

Article

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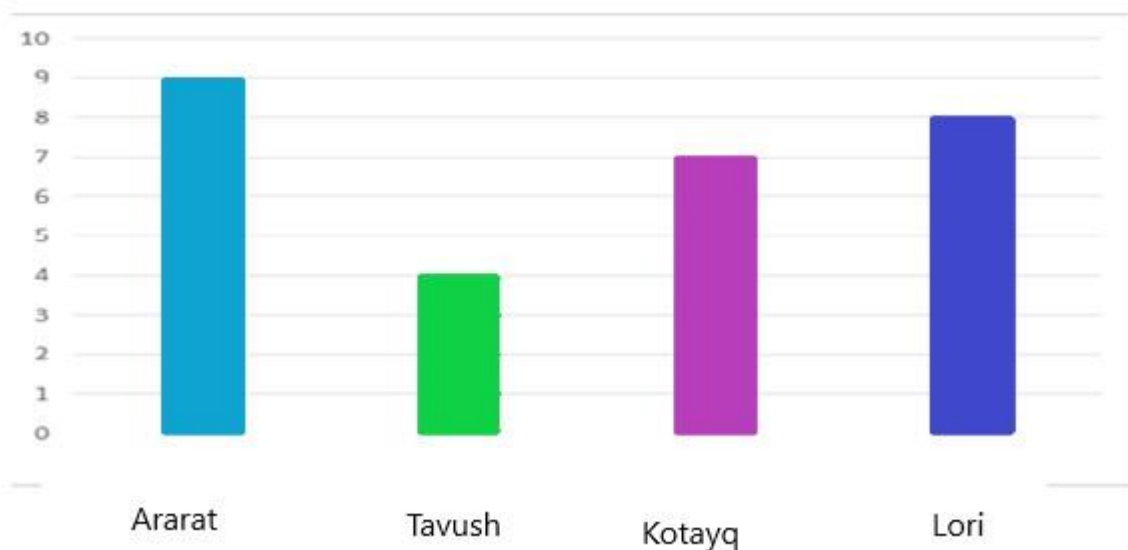
GREENING ECONOMIES IN THE EUROPEAN UNION'S EASTERN NEIGHBOURHOOD (EaP GREEN) PROGRAMME

UNIDO RECP Demonstration component

Green Club activity and RECP success stories

The analysis of the works implemented at the Green Clubs shows that the RECP rapid assessments by regions (marzes) has a following distribution per performed works.

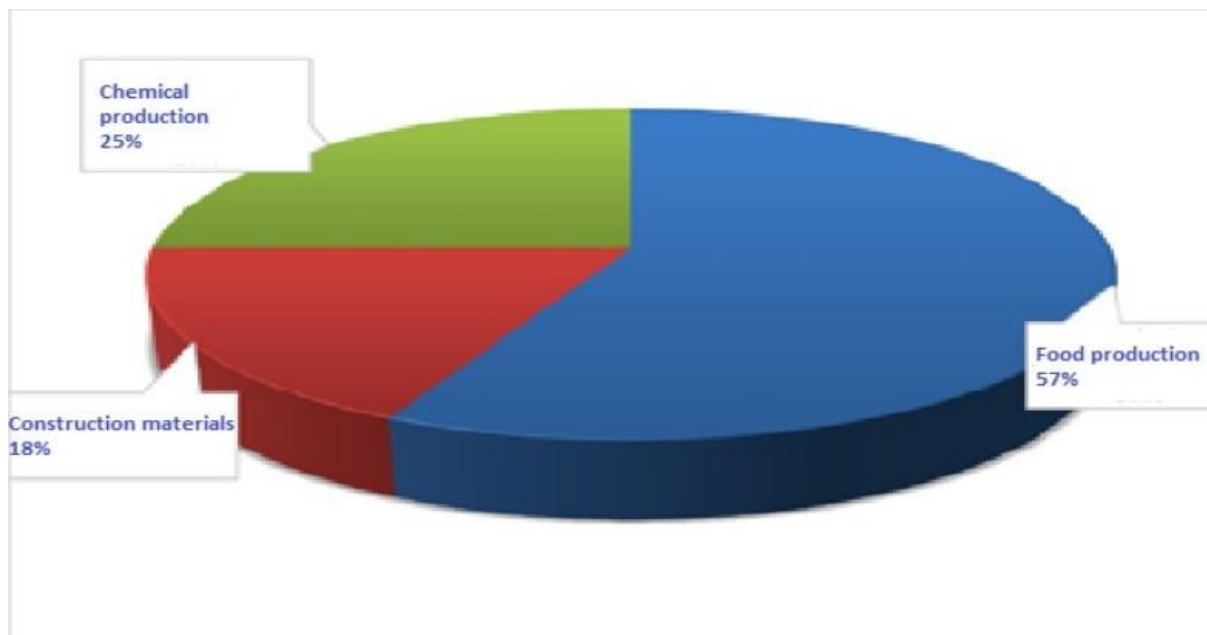
Analysis of RECP rapid assessments by regions (marzes)



