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**EU4Environment**  
Green Economy in Eastern Partner Countries

# Towards a Green Economy with EU4Environment in **Armenia**

EU4Environment  
stands in solidarity  
with the people of  
Ukraine



Armenia has  
invested heavily in  
the solar energy

## Achievements in **2021-2022**

Action implemented by:





Since 2019, the EU-funded EU4Environment Programme has been supporting Armenia, along with the other Eastern Partner (EaP) countries, in pursuing a path of green transformation. It helps preserve their natural capital and increase people's environmental well-being by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts. To this end, it integrates into a single strategic framework greener decision making, circular economy, smart environmental regulations, ecosystem protection and knowledge sharing.

In 2021 the Ministers of Environment of the Eastern Partner countries recognised the

European Green Deal (EGD) as a benchmark for their national policy design. Since then EU4Environment has built the provisions of the EGD into its activities.

In early 2022, the current work under EU4Environment became known as "EU4Environment – Green Economy". This change was driven by the launch of a new programme under the EU4Environment umbrella: "EU4Environment – Water and Data".

This brochure highlights selected achievements under "EU4Environment – Green Economy" in 2021-22, showing tangible results in Armenia and at the regional level.



# Greener decision making in Armenia

- An **introductory course on green economy** in Armenia and an **in-depth, online course on the green economy** were launched to build capacity of Armenian officials and the general public.
- Preparatory phase of the pilot **strategic environmental assessment (SEA)** in Armenia was launched in parallel to development of the micro-regional plan for Gegharkunik province (2022-23) to provide hands-on learning to the Urban Development Committee and the Ministry of Environment in line with international standards for SEA.
- A study on **deposit refund system (DRS)** models contributed to development of principles of extended producer responsibility (EPR) in Armenia.
- A video on **transboundary environmental impact assessment (EIA)/Espoo Convention** in Armenian helped raise national stakeholders' awareness of the transboundary EIA and its benefits for people and nature beyond state borders.

## OUR SUCCESS STORY – reducing packaging waste in Armenia

Completed in 2021, an economic analysis of the DRS of packaging waste has directly contributed to development and implementation of EPR principles. This is the main waste management priority in Armenia in accordance with the Armenia-EU Comprehensive Extended Partnership Agreement (CEPA) and the government's action plan to introduce EPR by 2024. The importance of the work is also underpinned by the country's struggle with unsustainable waste management practices, plastic littering in mountainous tourist areas and low recycling rates, which result in adverse environmental and health impacts.

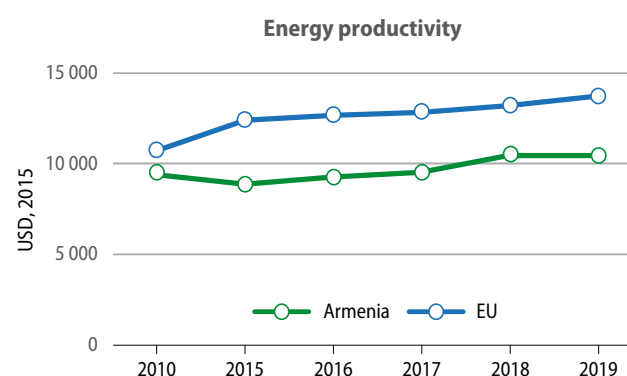
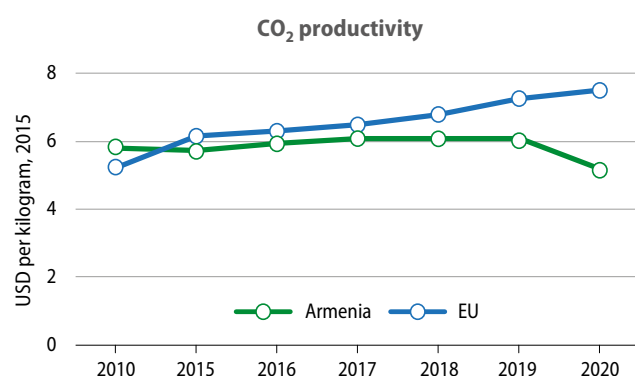
With the legal foundation in place to strengthen the EPR system in Armenia, the DRS will serve as a perfect instrument to help reduce waste and boost recycling levels. Given the DRS may entail high investment, the economic analysis of the DRS models for glass and plastic bottles was important

to identify best options for the country. It also provided estimates of costs and benefits for decision makers on their work towards a fully functional DRS within the broader packaging EPR framework.

The Ministry of Environment made extensive efforts to make the approach as inclusive as possible by involving a number of civil society organisations in the consultation.



