

REGIONAL POST

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C-QUADRAT

A LONG-TERM FOCUS ON GROWTH AND IMPACT

AMPEGA



EXCLUSIVE INTERVIEW WITH
ARMAN VARDANYAN
CEO, C-Quadrat Ampega Asset
Management Armenia



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GLOBAL EXCELLENCE: Armenia's pension funds now rank 7th worldwide for returns—outperforming most OECD nations with a 4.4% real annual return over the past decade.

BOOSTING ECONOMIC GROWTH: From Formula VC technology investments to transformative healthcare funding, discover how pension reform becomes Armenia's economic catalyst.

TACKLING CHALLENGES: Paving the way from low financial literacy and short-term financial habits to proactive pension planning.

SOCIAL IMPACT LEADERSHIP: Inside Armenia's first institutional impact investment fund—empowering innovation and driving social enterprises forward.

INVESTMENT IN EDUCATION: How this Austrian-German partnership committed 120 million AMD in scholarships for displaced Artsakh students.



READ THE FULL
STORY ON
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DIRECTOR'S NOTE



Imagine that a great uncle you barely knew passed away in some lost corner of the world and left you with a huge box as your inheritance. You see the box from afar and it looks massive. You try to move it, but it's too heavy. So, you're excited—it must be full of all kinds of valuable things. It looks like you've inherited a fortune! You have wonderful plans for all the things you can do with this wealth. But then the box opens, and it's empty!

I had to make up that story to give a fresh twist to a quote that has perhaps become a bit cliché in recent years: “We do not inherit the Earth from our ancestors, we borrow it from our children.” Our children and grandchildren are all going to inherit the planet from us (or, if we stick to the quote, we will have to return to them what we borrowed), and we are at risk of leaving them with a huge but empty box. We are running out of resources on our planet and, unless we take action, we cannot sustain our lifestyle for much longer. And our children will have nothing with which to build their own lives.

This is the context for this issue of Regional Post, with a special section to Circular Economy, a sustainable alternative to the linear, waste-generating approach that has dominated our global development throughout history. The European Union

has supported the implementation by Impact Hub Yerevan of CirculUP!, a project designed to build capacity and raise awareness for the promotion of the Circular Economy in Armenia. And many of our articles come from the stakeholders of this project, representing a vast range of diverse individuals and organizations—ecosystem builders, strategic experts, entrepreneurs, academics, and more.

There is a clear message that many of them convey—Circular Economy is not just about environmental conservation and making sure our children have the resources they need on our planet. It is also about strategy, competitive advantage, and economic growth. Small countries like Armenia, in particular, need to optimize their use of resources as part of efforts aiming at economic sovereignty and sustainable development. Circular Economy also serves as a stimulus for innovation, with new technologies, designs, and business models offering consumers solutions that are often better in terms of their shelf life or convenience.

While Circular Economy is still in its infancy in Armenia, we hope that we will look back on this issue of Regional Post in a few years and recognize how far we have come and how it all began.

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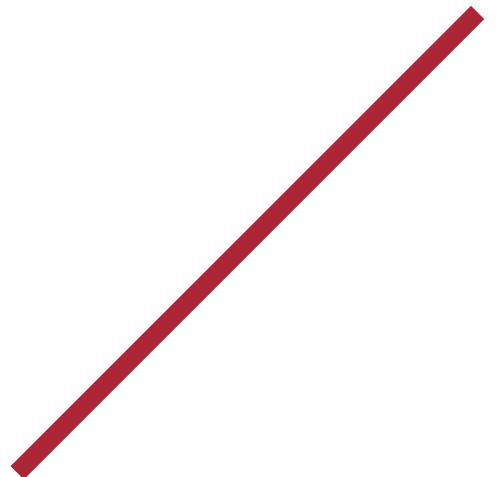
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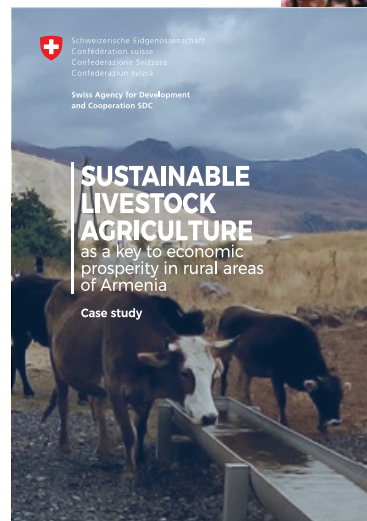
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THINKING BIG, SHIFTING MINDSETS

Over the past two decades, Ralph Yirikian, the General Director of Ucom, has been a household name in Armenia, frequently appearing on television to discuss topics that extend well beyond purely commercial matters. Nazareth Seferian sat down with Mr. Yirikian to talk about the company's latest developments and the broader topics of sustainability and Circular Economy.

INTERVIEW : NAZARETH SEFERIAN / PHOTO : REGIONAL POST – CAUCASUS

Mr. Yirikian, there are many challenges facing our country today. What would you say is a practical step that each business leader in our country can take to help make tomorrow more positive for Armenia?

— I would say the key is to think beyond the limits of one's own business. Understandably, each business leader's priority is the objectives and performance indicators of their company. But if we can think slightly beyond those limits and see the larger context in which the company operates—the surroundings, society, environment—this can reveal new insights and opportunities both for the business and for the country as a whole. Business leaders should then ask themselves: How can I grow my business while also developing, at least to some extent, the space and people that surround it?

