

Where finance and green technologies meet

GEFF in Armenia Newsletter No. 5: Q1, 2020

GEFF KEY RESULTS as of March 31 2020

- GEFF in Armenia has financed 159 projects for a total of EUR 14 million through four partner financial institutions (PFIs), thus reducing primary energy usage by 68,000 MWh/year and saving 16,337 tonnes of CO₂ annually
- Renewable energy projects with an installed capacity of 24.4 MW make it possible to avoid 14,865 tonnes of CO₂ per year
- 1,779 EE and RE technologies offered by 164 vendors from 21 cities in Armenia are made accessible through the Technology Selector <https://ts.ebrdgeff.com/armenia>

GEFF in Armenia

In early 2020, the GEFF team in Armenia celebrated three milestones:

- **The 150th loan was disbursed** to Valensia JV, a company that runs a hotel, an aqua park, and a furniture production facility in Yerevan. The company will benefit from rooftop solar PV systems with a renewable energy capacity of 741.75 kW delivering 750 MWh of RE per year and saving 328 tonnes of CO₂ annually.
- **A collective portfolio of USD 15 million was achieved by four PFIs**, resulting in annual savings of 68 GWh and 16 thousand tonnes of CO₂.
- **The project with the most significant stand-alone impact was financed**, namely a 1,232 kW ground-based solar PV system delivering 1,604 MWh of renewable energy per year and saving 701 tonnes of CO₂ annually implemented by Ararat Chanshin LLC in the Kotayk region. The asphalt production firm's investment has a payback period of only six years and will continue to create business value for years to come.

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GEFF building green capacities in Armenia

Apart from supporting and encouraging financial institutions to finance green investment projects, GEFF also provides targeted service to vendors and investors.

In light of the high demand for the Technology Selector, GEFF experts have continued to focus on **providing regional training for the local vendors** of green equipment and machinery. The workshops for small groups (3-5 participants) show the vendors how to properly use the Technology Selector and at the same time, help participants increase the range of eligible products they offer and thus improve their own competitiveness. In this context, it may be noted that more than 160 vendors have already registered to be included in the Technology Selector and almost 1,800 of the EE/RE products assessed have been pre-approved for GEFF financing.

In order to **support investors in their decision-making**, GEFF experts visited additional local businesses to assess selected potential investments, fine-tune technical proposals and discuss promising ideas and visions, as well as provide targeted advice and assistance. Many local businesses have even made use of GEFF's phone consultation service. Apart from requesting technical advice, questions were frequently



related to the document package required for a GEFF loan application.

Therefore, the GEFF team continued to support the PFIs in their capacity-building activities. Apart from workshops addressing the current issues faced in the further development of green lending, such as advising existing clients on investments opportunities, assessing potential investments and identifying promising clients, the GEFF experts also conducted **targeted on-the-job training** as well as **face-to-face training sessions** for selected key staff.

The GEFF team is confident that these efforts will make a significant contribution to sustainable economic development in Armenia through active commitment to the environment.

Project financed by GEFF is selected to benefit from the EBRD's Blue Ribbon Programme



The EBRD has signed SIS NATURAL CJSC, a leading food and beverage company, as its second Blue Ribbon project in Armenia.

The EBRD Blue Ribbon Programme offers advice and financing for SMEs that stand out due to their market leadership and high growth potential. The project is supported by EU4Business.

Early in 2019, the company received EBRD GEFF financing for the installation of a rooftop 275 kWp photovoltaic power station, which has a payback period of six years and will save 174 tonnes of CO₂ per year.

Source: EBRD

EBRD in Armenia

EBRD Vice President's visit to Armenia emphasises past achievements and future cooperation



Vice President of the European Bank for Reconstruction and Development (EBRD) Pierre Heilbronn paid an official visit to Armenia from February 6-7, meeting with government representatives and business partners.

European Bank for Reconstruction and Development (EBRD) Vice President Pierre Heilbronn met with Armenian Minister of Economy Tigran Khachatryan to discuss the joint efforts in developing the “green economy” concept, as well as the need for increased productivity and behavioural changes in the agriculture sector.

Additionally, the head of the EBRD's Yerevan Office, Dmitri Gvindadze, announced that “2019 was one of the most successful ones in terms of cooperation with Armenia. The EBRD invested

EUR 118 million in 15 projects in Armenia, and the Bank continued to support the private sector through direct lending and the provision of credit lines to EBRD partner financial institutions in Armenia.

One of the key areas of our activity in Armenia in 2019 has been the financial sector, with EUR 74 million in support of small businesses, green lending and women in business. Another important project is the street lighting and restoration programme in the second largest city of Armenia, Gyumri.

