

Small and Medium Sized Enterprises Take Steps toward Green Economy

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Aiming to promote resource-efficient and environmentally cleaner production in industrial sectors, the United Nations Industrial Development Organization (UNIDO) carried out a Resource Efficient and Cleaner Production (RECP) demonstration project in Georgia in order to improve productivity and reduce environmental impacts of enterprises. The first set of RECP demonstrations was completed in ten Georgian companies last year, while the program is expected to continue until 2016.

As a component of the European Commission's Program on Green Economies in Eastern Partnership Countries (EaP GREEN), the program's goal is to support the country to start its transformation to a green economy and is also being implemented in Armenia, Azerbaijan, Moldova, Ukraine and Belarus.

"The selection of enterprises had three criteria: they should have been from food, construction materials and chemical industries, they should have been small and medium size enterprises with no more than 300 staff members and lastly, they should have been ready and determined to participate," Malkhaz Adeishvili, National Project Coordinator told *Georgia Today* at the conference held on March 26, adding that, usually, companies are resistant to external interference, as they either lack time or have had an unpleasant experience with the environmental protection authorities previously.

As for the results of the first stage, Adeishvili elaborated that companies were shown the problems they have regarding handling resources and the environment, before being given recommendations on how to be more effective. "The logic here is that, if resources are used properly, the company improves productivity, yielding more economic benefit with less harm to the environment," he explained.

"As the Deputy Minister of Environment and Natural Resources stated earlier, the government wants to promote a green economy and the RECP project is just the starting point for SMEs," stated Rene Van Berkel, Chief of UNIDO's Industrial Resource Efficiency Unit. "The government believes that resource efficiency can help to improve the competitiveness, performance of the businesses and the environment. From the business side, the expectations were a bit skeptical at the beginning; however, I see now that those ten enterprises are very optimistic about the opportunities they were presented with," he continued.

In order to demonstrate the program's effectiveness, Van Berkel presented two cases implemented in Serbia. For instance, Metalac, a cookware producer, has implemented 14 RECP options including changing sequence in picking line and automatic controls, installing a heat recovery unit on boiler, installing energy-efficient motors and using surface water for cooling purposes. With a total investment of 255,000 Euros, the company had made that up within two years, while its greenhouse gas emissions were reduced by 1,500 ton CO₂ a year and conserved 50% of water, 15% of natural gas and 10% of electricity.

Georgia is relatively inexperienced when it comes to environmental friendliness. Adeishvili notes that with only one project it is impossible to achieve any significant changes. "We do not even have the ambition that by the end of the project, we will have a drastically different situation in our country. The aim is that we show the enterprises that economy and environment can collaborate and without damaging each other," he continued.

The second round of the project is expected to start in the near future and, as Van Berkel noted, it will include up to 15 companies. According to him, they also plan to cooperate with municipalities in various regions of Georgia in order to bring more enterprises on board. "We believe that by the end of next year, we will have covered around 60-70 enterprises," he said.

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