A mindset shift of this kind can lead to a more positive tomorrow for both the company and the entire country.

Coming now specifically to your role at Ucom, what is one thing that currently excites you about the company and your role in it?

**SO, WHEN YOU TELL THE
RIGHT STORY TO AN INVESTOR
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AN APPRECIATION FOR THE
GREATER IMPACT**



— It is, in fact, this same mindset that I just mentioned that I have also brought into my role in Ucom, and which is now prevalent in our company. We are part of the Galaxy Group of Companies and, fortunately, I have the opportunity to regularly talk to our shareholders and investors from the point of view of this broader mindset, and to see their growing interest in this approach. Naturally, there are shareholder interests and concerns that you always have to balance as a corporate executive. Thus, whenever I talk to them about a new idea or proposal, whether it is purely commercial or goes beyond the limits of our own company's performance, I always make sure that I do my homework. There needs to be the right research and analysis behind any idea, the right kind of supporting documentation, so

that we can be more scientific in our approach both as a business and a corporate citizen.

So, when you tell the right story to an investor and back it up with persuasive evidence, you see their mindset shift to a level that goes beyond pure numbers, and there is an appreciation for the greater impact. And I truly find this work exciting.

Ucom has been rolling out its 5G network across Armenia since November 2024, but the approach you are using is quite unusual. Instead of launching it first in Yerevan, you started with the regions of the country. What was the reason behind this, and what reactions have you seen?

— Let me start with a broader response to the question. We see ourselves as a company that is bringing about digital transformation in the country, and we need to develop our infrastructure to get there. Our shareholders believe in this vision, and they have agreed to these large-scale investments. But, once again, this is not just about business and numbers, it is about mindset. In order to make this vision a reality, we have to shift to a different level of customer-centricity. And, coming to your point now about the rollout of the 5G network, our prioritization of the regions was part of this new mindset. Everything that we do as a company, we do for our customers. When it comes to the 5G network, we wanted to deliver a special message to everyone in the country—Armenia is not just Yerevan; we have to think beyond our beautiful capital city. Even within Yerevan, we often limit our thinking to the center of the city, but the reality is that we have ten regions outside the capital that are full of potential and deserve more attention. Of course, 5G coverage came to Yerevan quite quickly after

the regions, but it was important to us that our customers outside the capital felt valued and appreciated. By the way, the updates that Ucom customers can expect this year are not just about 5G, we are implementing several new initiatives that will make us more customer-centric as a company. We will soon have an AI-powered billing system that will allow our employees across the country to provide all services to every single Ucom customer, irrespective of their location. It will also allow our customers themselves to review their own data and access certain services

A LONG WITH CONSTANT, TWO-WAY COMMUNICATION WITH THE TEAM, KEEPING THE HUMAN FACE OF THE COMPANY, WHICH INCLUDES THE ACCESSIBILITY BY THE TOP MANAGEMENT, IS AN IMPORTANT PART OF MAINTAINING MOTIVATION AND A SHARED SENSE OF PURPOSE

directly from our app, without having to contact an employee. So this is all part of the same story – coming closer to our customers wherever they may be located, shifting our mindset to think beyond our capital. We have been criticized for the sequence of our 5G network rollout, let me tell you. But 5G is now in Yerevan too, and that criticism will soon be forgotten. However, the message that we relayed about prioritizing the regions will remain strong.

Your own team at Ucom is spread across the country. What is your formula for maintaining motivation and a shared sense of purpose in

a company that is geographically dispersed and consists of more than a thousand employees?

— The answer in one word is communication, but there are several layers to it. We do not think of our staff as just a number on a piece of paper—these are people with values, questions, thoughts, and ambitions. And we stay in communication with them regularly to make sure that they feel an alignment between their personal feelings and the company. On the one hand, this communication is done electronically, ranging from emails on specific topics to weekly or monthly general newsletters. On the other hand, it is equally important to have face-to-face contact with all employees on a regular basis, allowing people to ask questions and voice concerns on relevant topics.

I believe that the top-level management should remain accessible to the staff. If the General Director has lunch regularly with colleagues at the office cafeteria, if he or she takes the stairs to go to meetings on different floors, passing by offices, stopping to say hello and smile to colleagues, this sends a powerful message to everyone in the company. It helps them truly believe that the General Director is just another human being, working with them for a common goal. Other top or middle managers see the General Director's behavior, and they too make themselves more available to their teams. Along with constant, two-way communication with the team, keeping the human face of the company, which includes this accessibility by the top management, is an important part of maintaining motivation and a shared sense of purpose.

Around two decades ago, you were the first business leader in Armenia to talk about corporate responsibility, and your work helped make this



part of the vocabulary of our private sector. Where do we stand in Armenia today, in your opinion, when it comes to corporate responsibility and sustainability? How does the concept of the Circular Economy fit into this picture?

— The situation on this front is not as good as I would have hoped. There is still a lot to do in the business sector. Here, too, we have a mindset issue. At a personal level, many of us do everything to keep our houses clean and efficient. We tell our children not to waste things, and we try to get them to appreciate what they have. But, once again, it's all about mindset. As soon as we step outside the house, we no longer think of circularity in this bigger picture. Very few of us step outside our door and clean our part of the sidewalk or the yard of our building. It is the same in business. Many of our Armenian business leaders are very dedicated when it comes to their companies, but they do not look at the social and environmental issues that surround us.