Approximately 60% of the RECP rapid assessments (RECP rapid assessments (or primary RECP audit) were made in 28 SMEs from among the 33 included in the “RECP Green Clubs” in 4

regions of Armenia) were conducted in the field of food industry, 18% - in the field of production of construction material, and 25% - in the field of production of chemical material and other fields (Pic 2). The mentioned correlation is fully natural taken that the food industry comprises about 60% of all the RA processing industry (including 34.3% of food, 13.3% of tobacco, and 12.3% of beverage productions).

Pic 2. RECP rapid assessments by field



The RECP rapid assessment is a special function realized within the framework of the project that encourages the SME owners, production organizers, specialists and workers to concentrate more on environmental, resource-efficient and cleaner production issues while realizing their production activity. The aim of suchlike RECP study is to make in place (within

2-3 hours) recommendations and clarify their business and environmental benefits. The RECP proficient expert group provides in place recommendations to the owners, organizers and implementers by making visits to the production areas and getting acquainted with all the production processes. If available and necessary the safety technical rules and violation cases of normative requirements are indicated, issues including production risks and regarding the suppliers (that the SMEs are concerned with or consider dubious) are discussed.

In case of provision of corresponding information on the production indicators, raw material, power and water by the SMEs (operative indicators, monthly costs, actual financial data, etc.) bilateral analysis are being made in place for the assessment of the technical and economic benefits of the recommended measures and justification of their realization. Later on, a summary report with 8-10 business recommendations is developed and provided to the owner.

According to the analysis, about 70% of the measures recommended during the RECP rapid assessments (about 220 recommendations have been made during all the 28 rapid assessments) relates to the choice and efficient use of the power source and reduction and control of emissions into the air basin, about 20% - to the choice and efficient use of materials and reduction and neutralization of the wastes, about 10% - to the choice and efficient use of the water source and reduction and recycling of wastewaters. The mentioned correlation was



expected taken the judgement that the SME owners are generally more specialized in the core production, professional issues and technological (raw and material) capacities, and more often have the need for recommendations about efficient use of power (natural gas and electric power) and water. There are various examples worth the attention during the RECP rapid assessments.

For example, It has become possible to make new product types on the account of the return of products (about 10% from the total production volume). Based on

the recommendations made in the result of the RECP “Green Clubs” trainings and primary assessments – production of rusks from returned lavash and “matnaqash”-type bread was invested. Equipment are obtained (with a cost of about 4000 euros) and rusk supply agreements already signed; the packaged product is also available at the shops. As a result, the period of back-purchase comprises 2 years.

The organization took the first place in the “Growth rate” indicator of RA commercial organizations in 2016 and won the “Leader of the Branch” title which is a pledge of reliability and perspective being.

“Martin Tovmasyan” IE engaged in production of decorative tiles in Vanadzor city of Lori region (Marz) has chosen rainwaters as a source of water for making the cement-sand mixture. By using the rainy climate of Vanadzor city the independent entrepreneur has created a water collecting system through which rainwaters are collected in a tank with a capacity of 2 tons and later on used in the production process. The collected water meets the present production demand, and no water is used from the city water pipe for the mentioned purposes.

Pic 4. Example of choice efficient use of water source



Decorative tiles



Self-made rainwater collecting system

Another SME “Meghratun” LLC from Vanadzor city of Lori region is engaged in production of honey and honey machar. Here great attention is also paid to the power efficiency issues. LED lamps have been installed, the walls have been heat-insulated with foam polystyrene tiles;

it is also envisaged to install photovoltaic panels, which will result in significant savings of natural gas and electric power, and reduction of emissions into air basin. According to calculations the annual savings will comprise about 230 thousand drams. Besides environmental benefits, the use of sun energy and other sources of renewable energy may increase significantly the organization's rating.

