

Where finance and green technologies meet

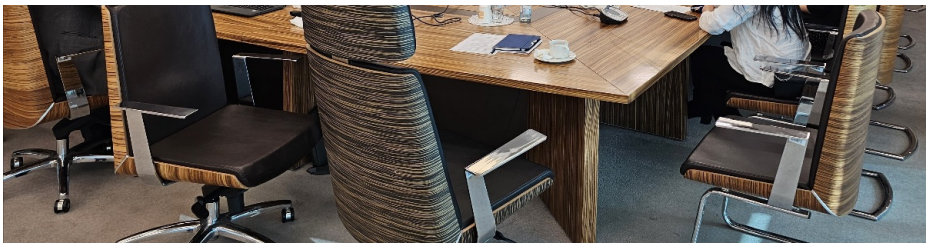
GEFF in Armenia Newsletter N21: Q1, 2024

Key results as of 31 March 2024

- GEFF in Armenia has financed **359 projects worth € 31.7 million** through five partner financial institutions (PFIs), thus reducing primary energy usage by **152,502 MWh/year**, saving **35,168 tonnes of CO₂** and **5,653 m³ of water annually**.
- Renewable energy projects with an **installed capacity of 47.8 MW** make it possible to **avoid 27,363 tonnes of CO₂ annually**.
- **1,263 EE and RE technologies provided by 182 vendors from 21 locations in Armenia** are made accessible through the [Green Technology Selector](#).

Workshop on sustainable finance products held for Armenian financial institutions





The Central Bank of Armenia (CBA) and the European Bank for Reconstruction and Development (EBRD) recently joined forces to organise a pivotal workshop on sustainable finance products. Held on 28 February, the workshop aimed to foster discussions and provide insight into integrating sustainable finance practices within the Armenian financial sector.

Titled “Climate Transition Planning Masterclasses: Sustainable Finance Products,” the event was a collaborative effort between the CBA, the EBRD, and selected Armenian financial institutions (FIs) and aimed to enhance the understanding and adoption of green financial products and services, which are crucial for facilitating effective climate transition.

Key components of the masterclasses included presentations and discussions led by Mr Andro Butkhuzi and Mr Mikhayil Gevorgyan from the EBRD’s GEF in Armenia. The agenda encompassed various aspects of sustainable finance:

- **Welcome remarks and introduction to sustainable finance:** Mr Butkhuzi provided an overview of sustainable finance, emphasising its role in climate mitigation and adaptation and outlined the sectors vulnerable to climate change.
- **Rationale and benefits for financial institutions transitioning to green finance:** Mr Gevorgyan elucidated the benefits of adopting sustainable finance practices for financial institutions, including reduced credit risk, enhanced competitiveness, and improved investment contexts.
- **Exploration of green finance products and recognised standards:** Mr Butkhuzi delved into mainstream green finance products such as renewable energy, electric vehicles, and green mortgages, along with their delivery methods. He also highlighted recognised standards for implementing green products, including those of the EBRD and those included in the EU Taxonomy, ICMA, and Sustainable Commodities Certifications.
- **Green banks: Mechanisms, best practices, and case studies:** Mr Gevorgyan led a discussion on the mechanisms, best practices, and case studies of green banks.

a discussion of the core principles, proven methods, and case studies relevant to financial institutions transitioning to green/sustainable finance.

Throughout the workshop, 45 participants from 12 FIs engaged in interactive discussions and gained valuable insight into the opportunities and challenges associated with sustainable finance adoption. The event served as a platform for knowledge sharing, fostering collaboration between the CBA, the EBRD, and Armenian FIs towards a greener and more sustainable financial future.

The success of the workshop underscores the commitment of all stakeholders to drive positive change in the financial sector, aligning with global efforts to address climate change and promote sustainable development. The CBA and the EBRD thank all participants for their active engagement and contributions to advancing sustainable finance in Armenia.

Charting a sustainable course: Addressing Armenia's water challenges



The intersection of Armenia's water sector challenges and the urgent need for sustainable

solutions amidst the impacts of climate change underscores the critical role of initiatives such as GEF in driving meaningful change. The recent Growth and Recovery to Empower, Equip and Nurture (GREEN) Armenia platform policy dialogue, which took place for the fourth time, was attended by governmental officials and international partners including the World Bank as well as representatives of the European Union and the United Nations Development Programme (UNDP), highlighted the imperative for action in enhancing the country's water management practices. As temperatures rise and snowfall decreases, Armenia's water resources face unprecedented strain, affecting not only agricultural irrigation but also water supply and sanitation systems.

