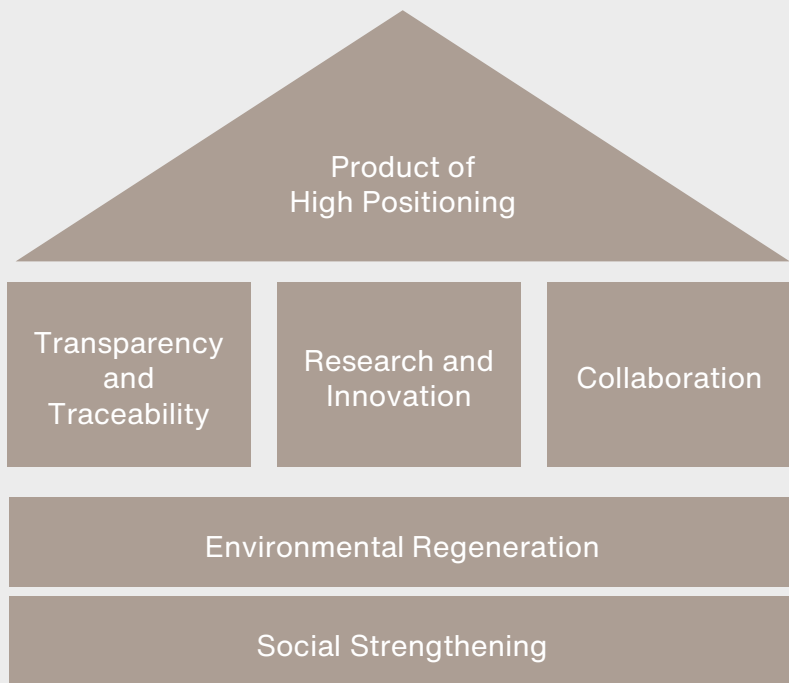
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## 4. Strategic Objectives

# Strategic Pillars

In our journey towards sustainability and excellence, we have defined a series of strategic pillars that form the backbone of our vision for the alpaca industry in Peru.



These pillars are developed into strategic objectives that will guide our actions to transform the alpaca industry into a benchmark model in sustainability.



## Strategic Objective 1:

### Research and Innovation

The industry has validated scientific information on the main social and environmental issues that allows it to support decision-making, innovation and communication to stakeholders.

#### ○ Lines of action

- **Environmental and social research agenda.** Develop validated, high-quality studies on the key environmental and social issues that underpin sustainability decision-making.

## Strategic Objective 2:

### Transparency and Traceability

The industry has a transparent, traceable and healthy value chain in line with legislation throughout the life cycle

#### ○ Lines of action

- **Transparency and Traceability.** Develop a transparent, traceable, fully formalized and efficient value chain, with an optimal number of intermediaries
- **Adaptation to legislation.** Promote the progressive and orderly adoption of international legislation on sustainability and have a significant presence in the main consultation and lobbying spaces.



## Strategic Objective 3:

### Environmental Regeneration and Climate Change

The industry works to align all phases of the value chain with international agreements on climate change, mitigating and adapting to impacts, and promoting environmental regeneration.

#### ○ Lines of action

- **Climate Change Mitigation and Adaptation:** Promote that all phases of the value chain are aligned with international agreements to mitigate and adapt to climate change and the ecological crisis.
- **Regeneration of Ecosystems.** Develop and implement the regeneration philosophy in such a way that it is concerned that the environment improves throughout the life cycle thanks to its activity.

## Strategic Objective 4:

### Cultural and social strengthening

The industry actively promotes personal, social and cultural development, serving as a catalyst for positive change in communities, enriching tangible and intangible heritage and enhancing the well-being of society as a whole.

#### ○ Lines of action

- **Protection and empowerment for equity.** Fight against the mistreatment of women and age discrimination in order to continue developing a healthy and competitive sector.
- **Labor and human development.** To offer opportunities for continuous personal and professional development for all ages.

## Strategic Objective 5: Collaboration and External Relations

The IAA articulates all the actors of the system at the national and international levels to create synergies and promote the development of effective solutions in a participatory and equitable manner.