One of the main areas of cooperation is the energy sector: we are also continuing our cooperation with Armenian Electricity Networks CJSC, which is implementing a multi-year project aimed at modernising the distribution network in Armenia. In addition to providing financial support, the EBRD is conducting a policy dialogue with the Central Bank of Armenia on the development of the capital market. In 2020, our work will be focused on the financial sector. We will expand the implementation of projects in the energy sector, assisting the government in developing renewable energy infrastructures.”

[Read more](#)

Energy sector in Armenia

Investment programme for 100-120 MW solar power plants has been launched with R2E2



On February 4, a meeting was held with the consortium of the European Bank for Reconstruction and Development and with international consultants supporting the investment programme for 100-120 MW solar power plants in Armenia. Karen Asatryan, Director of the R2E2 Fund, presented the investment plan and stressed the importance of the project for our country. It was noted that the R2E2 Fund has begun with the site selection and measurement work using its own resources.

Source: R2E2

Armenian Government to receive EU funds for boosting energy efficiency

On February 20, Armenia's government gave the green light to financial agreements with the European Union totalling EUR 65 million. The funds will go towards three programmes aimed at boosting energy efficiency, protecting the environment, fostering community development and creating tools for the implementation of the Comprehensive and Enhanced Partnership Agreement.

The executive has endorsed the proposal to sign the "Financing Agreement between the Government of the Republic of Armenia and the European Commission for Energy Efficiency and the Environment", which will support energy efficiency and environmental initiatives in Armenia. In particular, these measures are envisaged to increase the level of energy efficiency in existing buildings (e.g. multi-



residential and low-income households) and to provide related technical support for achieving the required energy efficiency standards.

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The World

Climate Change Has Lessons for Fighting the Coronavirus



“Both demand early aggressive action to minimize loss,” said Kim Cobb, a climate scientist at the Georgia Institute of Technology who was teaching classes remotely this week. “Only in hindsight will we really understand what we gambled on and what we lost by not acting early enough.”

Why have we not taken climate risks to heart? Politics and psychology play a role.

Change is hard when there’s a powerful industry blocking it. The fossil fuel industry has pushed climate science denial into the public consciousness. It has lobbied against policies that could rein in the emissions of planet-warming gases. And, it has succeeded: The United States, history’s biggest emitter of greenhouse gases, is the only country in the world to have withdrawn from the Paris accord, designed to stave off the most catastrophic effects of climate change.

Scientists have repeatedly said that global emissions must be reduced by half over the next decade in order to keep average temperatures from rising to below 1.5 degrees Celsius, from preindustrial levels. A failure to do so is likely to usher in catastrophes as early as 2040, including the inundation of coastlines, worsening wildfires and droughts.

A study by University of Chicago researchers projected that, by 2100, climate change would kill roughly as many people as the number who die of cancer and infectious disease today.

But here’s the big unknown: Will the effort to revive the global economy after the pandemic accelerate the emissions of planet-warming gases, rather than avert climate change? That depends on whether the world’s big economies, like China and the United States, use this moment to enact green growth policies or continue to prop up fossil fuel industries.

This was to be a crucial year for global climate goals, with presidents and prime ministers under pressure to get more ambitious about reining in greenhouse gas emissions when they gather for United Nations-led climate talks in Glasgow in November. The United Nations Secretary General, António Guterres, has leaned on world leaders to announce more ambitious targets and to end what he called “vast and wasteful subsidies for fossil fuels.”

In a speech this week, Mr. Guterres hinted at another deficit faced by both the health and climate crises. “In the months ahead, we need to rebuild trust,” he said.

[Read more](#)

GEFF Success Stories

Freight forwarding company creates long-term value through green investment



Established in 1993 with the aim of organising the freight delivery of humanitarian aid to Armenia, Apaven became a commercial business and one of the most recognised companies in the country. To keep its levels of performance high as well as cut operational costs, the company's management decided to invest in two new loaders from top European producers.

Location:	Yerevan
Investment:	Loaders
Investment size:	US\$ 124,000
Financial results:	Payback in 6 years
Energy savings:	239 MWh per year
CO₂ savings:	66 tonnes per year
Impact:	Reduction of energy costs
Donor:	GCF, CIF

Regional production and service in favour of solar energy



Mikinyan LLC was first established in 2014 as a producer of confectionery. In 2016, the growth in market demand prompted the company to expand its production to include a service point in addition to providing catering services in a centrally located cafeteria. For both facilities, the owner decided to take full advantage of solar technologies so as to make the business more independent and sustainable in the long run.

Location:	Vanadzor
Investment:	Solar water heating system and photovoltaic panels
Investment size:	US\$ 25,000
Financial results:	Payback in 8 years
Energy savings:	38 MWh per year
CO₂ savings:	16 tonnes per year
Impact:	Reduction of energy costs
Donor:	GCF, CIF

Read more [Success Stories](#)