## Economic growth partially decoupled from use of natural resources, but pressures remain



# Circular economy and new growth opportunities in Armenia

- Employees from **13 demonstration companies** working in food (including fish) and beverage production, textile, metal goods and construction materials, chemicals and plastic manufacturing sectors benefitted from coaching sessions held by the Resource Efficient and Cleaner Production (RECP) experts.
- The concept of a **national RECP platform** identified priority steps to institutionalise RECP in the country.
- **The database of RECP success stories** in Armenia is expanding, as five new business cases have been finalised.
- Two training sessions on circular economy practices with over 30 participants provided an opportunity to learn about smart material choices. They embedded intelligence, product extension life, modularity and the closed loops/ recycling concept and its applicability in Armenian context.
- RECP information meeting showcased its benefits to more than 50 participants.
- A country **gender analysis report**, based on results of the gender mainstreaming training workshop, helped further develop a gender sensitisation matrix for greening industries in Armenia.
- An Armenian version of the video on **sustainable public procurement (SPP)** helps explain its benefits to national and municipal government officials, business and civil society.



## OUR SUCCESS STORY – RECP implementation by RozFrood LLC in Armenia (business case)

“RozFrood” is a small company from Lori Marz that processes vegetables and fruits to make a variety of preserves and natural products. Motivated to improve its environmental performance and optimise its resource use (materials, water, energy), the company participated in the RECP demonstration project under EaP GREEN (2013-17). A monitoring exercise from 2021 showed that the company achieved significant benefits from applying RECP measures:

- nearly EUR 13 800 saved per year
- 14.3% less electricity consumption, a 26% drop in natural gas use and a 29% drop in water use (per kilogramme, compared to baseline)
- emission reduction of 77 tonnes of CO<sub>2</sub> -eq/year.

The RECP application was beneficial to process frozen fruits and vegetables, optimise production, install new equipment, reduce energy use and facilitate the transition to renewable energy.

## Saving achievements

### MAIN IMPLEMENTED ACTIONS

13 RECP options have been implemented by the company staff at the end of the monitoring report.

### ECONOMIC KEY FIGURES

	Investment (Euro)	Saving (Euro/year)	Payback period (Years)
Energy optimisation:	86,150	11,915	
Water & material optimisation:	11,000	1,629	
Waste minimisation:	–	148	
<b>Total:</b>	<b>97,150</b>	<b>13,792</b>	<b>7</b>

### RESOURCE SAVINGS

	Water (m <sup>3</sup> /year)	Material (t/year)	Waste (t/year)	Energy (kWh/year)	CO <sub>2</sub> (t/year)
Energy optimisation:	–	–	–	229,446	77.6
Water & material optimisation:	1,200	8	–	–	–
Waste minimisation:	–	–	1.35	–	–



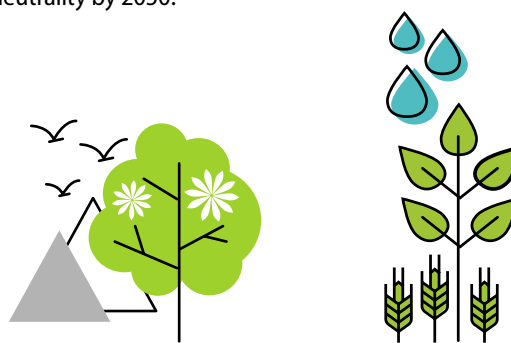
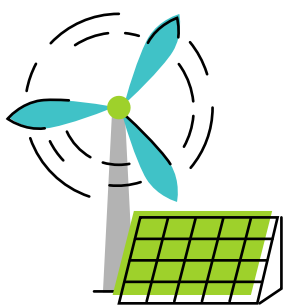
# Environmental level playing field and monitoring progress at environment-economy nexus in Armenia

- The **Assessment of Investment Needs** for Climate Action in Armenia up to 2030 helped estimate the needed amount of money to reach climate targets.
- The assessment of Armenia's **environmental compliance assurance** system (in English and Armenian) took stock of the system, identified strengths and weaknesses, and recommended improvements.
- As part of work on "Greening debt capital markets in EaP countries and the role for green bonds", an analysis of the **capital market** in the country helped assess its readiness to absorb debt capital financing for green investments.