### ○ Lines of action

- **Political advocacy.** Develop a common position and strategy on the role that government agencies should play and work together to facilitate these actions
- **Strategic alignment.** Develop training and joint assessment of the level of sustainability and a customized action plan for each organization that aligns the objectives of the entire industry and allows for synergies in implementation and positioning

## Strategic Objective 6: Premium Positioning of the Alpaca

Alpaca fiber is positioned as a premium option aligning sustainability attributes to customer preferences and offering fast, reliable, and timely information when required to support any claim.





## 5. Programs and Projects



## Program 01

### Research and Innovation

This programme encompasses a number of strategic projects designed to address gaps in information and innovation potential in different aspects of the value chain.

#### 1.1 Research on the Parenting Link

This project focuses on alpaca farming, addressing critical aspects such as eutrophication, animal welfare in cold conditions, climate impact as well as gender considerations, preservation of traditions and sustainable livestock practices. The resulting research will guide best practice, provide the basis for applied research, and contribute to underpinning sustainability claims.

#### 1.2 Research in the intermediation link

This project will evaluate the environmental, social and economic impact of the intermediation chain in the alpaca industry seeking to identify areas for improvement to strengthen the efficiency, transparency and sustainability of this crucial link in the value chain.

#### 1.3 Research on safety and naturalness

Focused on analyzing the level of safety of the productive inputs with the aim of establishing a plan for the management, substitution and elimination of hazardous substances with the aim of validating the "naturalness" of the alpaca product in the market.

#### 1.4 Research in the Industrial Production and Clothing Link

Focused on the development of a peer-reviewed Life Cycle Assessment (LCA) of alpaca fiber, this project seeks to provide a detailed and objective assessment of the sustainability of alpaca fiber production, serving as a basis for continuous improvements.

#### 1.5 Organizational Collaboration

This project identifies organizational options to foster collaboration between farms, take advantage of economies of scale in fiber collection and sale, and mitigate the negative effects of the progressive reduction in farm size.

## 1.6 Formalization and Transparency

This project is focused on promoting transparency in the intermediary chain to identify and pivot effective solutions that allow us to ensure fiber traceability and ethical and transparent business practices.

## 1.7 Waste Disposal

Exploration of waste utilization options, reuse of textile waste among all industry players



## Program 02

### Transparency and Traceability

This program seeks to strengthen the integrity and visibility of the alpaca value chain by focusing on ensuring the transparency and traceability of the production process, from the breeding of the alpacas to the delivery of the final product.

## 2.1 Transparency and Traceability

This project focuses on the implementation of a comprehensive fibre monitoring system, ensuring 100% transparency and traceability. This system will make it possible to track every stage of the process, from production to sale, providing confidence to both consumers and industry stakeholders.

## 2.2 Legal and Regulatory Consulting

The conduct of specialized and ongoing research focused on identifying the implications and requirements of European legislation and target markets. This comprehensive analysis ensures that the alpaca value chain complies with international legal and regulatory standards.



## Program 03

### Environmental Regeneration and Climate change

This program addresses sustainable resource management, adaptation to climate change in the breeding phase, the design of regenerative practices and farms, and the elimination of toxic chemicals throughout the value chain.

#### 3.1 Colaboración para Gestión de Recursos Hídricos

In collaboration with ASCALPE, Andean ancestral knowledge, NGOs and the public sector, this project focuses on the design and implementation of projects for the sustainable management of water resources. The objective is to adapt to the effects of climate change, especially in the breeding phase, strengthening communities and their agricultural practices.

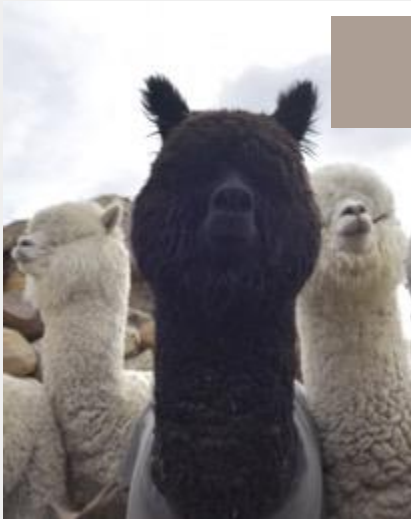
#### 3.2 Regenerative Agriculture for Adaptation Projects

In collaboration with ASCALPE, Andean ancestral knowledge, NGOs and the public sector, this project focuses on the design and implementation of projects for the introduction of regenerative livestock farming. The aim is to counteract the effects of climate change in the rearing phase, strengthening communities and their agricultural practices and offering attractive communication opportunities.