We also need more action from the public sector here. We need more public-private partnerships that can have a positive social impact on the country while also helping companies achieve their commercial objectives. We need initiatives that would encourage companies to engage more holistically with the economy, including the social and environmental context in which our country needs to develop. There can be very interesting circular economy initiatives where the state and the private sector work together, creating new value for everyone involved.

In more specific terms, what is the role of the public sector, in your opinion? What can be done to encourage the acceptance of the Circular Economy by the private sector?

— There is a wealth of experience from other countries that we can use. Public bodies can invite consultations on these topics and give them visibility. We may have a shortfall of

experts on Circular Economy, but they can be invited from elsewhere, so that Armenia can learn from the journeys to greater circularity taken by other states. There are good success stories of public-private partnerships here. And it's not just developed countries. Many developing countries are making the most of these opportunities. So, we can also learn from those who have a similar context to our country.

We have to understand, of course, that our market is different. We are a small country, and this means that there is less room for experimentation, and fewer resources that can be allocated to innovation. But we can at least begin to experiment at this small scale and see where it takes us. Consumer demand can be shaped by governments and even by companies. There needs to be more communication on this topic so that more people understand its importance. There is a difference when it comes to how small and medium enterprises



(SMEs) approach such innovations compared to larger corporations. Smaller businesses are more flexible, they can be more open to risk, and quicker to make decisions. With larger corporations, there are several levels of decision-making, and then you have to get the shareholders on board. In many cases, you have to balance the longer-term benefits of circularity and sustainability with short-term costs. A small business owner may see the value in this, while the shareholder of a larger corporation might choose to prioritize upcoming dividends. It all boils down to what we discussed earlier—you have to do your homework, conduct your research, present your analysis, and make the case for this transition to circularity. Once businesses see the benefits for all parties, it will be easier to move them in that direction.

The public sector must be a part of this equation, that is for sure. And I would encourage the public sector to think big when it comes to engaging with the

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private sector. Once companies in Armenia get the message that the state will support them in their bold ideas, all kinds of amazing things can happen.

Looking ahead to the next 5-10 years, what is Ucom's overall vision for its role in Armenia's digital transformation and overall sustainable development?

— We are laying the infrastructure for Armenia's future growth—all telecom operators are the front line in digital transformation because we establish the foundation on which other companies can develop their technology and deliver their innovative services. We aim to keep bringing the latest technology to Armenia. In the future, we see ourselves continuing our pioneering role as a successful business, but also a caring corporate citizen. We will continue creating the kind of customer experience that will make our users proud to be with Ucom, just as we strive to make our shareholders and investors proud to be associated with our brand. And we hope that other corporate entities will look to us not just as a potential partner, but also as a business whose example they can follow when it comes to thinking beyond the limits of their own company and engaging with society and the environment in a positive way. ♦

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C-QUADRAT AMPEGA

A Long-Term Focus on Growth and Impact

The pension reform in Armenia more than a decade ago led to a groundbreaking impact with a multiplier effect through the years to come. The crucial role in the success of the reform is attributed to international fund managers, who came with a fresh mindset and strategic long-term focus. The activities of one of those entities have gone beyond traditional pension fund management and are now having a significant impact on the development of Armenia in multiple ways.

Regional Post spoke to Arman Vardanyan, CEO of C-Quadrat Ampega Asset Management Armenia, to learn more.

TEXT : NAZARETH SEFERIAN / PHOTO : C-QUADRAT AMPEGA ASSET MANAGEMENT ARMENIA

Anyone living in Yerevan will often see groups of elderly travelers from European countries on guided tours of the city's sights. They worked hard for most of their lives and, now retired, enjoy their pensions, with the time and money that allow them to travel and see the world. Meanwhile, most of Armenia's pensioners remain close to or below the poverty line, often depending on family members to cover their daily expenses. Recognizing the gravity of this issue and the demographic tendencies in this area, Armenia completed a crucial process of pension reform in 2013 and introduced a mandatory funded pension system in the country. This paved the way for the entry of international pension management companies into the market, with the added challenge of building the pension funds from scratch. "This aligned perfectly with the core expertise of our shareholders, Austria-based C-Quadrat and Germany-based Ampega, part

of the Talanx Group, both of whom specialize in long-term asset management and responsible investments," says Arman Vardanyan, the CEO of C-Quadrat Ampega Asset Management Armenia. Just over ten years since the reform was launched, there is good reason for optimism. According to the OECD's Pension Markets in Focus 2024, Armenian pension funds rank 7th by real average annual internal rate of return (IRR) over the past decade among selected OECD and non-OECD countries, with a real average annual return of 4.4%. Only three OECD countries ranked higher—Costa Rica (5.6%), Israel (4.9%), and Australia (4.5%). "The pension system reform was a crucial step to secure the well-being of the Armenian people in the future. It was well planned and citizen-centric. Most importantly, there has been consistent follow-up and support from the Government and Central Bank throughout these years," says Arman.



^
Arman Vardanyan,
CEO of C-Quadrat Ampega
Asset Management Armenia

THE PENSION SYSTEM REFORM WAS A CRUCIAL STEP TO SECURE THE WELL-BEING OF THE ARMENIAN PEOPLE IN THE FUTURE. IT WAS WELL PLANNED AND CITIZEN-CENTRIC. MOST IMPORTANTLY, THERE HAS BEEN CONSISTENT FOLLOW-UP AND SUPPORT FROM THE GOVERNMENT AND CENTRAL BANK THROUGHOUT THESE YEARS

The pension reform provides crucial resources for the long-term economic development of the country. As part of the concept, pension funds accumulate a critical mass of available financing that can provide patient capital for major infrastructure developments and other projects that will supercharge a country's growth over decades.

