Using outdated equipment can hinder the efficiency and productivity of the entire manufacturing process, resulting in higher operational costs and increased maintenance. According to a recent IFC report, *Energy Efficiency: A New Resource for Sustainable Growth*, the Armenian industrial sector could be saving up to 14.5% of energy costs by further improving energy efficiency. The 100 companies surveyed indicated plans to invest more than $35 million in energy efficiency in the short term, which represents a market potential of more than $200 million in Armenia.

According to the National Program on Energy Saving and Renewable Energy, the following industrial sectors have the largest energy efficiency potential in Armenia: food production (24.7%), metal ore extraction (16.7%), metallurgical industry (12.7%), chemical industry (8.7%), and non-metal mining (5.1).

### EXAMPLES OF ENERGY EFFICIENCY INVESTMENT BY TYPES OF ECONOMIC ACTIVITY, BASED ON IFC INTERNATIONAL EXPERIENCE

#### Food Production (General)
- **Average investment:** $275,000 USD
- **Profitability:** 55%
- **Payback:** 2-4 years
- **Reduction of energy consumption per unit:** 64% lower
- Typical measures: replacement of refrigerators, thermal insulation, automation of production lines.

#### Food Production: Bakery
- **Average investment:** $130,000 USD
- **Profitability:** 40%
- **Payback:** 2-3 years
- **Reduction of energy consumption per unit:** 28% lower
- Typical measures: replacement of ovens, packing, thermal insulation of ovens, automation of production lines.

#### Construction / Building Materials
- **Average investment:** $270,000 USD
- **Profitability:** 35%
- **Payback:** 1.5 - 2 years
- **Reduction of energy consumption per unit:** 32% lower
- Typical measures: replacement of compressors, concrete mixers, thermal insulation, automation of production lines.

#### Wood Processing / Furniture
- **Energy efficiency potential:**
- **Average investment:** $50,000 USD
- **Profitability:** 13%
- **Payback:** 3 - 4 years
- **Reduction of energy consumption per unit:** 48% lower
- Typical measures: replacement of wood processing equipment.
ABOUT IFC
IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries. We create opportunity for people to escape poverty and improve their lives. We do so by providing financing to help businesses employ more people and provide essential services, by mobilizing capital from others, and by delivering advisory and risk-management services to ensure sustainable development. In a time of global economic uncertainty, our new investments climbed to a record $18 billion in fiscal 2010. For more information, visit: www.ifc.org

IFC IN ARMENIA
Armenia became a member and a shareholder of IFC in 1995. Since 2000, IFC has been investing in Armenia to support financial markets, general manufacturing, energy, and mining. IFC Advisory Services provide advice through projects focusing on the financial sector, sustainable energy, and investment climate regulatory simplification. For more information, visit: www.ifc.org/eca

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The IFC Armenia Sustainable Energy Finance Project is supported with funds from the Austrian Ministry of Finance. For more information, visit: http://english.bmf.gv.at

IFC ARMENIA SUSTAINABLE ENERGY FINANCE PROJECT
The IFC Armenia Sustainable Energy Finance Project is a three-year, donor-funded advisory services project launched in January 2010. The Project is designed to establish a sustainable market for energy efficiency and renewable energy investments and contribute to the energy self-sufficiency of Armenia in partnership with local and international financial institutions.

ADVISORY SERVICES
IFC complements its investment activity through its Armenia Sustainable Energy Finance Project, which provides a wide range of advisory services to financial institutions, their clients, and other market players to support investments in energy efficiency.

FINANCIAL INSTITUTIONS
IFC provides financial institutions with assistance in developing expertise in energy efficiency based lending through training, joint promotional activities, resource materials, and advice on transactions. This support often includes help in identifying market opportunities, working with energy auditors, building partnerships with vendors, evaluating technical risk, and properly calculating cash flows from energy savings.

ENTERPRISES
IFC provides enterprises with analysis of energy efficiency projects under consideration by the company, helps in identifying opportunities to save energy, offers information on a wide range of possible partners to supply equipment and engineering services, and assists with advice on business proposals for attracting finance for energy efficiency projects.

VENDORS & PROJECT DEVELOPERS
IFC helps build relationships with potential clients in need of products and services, as well as with financial institutions willing to finance your clients’ energy efficiency projects, including through vendor finance programs.

HOW CAN YOU PARTICIPATE IN THE PROJECT?
Please contact us if you are:

- A company planning to implement an energy efficiency project;
- A financial institution planning to develop a targeted energy efficiency financing product;
- An energy efficiency project developer or designer;
- Interested to participate in training on energy efficiency, receive publications and invitations to public awareness events.