The dialogue emphasised the multifaceted nature of Armenia's water challenges, ranging from surface and groundwater management to water quality and infrastructure. Climate change exacerbates these issues, necessitating a paradigm shift towards more sustainable water resource management practices. Recognising the urgency of the situation, Deputy Prime Minister Tigran Khachatryan stressed the importance of adopting new technologies and approaches to address existing vulnerabilities while building resilience for the future.

Armenia's vulnerability to climate change-induced impacts on water resources was further underscored by recent observations of record-high temperatures and dwindling snowmelt. With irrigation reservoirs experiencing significant declines in water levels, the agricultural sector, a cornerstone of Armenia's economy, faces increased risks. While warmer temperatures may initially offset certain challenges, such as protecting winter wheat from frost, they also elevate the likelihood of destructive hailstorms and exacerbate water scarcity issues.

GEF's role in addressing these challenges lies in its ability to provide financial support for innovative water management projects and infrastructure upgrades. By facilitating access to financing and fostering collaboration among stakeholders, GEF contributes to the implementation of sustainable solutions that enhance water resilience and mitigate the impacts of climate change. Initiatives supported by GEF can range from the development of wastewater treatment facilities to the implementation of climate-smart irrigation practices, aligning with Armenia's broader goals of transitioning to a green economy.

Armenia's path to sustainable waste management



Armenia is poised to make significant strides in waste management with the introduction of extended producer responsibility (EPR) legislation, developed under the auspices of the American University of Armenia's (AUA) Acopian Center for the Environment. This legislation, announced at a press conference in February, mandates that producers or importers of specific goods assume responsibility for managing post-consumption waste. With Armenia's commitment to introducing a full cost recovery system for several waste streams based on EPR, the country aligns with global efforts to promote sustainable production and consumption patterns.

The introduction of EPR legislation represents a pivotal step towards reducing resource consumption, minimising waste and fostering a circular economy. By holding producers accountable for the entire lifecycle of their products, Armenia aims to enhance waste management practices and increase recycling capacities. Through the collaborative efforts of the RA Ministry of Environment, AUA Acopian Center, and partners like the American Chamber of Commerce in Armenia (AmCham), stakeholders are working to facilitate a smoother transition for businesses and ensure effective implementation of the new legislation.

As Armenia progresses towards adopting EPR regulations, the role of initiatives such as GEFf becomes increasingly significant. GEFf's dedication to raising awareness about sustainable practices and technologies, including those related to the circular economy, and providing financing, aligns seamlessly with Armenia's efforts to implement EPR policies. Several months ago, GEFf in Armenia organised a circular economy promotional event, underscoring its commitment to supporting initiatives that promote resource efficiency and environmental sustainability. Through such collaborative endeavours, Armenia is poised to achieve its goals of transitioning towards a more sustainable and resilient future.

Featured technology:

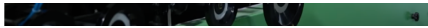
Energy efficient machinery for various industries (forklifts, loaders, excavators etc.)

Energy-efficient machinery plays a crucial role in various industries, offering numerous benefits such as reduced energy consumption, cost savings, and the promotion of environmental sustainability. These advanced technologies utilise innovative designs and engineering principles to optimise performance while minimising energy waste. Energy-efficient machinery plays a vital role in driving sustainability across various sectors, offering economic, environmental, and social benefits.

See which energy efficient technology suppliers are available on the Armenian market through the [Green Technology Selector](#)

Success story





Ginap LLC, a company based in Yerevan, has two lines of business: the import of

spices used in meat production and flexographic printing. The company decided to purchase new energy efficient printing equipment and selected a COMEXI F4 8-Color C.I. flexographic printing press. This investment will result in energy savings of 226 MWh/year and will help avoid 60.3 t of CO₂ annually.

Investor

Ginap LLC

Location

Yerevan, Armenia

Investment

New printing equipment

Investment size

US\$ 260,000

Energy savings

226 MWh/year

CO₂ savings

60.3 t/year

Impact

Energy savings

Donors

GCF, CIF

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