According to a recent OECD study, the assets in Armenia's pension funds have gone up by 34.9% from 2023 to 2024 and constitute 10.7% of the country's GDP. Nearly 23% of these assets are attributed to the income generated through the performance of the pension fund managers. However, the challenge here is that there needs to be the right opportunities that match this available funding. "As a pension fund, we have a threshold on the amount of risk we can tolerate. Additionally, the culture of equity investment has still not fully established itself in Armenia yet, given that we have historically had a bank-based financial system," Arman explains. But the company's approach to this challenging context has been a combination of audacity and patience. They have made small investments in Formula VC, believing that this will serve as a strong signal to international investors when it comes to the potential of the technology sector in Armenia.

C-Quadrat recognizes the vital role of capital market development in Armenia and actively collaborates with issuers while closely following market developments. The company has undertaken significant investments in the healthcare sector, including Vardanants Medical Center, and supported transformative initiatives such as the initial public offering (IPO) of fintech company Telcell - a landmark for Armenia's stock market that is expected to set an example for other companies to follow. They are also working with Amber Capital and other stakeholders to look at clean energy opportunities that require a lot of funding and time, but promise both economic development and strategic energy independence for Armenia in the future.

At the same time, the pension system reform has not been an easy process for the population, and there are still many challenges that C-Quadrat faces every day. Levels of financial literacy in Armenia are growing very slowly, and long-term planning is difficult for a population that is more

focused on short-term budgeting and expenditures. The company's own research has shown that many Armenians plan on a horizon of around three months or up to one year at most, and only around 12% of people take the initiative to save for their own retirement.

With the new pension system, many of the risks related to this short-term planning are being mitigated. Given that the system is based on fairness, a young person who starts working in their twenties and retires in their sixties will get a decent pension even if they remain passive and do not choose a pension fund for themselves. Choosing a fund that better meets their risk/return expectations can maximize the benefit and lead to higher payouts by the time they retire. "The cumulative pension system gives an opportunity to take advantage of the long-term power of compound interest. We recommend being proactive when it comes to your future returns—even a modest improvement in returns can result in a significant increase in one's pension size," says Arman.





<
 AYB School—
 Beneficiary of
 CQ CSR projects

C-Quadrat believes that improved financial literacy would benefit the population and considers this to be a multistakeholder mission.

“As a company, we’re doing our part to improve people’s understanding of how pension funds work, what the risks are, what the benefits are, and how each individual can take the lead in their future. There is a role here for everyone—public institutions, non-profits, and other private sector stakeholders,” Arman says. Besides the detailed quarterly reports on the performance of the funds that one would expect from any pension fund management company, C-Quadrat also publishes market commentaries, shares newsletters to keep customers updated, recaps these numbers in simpler videos, arranges numerous seminars and webinars to explain all the benefits of the participants, and implements a range of other initiatives to raise public awareness and encourage informed action.

For those who are interested in contributing more money for their pensions or other long-term plans, the company offers a solution that remains unique in the market so far. The CQ Armenia Growth Fund, a public fund registered in Armenia, was launched in 2019 and gives individuals the option of making additional investments, which they can later withdraw and use as needed. So, for individuals in Armenia who are knowledgeable and interested in investing, this is a good addition

THE CUMULATIVE PENSION SYSTEM GIVES AN OPPORTUNITY TO TAKE ADVANTAGE OF THE LONG-TERM POWER OF COMPOUND INTEREST. WE RECOMMEND BEING PROACTIVE WHEN IT COMES TO YOUR FUTURE RETURNS—EVEN A MODEST IMPROVEMENT IN RETURNS CAN RESULT IN A SIGNIFICANT INCREASE IN ONE’S PENSION SIZE

to fixed-term bank deposits or corporate bonds, especially when it comes to longer-term investing. While contributions to the pension funds today are conducted automatically and at fixed amounts based on a person’s income, the CQ Armenia Growth Fund allows individuals to contribute more or less at various times, depending on the money they have available. A hypothetical investment of 100,000 AMD made into this fund at its inception would have yielded around 148,000 AMD in mid-2025.

Besides impacting individual well-being through these solutions, C-Quadrat Ampega Asset Management Armenia is also directly contributing to social impact in the country. In 2023, the company launched the first institutional impact investment fund in Armenia, the CQ Social Fund.

Focusing on UN Sustainable Development Goals, the fund prioritizes companies that have a positive impact on health and well-being, sustainable energy, quality education, and more.

The establishment of this fund is another example of long-term planning for Armenia, in Arman's opinion. In his words, "We see both a need and an opportunity to address pressing social challenges through investment. In developing countries and even in developed markets, it's nearly impossible for public social systems alone to address all societal needs. Globally, we've seen how social entrepreneurs and impact innovations can fill this gap. For example, The Big Issue started as a small newspaper sold by homeless people in the United Kingdom in 1991, and it has helped more than 120,000 people overcome homelessness and poverty over the past 34 years. We're here to help catalyze that kind of progress in Armenia."

However, it is important to note that the financing for this fund does not come from the pool of pension payments, given that this would not align with the company's fiduciary duty. The fund is financed through C-Quadrat's corporate social responsibility budget line. "The Company makes annual contributions to the fund from its annual net profit. This reflects our shareholders' commitment to social progress. In the future, the fund will become available for investment for external

investors, like other corporations in Armenia or from abroad—Armenians from the Diaspora. This way, they can contribute to the fund and directly facilitate social development in Armenia, not through philanthropy but through a familiar investment framework—a regulated fund," Arman explains.