Pic 5. Example of reduction and control of emissions into air basin



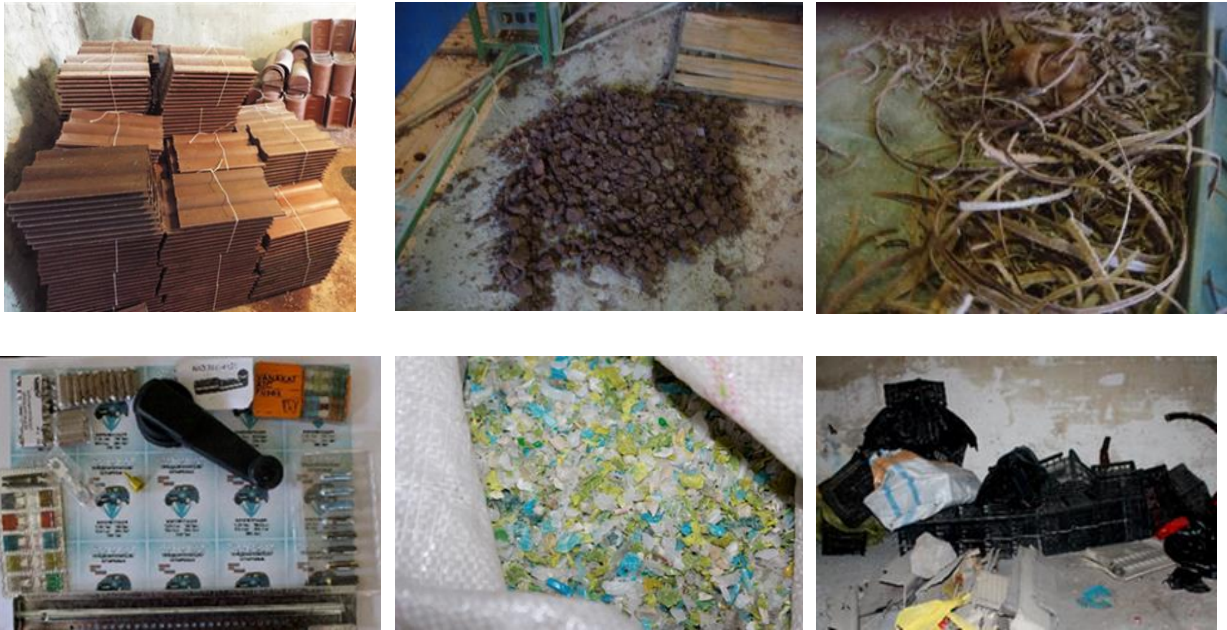
Honey machar

heat-insulated walls with foam polystyrene tiles

Besides the possibility of organizing uncluttered production and recycling of wastes from the production process, plastic material wastes are used at “Levon Avagyan” IE. Due to the modification of the classic products the independent entrepreneur operating in the Dilijan city of Tavush region (Marz) produces tiles and piece/cut roof-material (characteristic to the city's color) made of dense cement-sand solution and plastic material wastes

It has been recommended to the SME to make roofs including photovoltaic elements; it is one of the leading RECP measures that, however, requires large investments. Useful plastic subjects are produced at “Vanakat” OJSC in Hrazdan city of Kotayk region (Marz).

Pic 6. Waste use at Dilijan “Levon Avagyan” LLC and Hrazdan “Vanakat” OJSC



Product

Used wastes

“Matevos Suqiasyan” IE from Ararat city realizes uncluttered and unique production by creating art and household subjects from peach seeds.

Pic 7. Unique production by Matevos Suqiasyan



“Ararat Abrikon” LLC operating in Ararat village and engaged in production of Armenian-apricot-made Abrikon brandy has developed a special plan of efficient use of power source. Incandescent and metal-halide lamps used in the internal and external lighting system at the “Ararat Abrikon” LLC have been replaced with power efficient (fluorescent and LED) lamps, resulting in the reduction of annual electric power costs for approximately 450 thousand drams. At the same time the reduction of dioxide carbon has comprised 4.3 tons annually. During the reconstruction of the production process it is envisaged to use renewable energy sources.

Pic 8. It is planned to use advanced technologies and renewable energy sources at "Ararat Abrikon" LLC



At present RECP detailed studies are being realized at five pilot enterprises which besides indicating the methods of reduction and reuse of non-productive wastes, and options of efficient use of power and water, shall also provide the SMEs with financial and economic analysis including the amount of the investments and other economic indicators – net present

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value, internal profitability norms, back-purchasing terms, etc., required for the implementation of the recommended measures. These RECP Investment Grade Audits may be later turned into RECP business plans and be included in green loaning projects.

The primary anticipated outcome of the RECP project is high awareness on RECP concepts, terminology, methods and tools at Armenian SMEs, stakeholder ministries, educational and specialized institutions. RECP is guided with the principles of development of ecologically safe and globally adopted methods and means, and use of tools for business prosperity. The introduction of RECP methods and tools is necessary for every field, every company operating in the market economy. The RECP investment will create beneficial situation despite political situations, imperfection of legislation in the country or the given field, corruption risks, etc.

The investment into RECP has four-fold benefits for consumers, for business, for country, and for improved environment.