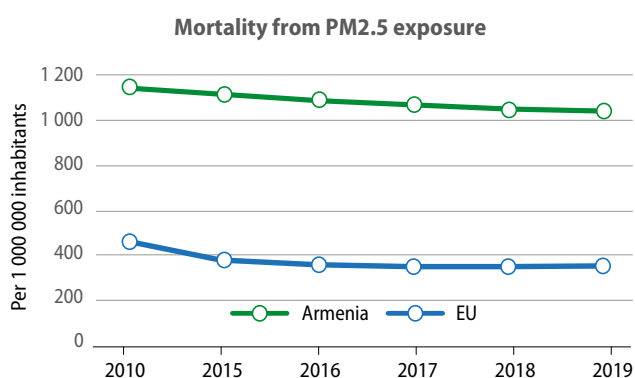
## OUR STORY – What is the cost of reaching the climate targets in Armenia?

The assessment of investment needs for climate action up to 2030 and beyond in Armenia shows the country will need to invest at least EUR 4.7 billion (almost AMD 3 trillion) in gross fixed assets to reach its climate action targets by 2030. This figure rises to EUR 6.9 billion (over AMD 4 trillion) if planned investments in nuclear energy go ahead. The assessment underlines the urgency to source the financial means required and allocate them accordingly to reach Armenia's targets. The assessment also shows that Armenia should continue to develop more concrete targets, policies and programmes up

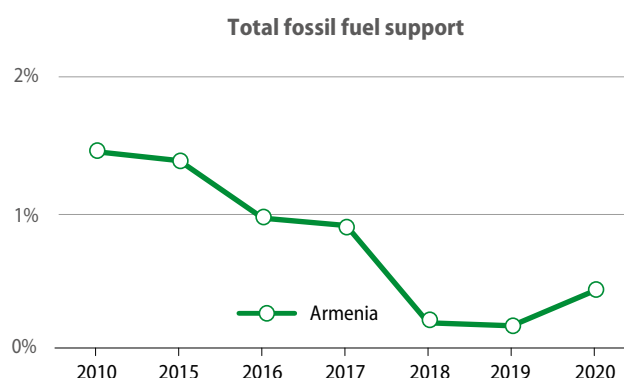
to 2030 and beyond. With the development and elaboration of new and existing government plans and strategies, such as Armenia's energy strategy, the National Adaptation Plan or commitments under the Paris Agreement, financial needs might become clearer beyond 2021. This will provide an opportunity to refine the present assessment. Clear carbon reduction pathways up to at least 2030, including sector-specific targets and policies, will help Armenia implement its commitments under the Paris Agreement and reach carbon neutrality by 2050.



### Progress in improving quality of life, but more can be done



### More economic opportunities can be unlocked



## Ecosystem services and livelihoods

- In 2021, the World Bank joined EU4Environment, in part, to help preserve biodiversity and protect forests in Armenia
- In 2002, EU4Environment main priorities in Armenia are advancing establishment of **Emerald Network** and management of the sites, including support to:
  - prepare a national action plan to advance establishment of the Emerald Network;
  - develop guidelines for preparing management plans of Emerald sites in Armenia;
  - develop pilot management plans for the Emerald sites of Armenia;
- build capacity for implementing the management plans, including monitoring of Emerald sites.
- In 2022, the Program will also focus on:
  - supporting communities in the management of forests and other natural resources through community eco-tourism and non-timber forest production planning;
  - developing guidelines for forest certification and forest management;
  - developing guidelines for ecosystem services assessment.



**DID YOU KNOW?** ... that Armenia's biodiversity is one of the richest on the continent. The total area of Emerald sites in Armenia represents more than one-third of the country's territory – a proportion among the largest in all participating countries and nearly three times greater than across the entire South Caucasus region. The country hosts a wide variety of habitats – from semi-desert at the foothills to alpine meadows at the upper range of high mountains. These habitats are home to a wide variety of mammals, birds, reptiles, insects and plants, which have evolved to live in hot semi-deserts, humid forests, brackish marshes or high-mountain rocks and screes.

In July 2022, the Government of Armenia, in cooperation with the EU, World Bank and UNDP launched the GREEN Armenia platform "Growth and Recovery for the Strengthening, Upgrading and Prosperity of Armenia".