Ten companies have already received investment from the CQ Social Fund. Over time, the portfolio of the Fund will be diversified with various investment instruments, as well as from the perspective of social impact. "We realized that philanthropic grants alone are insufficient to address the challenges that these enterprises are trying to overcome. At the same time, many socially-driven enterprises lack access to growth capital, and reliance on grants has become a barrier to sustainable expansion. We offer a middle path between grants and full market-based funding," Arman elaborates.

Meanwhile, their current investees are already transforming lives on the ground. For instance, ArmBionics is building prosthetic hardware solutions for people with upper-limb challenges—an issue of increasing global significance as conflicts spread around the world. Thanks to the patient capital of the CQ Social Fund, ArmBionics has had the time to perfect its solution and also pivot into the area of software, essentially evolving into a repository of usage data that will allow other companies around the world to develop and improve their own prosthetic hardware. While the CQ Social Fund prioritizes impact when it comes to its investment decisions, there is also potential here for major international commercial success. Vanadzor features another example of a CQ Social Fund investee—the social enterprise Apricot has created meaningful jobs there for more than 40 people with disabilities, fostering social integration and improving the quality of life of a group of vulnerable people that would otherwise not have had such an opportunity. Getting support from the CQ Social Fund is not just about money. "Having the CQ Social Fund as an investor adds significant credibility and can open doors to broader networks and funding opportunities," Arman clarifies, suggesting that while early-stage social enterprises apply for financial support, what they end up receiving is much more—upskilling, strategic guidance, visibility, and more. C-Quadrat Ampega will go even further beyond soon by launching an acceleration program in order to help impact entrepreneurs create and grow their impactful projects and become investable for the fund.





◀
UWC Dilijan –
Beneficiary of
C-Quadrat Ampega
CSR projects

When it comes to impact investment, Arman acknowledges that the sector is still nascent in Armenia and sees an important role for the CQ Social Fund. “We aim to be a catalyst for the growth and sustainability of social enterprises in Armenia. In essence, we are their true partners, not just providers of capital.”

The long-term view that C-Quadrat Ampega Asset Management Armenia takes in their investment decisions is also matched by their actions in philanthropy. The central focus of their charitable donations is education, a topic that will take several decades before it provides positive returns for Armenia. “We have set up a scholarship fund of 120 million AMD with AGBU, which will be disbursed over the coming years to young learners displaced from Artsakh who have gained admission to high schools with international baccalaureate programs. We are also going beyond classroom learning and focusing on tech through Armath Labs in Syunik and music, providing instruments to kids from Artsakh who want to develop their skills in these crucial aspects of a holistic education,” Arman says.

Economic growth, social impact, and increased prosperity - broadly speaking, these are the out-

IN THE FUTURE, THE FUND WILL BECOME AVAILABLE FOR INVESTMENT FOR EXTERNAL INVESTORS, LIKE OTHER CORPORATIONS IN ARMENIA OR FROM ABROAD—ARMENIANS FROM THE DIASPORA. THIS WAY, THEY CAN CONTRIBUTE TO THE FUND AND DIRECTLY FACILITATE SOCIAL DEVELOPMENT IN ARMENIA, NOT THROUGH PHILANTHROPY BUT THROUGH A FAMILIAR INVESTMENT FRAMEWORK—A REGULATED FUND

comes that are increasingly being seen through the reform process that was launched more than a decade ago. There is a solid foundation now to look forward to 2037, when the first retirees in Armenia will receive their pensions through the reformed system. Thanks to the efforts of all stakeholders, including C-Quadrat Ampega Asset Management Armenia, by then the country should expect a flourishing economy, an established impact investment sector, and pensioners who can spend their excess income on their grandchildren at home and enjoy their holidays abroad. ♦

BEYOND ONE-TIME ACTS

AraratBank's Approach to Impact Banking

In Armenia's financial sector, Corporate Social Responsibility often takes the form of sporadic donations and seasonal charity drives. AraratBank has taken a different path, building what they describe as a systematic approach to social and environmental impact over the past five years. We spoke with Anna Allahverdyan, Head of the Communication and CSR Programs Coordination Division at AraratBank, about their methodology and what they've learned from five years of implementation.

TEXT : MARGARIT MIRZOYAN / PHOTO : ARARATBANK

THE PHILOSOPHY: BEYOND ONE-TIME ACTS

"We are not interested in one-time acts," Anna Allahverdyan starts our conversation, outlining the principle that has shaped AraratBank's approach since its 2020 rebranding. "We do not simply solve a present problem but support target social groups through various programs that have a long-term impact." This philosophy distinguishes their work from conventional corporate charity. When Anna defines their CSR approach, she emphasizes responsibility for "the impact of activities on social, economic, and environmental aspects through responsible management. That responsibility is crucial for sustainable development in the long term." As a financial institution, AraratBank naturally focuses on long-term, strategic projects that deliver lasting impact rather than addressing immediate symptoms. They support target social groups through comprehensive programs, not individuals through isolated interventions. The bank's leadership operates under this clear principle across all its initiatives, from its AMD 2 billion green portfolio to partnerships with international organizations like EBRD and FMO worth USD 35 million. As Armenia's only banking sector participant in the UN Global Compact, AraratBank has positioned itself within international frameworks for sustainable development.