#### 3.3 Implementation of RAS Projects

The implementation of RAS certification among alpaca communities will continue to be implemented and expanded, and collaboration will be carried out internationally to ensure that the standards are adapted to the special conditions of the alpaca sector.





## Program 04

### Cultural and social strengthening

This program focuses on the enrichment of the communities involved, promoting the preservation of ancestral knowledge, access to education, gender equality, the visibility of the role of women and the promotion of new opportunities for personal and professional development.

#### 4.1 Strengthening of technical, leadership, organizational and business capacities for women, youth and older adults linked to the alpaca value chain

Through training initiatives, it seeks to strengthen technical, leadership and business skills, especially aimed at women, young people and the elderly. By providing specific training adapted to the needs of each group, the program aspires to create opportunities for personal and professional growth, promoting gender equality, the promotion of youth and respect for the traditions and knowledge of older adults. This inclusive approach will not only strengthen individual participants, but will also contribute to the construction of a more resilient and diverse value chain.

#### 4.2 Training of new alpaca leaders who act as legitimate representatives and aimed at improving the well-being of their associates

The program seeks to identify, train, and empower individuals with leadership potential. These leaders will act as legitimate representatives of their communities, aimed at improving the well-being of their associates and strengthening the alpaca value chain. The training will encompass both leadership skills and industry-specific knowledge, fostering an in-depth understanding of the challenges and opportunities facing the alpaca community.

#### 4.3 Partnerships with the education sector

Strategic collaborations will be developed with universities, technical schools and other institutions for the training of the new generation of textile industrial engineers and other specialties required in the sector, thus ensuring the continuity and evolution of knowledge in the industry.



## Program 05

### Collaboration and External Relations

This program focuses on strengthening collaboration and relationships both within the alpaca value chain and with external actors throughout the life cycle to achieve the reduction of the social gap in the breeding phase, encourage the participation of customers and intermediaries in decision-making processes, build a unified vision of sustainability in the sector and establish a solid baseline for business sustainability.

#### 5.1 Advocacy Agenda

Develop a political advocacy agenda aimed at reducing the social gap. This project seeks to articulate the entire chain to influence policies, regulations, and government projects that promote development, equity, and environmental regeneration in the alpaca industry.

#### 5.2 Common Vision on the IAA's Strategic Sustainability Objectives for the Alpaca

The program focuses on consolidating a shared vision among all the actors in the alpaca value chain. Through awareness-raising, dissemination and training activities, the aim is to transmit the IAA's strategic sustainability guidelines to producers, intermediaries and consumers. This inclusive and participatory approach aims not only to inform, but also to foster dialogue and active collaboration, establishing a common understanding that drives collective commitment towards achieving sustainable goals throughout the alpaca value chain.

#### 5.3 Sectoral Baseline and Action Plans

Establish a baseline of the level of sustainability of companies linked to the alpaca value chain. In addition, sectoral Action Plans and monitoring will be developed with a regenerative perspective and aligned with the principles of the industry's vision. This will generate synergies in implementation and joint positioning in front of markets and legislators, strengthening the cohesion and influence of the sector.



## Program 06

### Premium Positioning of the Alpaca

This program seeks to enhance the perception of alpaca as a premium option in the market, aligning its sustainability attributes with customer preferences.

#### 6.1 Strategic Communication Tool

Develop a tool to support companies in strategic sustainability communication. This will include the creation of talking point documents designed to solve specific sustainability queries, especially aimed at B2B customers. The goal is to provide companies with effective resources to communicate their sustainable practices clearly and convincingly with their customers.

#### 6.2 Marketing Campaign

Incorporation of the sustainability component (environmental, social and cultural) in the communication strategy of the alpaca





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## 6. Criteria for the Decision-making and indicators of success

A list of decision criteria and indicative and strategic indicators is proposed that serve as tools to guide decision-making and evaluate progress towards our strategic objectives. These criteria provide a key framework for designing and evaluating concrete projects, ensuring that each initiative effectively contributes to the comprehensive sustainability of the alpaca value chain.