## Highlights of regional activities

- Regional webinars and workshops on **sustainable public procurement** and **eco-labelling** raised awareness on standards to green products and highlighted success stories for nearly **540** registered participants.
- A new SME-targeted **I-GO tool** was presented to EaP countries to enhance knowledge exchange among 70+ practitioners and support RECP application in the EaP and Central Asian countries.
- The regional meeting on **Greening Small and Medium-sized Enterprises in the EaP countries** attracted more than 150 participants, identifying opportunities to strengthen **business competitiveness**. The event showcased developments of RECP and EIPs, as well as the application of industrial waste mapping methodology in EaP countries.
- A leaflet to introduce **EU Single Market for Green Products** and its Product Environmental Footprint tool for industrial enterprises and experts of EaP countries was launched on the occasion of the EU Green Week.
- A monthly series of selected stories was launched to present local manufacturing enterprises undergoing **RECP assessments** in the EaP region under the #GreeningTheIndustry communication campaign.
- The regional analytical study assessed the status of the **EPR schemes** for packaging waste in the EaP countries, with best practice case studies from EU member states.
- During the three regional webinars on building capacity for **EPR**, **180** representatives from EaP countries (with nearly half of them female) exchanged experiences and learnt from examples of EU countries.
- An **English version** of the video on benefits of the **SPP concept** was produced and promoted at EU Green Week.
- The second regional meeting on **environmental compliance assurance**, involving **77 participants** from the OECD and EaP countries, discussed comprehensive environmental enforcement policies and tools to enforce compliance, and the optimal combination of penalties for non-compliance.
- A capacity-building seminar on **information systems**, organised with the Scottish Environment Protection Agency for more than **50 participants**, showcased a range of information systems used by permitting and inspection authorities in Europe. It covered existing low-technology solutions, more advanced systems and potential pitfalls in the development of such systems.





- The second **capacity-building seminar on joint environmental inspections** with 55 participants from Eastern Partner and OECD countries included a practical exercise where participants brainstormed a joint inspection plan for waste shipments.
- EaP policy makers gained knowledge from the **international compliance network** through trainings and events. These were organised by the EU Network for Implementation and Enforcement of Environmental Law (IMPEL) and the EU Forum of Judges for the Environment (EUFJE). They included “Criteria for the Assessment of Environmental Damage”, “Practical Perspectives on Waste Enforcement Planning and Inspections with a Focus on Forensic and Damages Analysis Relating to Waste Crime” and “Strategies for Verification of Self-monitoring and Reporting on Air Emissions Workshop”.
- Four webinars on **greening public expenditure** for government officials supported design and implementation of green public investment programmes in the EaP countries. The webinars shared experience in managing similar expenditure programmes in the EU countries. These included use of environmental funds in the Czech Republic and Poland and alternative schemes in Austria, Switzerland and the Netherlands. Experts from Denmark, Italy and the international bioenergy sector presented ways of using biodegradable residues for energy purposes. Specialists from Austria, Romania and Slovakia conveyed best practices

on increasing water supply and wastewater treatment in rural and remote areas in their countries.

- The report on **Fossil-Fuel Subsidies in the EU's Eastern Partner countries** was published in [English](#) and [Russian](#). The data from these analyses are now available in the OECD database on government support to fossil fuel production and consumption. The report was supplemented by an additional round of **collection of fossil fuel data** and information that focused on fossil fuel support measures put in place by EaP governments in 2020.
- **Policy Highlights on fossil fuel subsidies** in the EaP region were published, covering 2016-20 with a focus on subsidies in 2020.
- Special sessions on **green bonds** were organised during the 2021 Annual [OECD GREEN Action Task Force meeting](#) and the Sustainable Finance Forum in Eastern Europe, Caucasus and Central Asia. The events shared experience with issuing and using green bonds and provided practical suggestions to newcomers in this market. They also discussed the potential role of **debt capital markets** in financing long-term green infrastructure investments in the region.
- EU4Environment participated in the **communication campaign** “Invest in our Planet” around Earth Day 2022. It contributed articles on “Greening the industrial sector” and “How tracking fossil fuel subsidies can help secure more resources for the green energy transition”.
- The third annual [Regional Assembly](#) assessed EU4Environment progress on greening the EaP economies. It was attended by **110 people**, including high-level participants at the level of state secretary and deputy ministers from the EaP countries.
- **Over 250 000 people** in the region were reached by five national and large-scale communications campaigns on various topics such as zero pollution, waste management, green economy and EU Green Deal promotion.
- The EU4Environment website reached **360 000 people**, while social media reached **500 000**.
- EU4Environment [newsletters](#) were sent to more than **600 recipients**.







# New Programme in the EU4Environment family launched in 2022

## Water Management and Environmental Data

In early 2022, the launch of a new programme – “Water Management and Environmental Data” in the Eastern Partner countries (“EU4Environment – Water and Data”) – reinforced EU4Environment.

The new programme will contribute to improving sustainable water resources management by focusing on the following: strengthened river basin management planning; water allocation; increased stakeholder involvement; promotion of novel approaches to water monitoring, including for COVID-19; progressing the water and health agenda; transboundary cooperation; improved economic soundness of water strategies and policies; and support to finance mobilisation for priority interventions. National-level progress will be focused through multi-stakeholder national policy dialogues in each EaP country.

The new programme will also support strengthening environmental information on waste, land use, agriculture,

air and water quality and improve access to this data for decision makers and citizens.