GREEN FINANCE IN PRACTICE: BUILDING GREEN FINANCE EXPERTISE THROUGH INTERNATIONAL PARTNERSHIPS

AraratBank's journey in green finance began with a structured approach to building internal expertise through getting technical support from EBRD in 2012 and drafting a respective policy. In 2016, the Bank received another round of technical support from IPC consulting company within the framework of KfW Bank's green lending program. IPC organized comprehensive training courses focused on green lending and the application of green loan differentiation tools. These training sessions involved credit specialists from the Corporate Business Lending Department, regional managers, and monitoring department specialists. A special course was also organized for branch managers. Throughout the entire program, consulting company staff provided ongoing advisory support. Building on this foundation, in 2024, the management of the Bank made a commitment to promoting green lending by adopting a Green Lending Guide and Climate Transition Plan, and establishing a Climate Risk Management and Sustainable Development Committee.

IMPRESSIVE PORTFOLIO GROWTH AND PERFORMANCE

The results of this systematic approach are remarkable. As of the second quarter of 2025, the Bank's business loan portfolio exceeded 123 billion Armenian drams, comprising over 4,295 loans. Each loan was assessed using environmental and social risk evaluations that categorize lending activities into four risk groups by sector: low, medium, high, and prohibited. It should be noted that the Bank pays particular attention to sectors assessed as medium and high environmental and social risk through regular monitoring and targeted measures. In accordance with its Exclusion List, the Bank does not finance activities involving forced labor, population displacement, GHG emissions, unprocessed chemical waste, ozone-depleting substance production, GMO release and production, child labor, and other similar sectors as determined by the Bank's Executive Board.



STRATEGIC VISION AND MARKET LEADERSHIP

"Even when green loans weren't popular in Armenia, they were considered one of the key parts of our portfolio," Ms. Allahverdyan notes. "This came from our collaboration with international financial institutions, studying international best practices, and adapting proven methodologies. It was a strategic direction from the beginning, not a market response." The bank's commitment to green finance dates back over a decade. "We recognized the importance of the Green Agenda back in 2012, being one of the first financial institutions to sign a loan agreement with the GGF Investment Fund, thereby becoming one of the pioneers in the sector of green financing. However, this was not merely a contract. Under the contract, we were provided with technical assistance. The contract enabled us to invest in energy-efficient programs and train our staff, with the involvement of international experts Charley Swords and Malik Ramic. The training sessions were organized not only for our employees, but also for our clients," Ms. Allahverdyan says.

COMPREHENSIVE CLIENT EDUCATION AND IMPACT MEASUREMENT

The bank provides comprehensive client education on circular economy and energy efficiency principles beyond simple financing. They monitor whether borrowers spend funds appropriately

and measure actual CO₂ reduction benefits. Years ago, they partnered with the GGF foundation to provide training and technical support on energy efficiency concepts to both clients and employees. The education component focused on demonstrating how replacing old equipment with energy-efficient alternatives created win-win scenarios. If new equipment passed energy-saving audits with at least 20% improvement, both environmental and business benefits followed. Companies saved on energy costs while increasing production capacity, potentially doubling output with the same energy input.

FINANCIAL LITERACY AND COMMUNITY ENGAGEMENT

Expanding their educational mission beyond green finance, AraratBank recently launched a mutual project with Ara Chalabyan, AraratBank Board Member and Finance Lecturer at the American University of Armenia, to produce a series of financial literacy videos as part of the "Parzits Parz" podcast (a series of video explainers on hard stuff in simple words). These episodes address phone and online fraud, phishing and social engineering, risks and benefits of digital mobile services, credit history improvement, smart borrowing, BNPL (Buy Now, Pay Later) tools, and other important topics on financial literacy. To complement the financial literacy video series, financial literacy courses have also been conducted



with a focus on the regions. The first course was held in Marmarik village for about 80 young people from different regions of Armenia and Javakhk, while the second one—in Gargar village in Lori, Stepanavan.

INTERNATIONAL PARTNERSHIPS AS CAPACITY BUILDING

This strategic domestic foundation has enabled AraratBank to attract significant international partnerships that amplify its impact. Their international partnerships demonstrate this systematic approach in action. The Dutch Entrepreneurial Development Bank (FMO), has secured USD 25 million in funding specifically designed for businesses with founders from Artsakh or a substantial number of Artsakh-native employees. Forty percent (40%) of this funding targets green sustainable projects, while 60% addresses social inequality. A USD 10 million partnership with EBRD, implemented with the EU, the Green Climate Fund, and Climate Investment Funds, focuses on helping micro, small, and medium enterprises transition to competitive, low-carbon operations. This includes specialized support to the persons displaced in 2020 and 2023, with the EBRD providing incentives for enterprises founded by or employing displaced individuals. “These are not just funding arrangements—they are capacity-building partnerships that enhance our domestic capabilities while

connecting Armenia to international best practices,” Ms. Allahverdyan emphasizes.

PARTNERSHIP SELECTION CRITERIA

The success of these international collaborations reflects AraratBank’s rigorous approach to partnership development. When selecting partners—whether domestic foundations or international organizations—AraratBank has developed specific criteria that reflect its long-term approach. Ms. Allahverdyan explains their evaluation process: “We consider transparency, accountability, sustainability, and the leadership behind each foundation.” In healthcare, they work with the City of

Smile Foundation and the Health Fund for Children of Armenia. “These organizations ensure transparency through detailed reporting and continuous engagement, demonstrating a strong commitment to accountability in order to earn and maintain public trust,” Ms. Allahverdyan says. Their requirements include transparency, public accountability, programs with measurable long-term impact, and demonstrable value for investment. These criteria reflect their institutional values: responsibility, transparency, and joint development with their community. This same systematic partnership approach extends beyond the financial sector into cultural, educational, and social entrepreneurial initiatives.

