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## Advancing resource efficient and cleaner production in Armenia

### The RECP methodology

**Resource Efficient and Cleaner Production (RECP)** is the integrated and continuous application of preventive environmental strategies to **processes, products, and services** to increase efficiency and reduce risks to humans and the environment. RECP is all about producing with fewer resources while minimizing environmental impacts and increasing overall productivity. For **Small and Medium-Sized Enterprises (SMEs)**, the RECP methodology can effectively lower production costs whilst improving the SMEs' competitive advantage and applying environmentally friendly practices. RECP is also an effective tool to introduce and promote Circular Economy principles among SMEs.

### "M. SISAKYAN" LTD - TEXTILE PRODUCTS

#### Company overview



**Location:** Spitak

**Exportation quota (%):** 90

**Founding year:** 2017

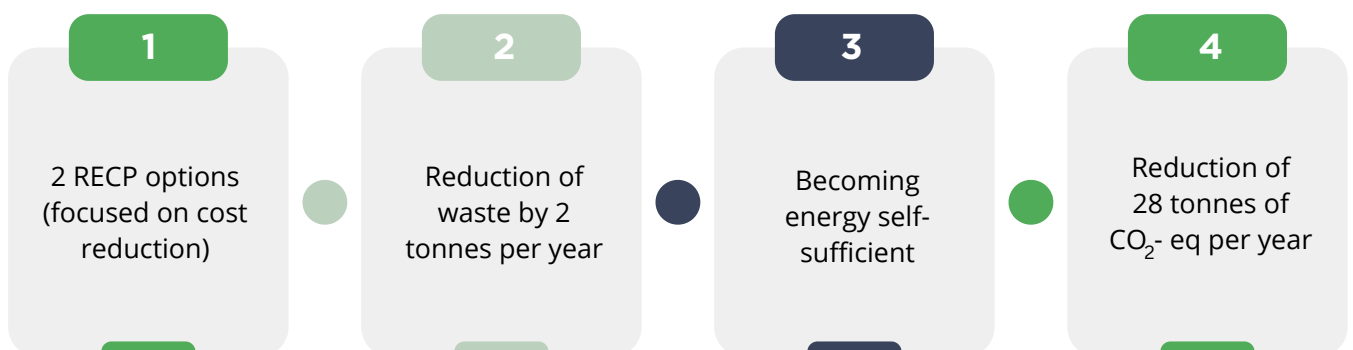
**No. of employees:** 41

**Key products:** working uniforms, outdoor, military uniforms

**Main markets:** Armenia, Germany, the Netherlands, France

"M. Sisakyan" is a sewing company established in 2017 in the province of Lori. The company provides sewing services as a subcontractor for large textile manufacturers and, therefore, its outputs are mostly export-oriented. Although the enterprise itself does not own any international certificates, one of the company's main contractors, Gloria, is a holder of the ISO 9001 certification and has implemented the standardised quality assurance system throughout M.Sisakyan. Motivated to address the high electricity costs and the generation of waste, the company participated in the RECP Demonstration Project under EU4Environment (2019-2024). This publication shows the company's experience reported after the monitoring exercise conducted in 2022-2023.

### BENEFITS



Action implemented by:



# The project's approach

The RECP assessment examined the production site and identified several RECP options, out of which the following two were prioritised by the enterprises. These include medium and low-cost recommendations:

**RECP Option 1. Installation of a photovoltaic (PV) solar system:** This measure consists of installing a PV solar system with a nominal power between 30 and 50 kWh. This would curb the company's dependence from the national grid, and enable it to become energy self-sufficient.

**RECP Option 2. Reusing recycled fabric scraps and sintepon to create new products and sell them on the market:** This measure would provide a new purpose for the current waste by reusing the fabric and soft fibre scraps to create new products (e.g., fabrics for pillows and blankets, beddings, production of stuffed animals and toys), as well as recycling sintepon (which can be further sold to furniture manufacturers). The total amount of waste and pollution (resulting from burning the excess scrap materials) would be significantly reduced.

## SAVING ACHIEVEMENTS

### Main RECP actions

#### OPTION 1

Installation of a photovoltaic (PV) solar system

#### OPTION 2

Reusing recycled fabric scraps and sintepon to create new products and sell them on the market

### Economic key figures

| RECP OPTIONS | INVESTMENT (EUR) | SAVINGS (EUR/YR) | PAYBACK PERIOD (YR) |
|--------------|------------------|------------------|---------------------|
| Option 1:    | 25,000           | 5,800            | 5-6                 |
| Option 2:    | 30               | 200              | 1                   |

### Resource savings

| RECP OPTIONS | MATERIALS (%/YR) | ELECTRICITY (%/YR) |
|--------------|------------------|--------------------|
| Option 1:    | /                | 100%               |
| Option 2:    | 30%              | /                  |

### Total pollution reduction

| RECP OPTIONS | TOTAL CO <sub>2</sub> -EQ (TONNES/YR) | WASTE (TONNES/YR) |
|--------------|---------------------------------------|-------------------|
| Total:       | 28                                    | 1-2               |

“ Our company was eager to receive new insights and guidance to reduce costs and increase productivity. Thanks to the RECP Demonstration Project, we learned how to reduce production costs, as well as waste and pollution. As our company is investing in building its own brand, improving public awareness, and in securing a firm position in future negotiations, the experience within the RECP project has inspired us to come up with new ideas regarding the future implementation of RECP measures, said the director, Mr. Artur Danielyan. ”

The introduction of RECP has been part of the EU-funded EU4Environment Action and executed by UNIDO. In this context, **M. Sisakyan** joined the RECP Demonstration Project to be monitored under EU4Environment. Follow-up visits have also been conducted to check on the implementation of the recommended RECP options. EU4Environment helps the EU's Eastern Partnership countries 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. For more details, visit: [www.eu4environment.org](http://www.eu4environment.org)

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