The identified measures build on, and ensure continuity of, the Shared Environmental Information System Phase II and the EU Water Initiative Plus for Eastern Partnership programmes. These two programmes were instrumental for modernising environmental monitoring and data analysis systems, promoting evidence-based policy making and increasing the partner countries’ alignment with EU and international law, in particular the Water Framework Directive.

The implementing partners of “EU4Environment – Water and Data” are Austrian Development Agency (ADA), Environment Agency Austria (UBA), International Office for Water (OiEau) (France), Organisation for Economic Co-operation and Development (OECD) and the United Nations Economic Commission for Europe (UNECE).



## “EU4Environment – Water and Data” in a nutshell

**Objective:** improving people’s well-being and enabling green transformation in line with EU Green Deal and SDGs

### Two pillars:

- **Water resources:** support a more sustainable use of freshwater resources
- **Environmental data:** extend and improve the use of sound environmental statistics

**Countries:** Armenia, Azerbaijan, Georgia, Republic of Moldova, Ukraine

**Duration:** 2021-24

**Budget:** EUR 12.75 million (EU contribution: EUR 12 million)

**Implementing partners:** ADA, UBA, OiEau, OECD, UNECE

**Regional launch event:** 9 February 2022

## About

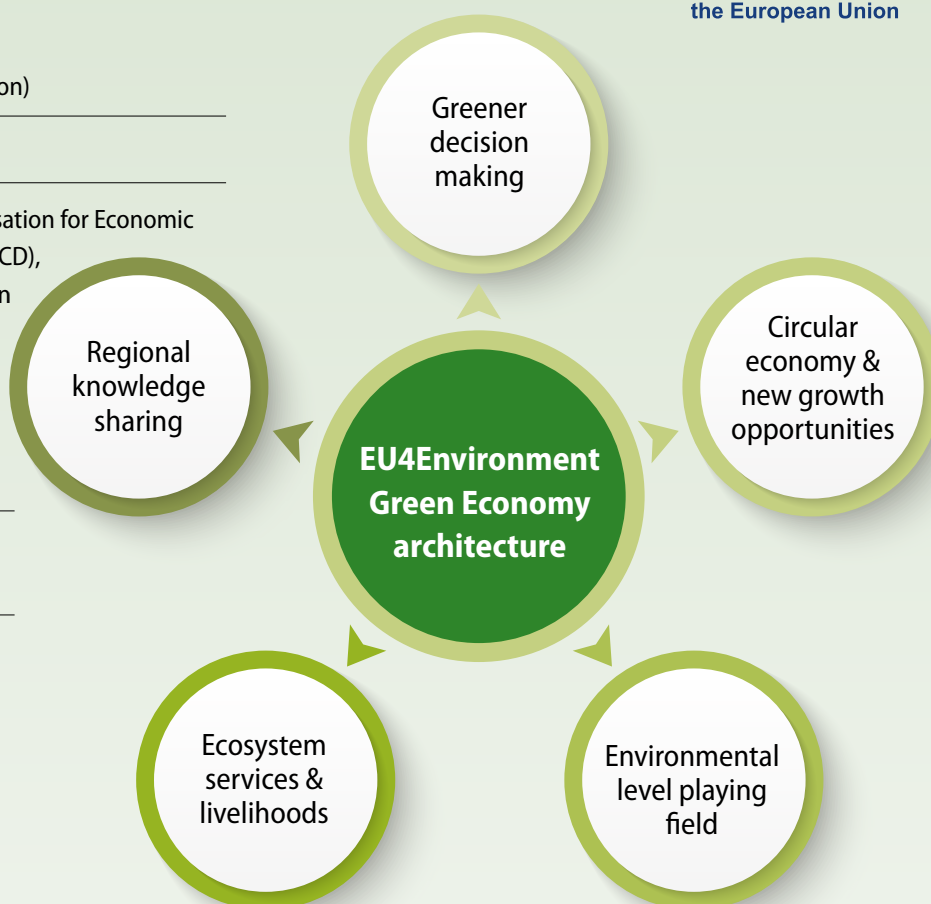
# EU4Environment

## Green Economy in Eastern Partner Countries



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- **Budget:** about EUR 20 million  
(with EUR 19.5 million EU contribution)
- **Duration:** 2019-24
- **Implementing agencies:** Organisation for Economic Co-operation and Development (OECD), United Nations Economic Commission for Europe (UNECE), United Nations Environment Programme (UNEP), United Nations Industrial Development Organization (UNIDO) and the World Bank
- **Overall guidance:**  
European Commission
- **Key national partners:** Ministries of Environment and Ministries of Economy



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