CULTURAL INVESTMENT AND RECOGNITION

AraratBank’s approach spans diverse sectors, extending its “no one-time acts” philosophy into cultural preservation and education. This demonstrates how their systematic thinking transcends traditional banking boundaries to create a comprehensive social impact. Their Matenadaran collaboration exemplifies this integrated thinking, combining education, culture, and heritage preservation. Beyond funding the annual “The Faces of Memory” international seminar, the laboratory for biological research of manuscripts



at the Matenadaran was also re-equipped under the sponsorship of AraratBank. These diverse initiatives, spanning from green finance to cultural preservation, reflect a cohesive approach rather than scattered acts of philanthropy. The bank's internal practices reinforce this philosophy through comprehensive circular economy implementation. As part of their operations, they have established waste separation systems with special collection boxes for different materials, promoted digital transactions to reduce paper usage, and included sustainability reminders in client communications and at ATMs when offering receipt options. Since 2020, the Bank has eliminated a significant portion of the plastics used in its operations, replacing them with other materials that promote environmental initiatives. Regarding the portion that cannot be replaced or is impossible to substitute, these materials are submitted for recycling together with waste paper when discarded. It should be noted that the Bank endeavors each year to reduce plastic usage, whereby its modest contribution will contribute to environmental improvement and pollution reduction. All internal departments actively participate in circular economy practices, collecting paper waste for specialized recycling organizations and participating in tree planting initiatives. As part of Charles Aznavour's 100th anniversary, AraratBank sponsored environmental projects, including a forestation drive, in collaboration with My Forest Armenia, demonstrating how cultural celebrations can integrate environmental action. These internal practices foster an ecological mindset throughout the organization, strengthening work processes directed toward responsible resource utilization.

MEASURING IMPACT AND RECOGNITION

AraratBank's systematic methodology extends to how they measure and communicate their impact. Each year, in addition to the financial reports they



present non-financial reports at their Annual General Meeting of Shareholders. For three consecutive years, they have included visual presentations of their social programs, with bank employees themselves serving as presenters for the past two years, a practice that internally reinforces their culture of social responsibility. This transparency and systematic approach recently earned them ICC Armenia's NVIROUM Award as Armenia's leader in CSR among the largest companies in the country. The evaluation process involved a diverse jury—H.E. Eric De Muyck, Ambassador Extraordinary and Plenipotentiary of the Kingdom of Belgium to Armenia, Dr. Mary Papazian, 30th President (former) of San Jose State University and Executive Vice President of the Association of Governing Boards of Universities and Colleges, Dr. Salwa Nacouzi, Rector of the French University in Armenia, Vazgen Yakubyan, President of AGBU Armenia, and Raffi Baghdjian, Foundation Advisor (Scientific Innovation and Education Center Foundation)—representing multiple sectors, reflecting the cross-industry recognition of their methodology. The award ceremony was organized by the International Chamber of Commerce (ICC) Armenia National Committee with the support of ICC Global. The event aimed to recognize and celebrate the contributions of Arme-

nian and international businesses in environmental protection, social support, and good corporate governance.

SYSTEMIC CHALLENGES AND FUTURE OUTLOOK

While AraratBank has developed effective internal systems, broader policy frameworks could better support systematic CSR investment. Ms. Allahverdyan points to Article 123 of Armenia's Tax Code as one area for improvement: "When calculating taxes, social expenses, that is social investments to libraries, museums, schools, nursing homes, orphanages, medical institutions, and non-commercial organizations, allow for a reduction of 0.25% of gross income, which I believe is a low percentage. It would be beneficial if that indicator were higher, so that we would have greater opportunity to invest our resources in social sectors. Ms. Allahverdyan sees financial institutions as uniquely positioned to drive change. They provide capital, but also educate clients, monitor implementation, and measure outcomes, connecting initiatives across different sectors. When they finance a solar installation, they simultaneously teach circular economy principles, support local employment, reduce carbon emissions, and strengthen energy independence. "This approach focuses on long-term transformation rather than one-time acts and represents our interpretation of impact banking," Anna concludes. ♦

THE GRAPES OF SERENITY:

Mental Resilience and Corporate Responsibility

A young organization is introducing some innovative solutions to Armenia's mental health challenges, and a big name in the private sector is stepping up to provide support. We talked to Artur Yeghiazaryan from "Miasin" International Charity Foundation and Zaruhi Saribekyan from Yerevan Brandy Company to understand the details of their fascinating partnership.

INTERVIEW : NAZARETH SEFERIAN / PHOTO : YEREVAN BRANDY COMPANY

"Recently, a war veteran came to us with symptoms of physical pain, but none of his blood tests or other examinations could reveal the cause. He had been to several specialists, but none of them had managed to diagnose why he was experiencing this bodily pain," says Artur Yeghiazaryan, head of "Miasin" International Charity Foundation. The solution to what was a physical symptom ended up being completely mental—the patient's condition improved considerably after therapy sessions with a psychologist.

It would probably be an understatement to say that the past five years have been mentally grueling for Armenians. The uncertainty of the 2020 pandemic was compounded by the tragedy of the Nagorno-Karabakh War later that year, followed by further aggressions and the exodus of more than 100,000 Armenians, in addition to other constant challenges. It should come as no surprise that recent studies have suggested that up to 38% of the Armenian population could be suffering from mental health conditions. How can this massive challenge be effectively countered?