Importantly, these indicators, while indicative, do not seek to concretely measure achievements, but rather to provide effective guidance to drive action and achieve our shared vision of a sustainable alpaca industry by 2030

## Strategic Objective 01

### Validated Scientific Information

#### Decision Criteria:

- **Practical Applicability:** Are the research results useful for decision-making, sustainability innovation and communication in the industry?
- **Scientific Relevance:** Does the project involve research that addresses key social and environmental issues for the sustainability of the sector?
- **External Validation:** Are there mechanisms for the external review and validation of the scientific studies generated by the project?

#### Associated Indicators:

- Number of scientific studies validated and published by industry on key social and environmental issues.
- Degree of use of scientific information in decision-making, measured through periodic surveys and evaluations.
- Percentage of stakeholders informed and engaged in projects based on validated scientific information.

## Strategic Objective 02

### Transparent and Healthy Value Chain



#### Decision Criteria:

- **Transparency and Traceability:** How does the project contribute to improving transparency and traceability in the alpaca value chain?
- **Legal Compliance:** Does the project ensure compliance with legislation at all stages of the life cycle of alpaca products?
- **Health Impact:** Is the health of the value chain considered in its entirety, including economic, social and environmental aspects?

#### Associated Indicators:

- Value chain transparency index, assessed through regular checks and control systems.
- Traceability rate of alpaca products from production to the final consumer.
- Assessment of compliance with legislation in all phases of the life cycle of alpaca products.

## Strategic Objective 03

### Climate Change Mitigation and Adaptation, and Ecosystem Regeneration

#### Decision Criteria:

- **Mitigation and Adaptation:** Does the project effectively address the mitigation and adaptation of value chain actors to the environmental impacts caused by climate change?
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- **Promotion of Regeneration:** Are there regenerative elements in the project that seek to restore and enhance the affected ecosystems?

#### Associated Indicators:

- Degree of alignment of the value chain with international agreements on climate change.
- Adaptation index and mitigation of environmental impacts at all stages of the value chain.
- Number and success of environmental regeneration projects implemented by the industry.



## Strategic Objective 04

### Personal, Social and Cultural Development



#### Decision Criteria:

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- **Inclusive Approach:** Does the project ensure the inclusion of women, young people and older adults (over 65) in technical and business capacity building activities?
- **Relevance and Relevance:** Are the technical and business capabilities identified as project objectives relevant and pertinent to the specific needs of the alpaca value chain?
- **Measurement of Positive Impact:** Does the project incorporate indicators to evaluate the improvement of the well-being and empowerment of the people involved?

#### Associated Indicators:

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- Evaluation of the impact on the personal, social and cultural development of communities through indicators of well-being and community participation.
- Number of cultural and social projects supported by the industry.
- Improvement in the index of social well-being in the alpaca communities, measured through local surveys and evaluations.

## Strategic Objective 05

### Articulation with Actors and Participatory Development

#### Decision Criteria:

- **Synergies and Alliances:** Does the project promote the creation of effective alliances and synergies with other key players in the industry?
- **Equity in Participation:** Is equitable participation of all actors along the value chain in the design and execution of the project ensured?
- **Participatory Outcomes:** Does the project actively involve stakeholders in creating solutions, ensuring meaningful and effective participation?

#### Associated Indicators:

- Number of partnerships and synergies created
- Evaluation of equity in participation through indicators such as proportional representation of diverse actors in committees and projects.
- Effectiveness in the active participation of actors along the value chain, measured by feedback and contributions in participatory projects.
- Contribution of allies in the implementation of the project.



## Strategic Objective 06

### Premium Positioning of Alpaca Fiber



#### Decision Criteria:

- **Customer Perception:** How does the project impact the customer's perception of alpaca fiber as a premium option?
- **Alignment with Customer Preferences:** Is the project taken into account and aligned with the customer's preferences in terms of sustainability?
- **Effective Communication:** How does the project contribute to providing fast, reliable and timely information to support claims about the sustainability of alpaca?

#### Associated Indicators:

- Evaluation of customer perception of alpaca fiber as a premium option, measured through surveys and market analysis.
- Project alignment with customer preferences, evaluated through market research and consumer feedback
- Effectiveness of communication about alpaca sustainability, measured by the understanding and acceptance of the information provided by consumers.



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