This is why "Miasin" International Charity Foundation was founded around four years ago by twelve Diaspora Armenian families. Its activities aim to develop resilience and improve the mental health of the population in the country. "Our mission focuses on transforming existing approaches to mental healthcare in crises, and we do this by offering innovative solutions and expanding access to psychological support for anyone in Armenia," says Artur, "We specifically target the regions of Armenia, where mental health services are very weak, and have a particular focus on adolescents, who greatly need this support."

There are two innovative approaches that Artur's team is currently using to tackle Armenia's mental health challenge. The first consists of a stress trauma management course, while the second brings together mental health and nature. "We developed the course based on the Israel Trauma Coalition's experience, and close to 100 people have already

➤
On the right, Zaruhi Saribekyan,
Communications Manager of
Yerevan Brandy Company



OUR MISSION FOCUSES ON **TRANSFORMING
EXISTING APPROACHES TO MENTAL HEALTHCARE
IN CRISES, AND WE DO THIS BY OFFERING
INNOVATIVE SOLUTIONS AND EXPANDING ACCESS TO
PSYCHOLOGICAL SUPPORT FOR ANYONE IN ARMENIA**

completed it. We are now focusing a lot on bringing the concept of therapeutic horticulture to Armenia, which we are learning from an American organization called Partnerships for Nature,” Artur explains. These innovative solutions offered by “Miasin” have gained the appreciation of one of the leading names in sustainable and responsible business in Armenia – Yerevan Brandy Company.

“The modern world brings with it an imperative to master new skills, which one cannot ignore. In contrast to our parents, we need a higher level of media literacy today, must have basic knowledge of cybersecurity, and much more. Unfortunately, the ability to cope with stress has also become an integral part of contemporary life. We are very pleased that the specialists from the International Charitable Foundation ‘Miasin’ have taken on the important mission of imparting valuable knowledge and skills to the employees of the Yerevan Brandy Company,” says Zaruhi Saribekyan,



Communications Manager of Yerevan Brandy Company. Around 30 employees of the company are currently enrolled in the stress trauma management course, including those who work at the farthest branch of the company located in Berd, Tavush Province.

The company's staff clearly sees the value in this training. "Stress resilience and its effective management are critical in the realities of modern life. What I liked most during the training was the approach they used. The materials were presented in an interesting, unconventional, and highly interactive way. It might seem at first like nothing new is being said, but you feel that your scattered knowledge is coming together into a coherent system, ready to help when you need it the most," says Marina Tirakyan, Manager of the Laboratory at Yerevan Brandy Company.

Perhaps the most fascinating aspect of this partnership is the synergy that comes from using the gifts of nature for mental wellbeing. Therapeutic horticulture brings together a professional therapist's facilitation with gardening and other plant-based activities. It was first tried as an intervention more than 200 years ago by the American psychiatrist Benjamin Rush, and veterans' hospitals in many countries have since used gardening as an activity for patients. "Miasin" International Charity Foundation is now seeking to make therapeutic horticulture an established practice in Armenia, recognizing that it can be very diverse—the approach can be customized for adults and adolescents depending on the background of their trauma.

"We prioritize the use of evidence-based practices and are training our team to deliver the first comprehensive program on therapeutic horticulture in our country," Artur says. Zaruhi sees a strong connection between this concept and Yerevan Brandy Company's identity as a responsible corporate citizen. "As part of our work, we are cooperating with a broad network of grape growers. So, another vector of our collaboration with "Miasin" is a bridge that we are going to establish between communities. Brokered by Yerevan Brandy Company, there will be some grape growers who will



> Artur Yeghiazaryan, Head of "Miasin"
International Charity Foundation



THERAPEUTIC HORTICULTURE BRINGS TOGETHER
A PROFESSIONAL THERAPIST'S FACILITATION WITH
GARDENING AND OTHER PLANT-BASED ACTIVITIES.
IT WAS FIRST TRIED AS AN INTERVENTION MORE THAN
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BENJAMIN RUSH, AND VETERANS' HOSPITALS IN
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AN ACTIVITY FOR PATIENTS



provide their vineyards and host groups led by "Miasin" for the therapeutic horticulture sessions. And there is a certain symbolism to this—the Ararat Valley was where humanity got a second chance after the Great Flood. It is beautiful to think of this place also as the source for the mental rebirth and renewed resilience of our people," says Zaruhi. This partnership seeks to deliver therapeutic horticulture sessions to around 50 displaced people from Nagorno-Karabakh by the end of 2025. This community-based approach to mental health will also reap benefits in terms of raising awareness. The viticulturists witnessing the therapeutic horticulture sessions could become tomorrow's advocates of mental health in Armenia.

"Miasin" International Charity Foundation is confident when it comes to the efficacy of this work, but they believe that it should be scaled up to a national level so that the Armenian population can develop the necessary resilience. "Stress and trauma management should be elevated to national status in our country. Everyone should have basic notions of this, the same way that first aid is taught in schools and other institutions," says Artur. By regularly and consistently delivering stress and trauma management courses all over Armenia, "Miasin" aims to establish a community of trauma supporters across the country. Artur's organization is also in discussions with the Ministry of Health to officially include this course as part of the medical practitioners' professional commitment in Armenia to continuing education. It is important to emphasize that "Miasin's" focus today is on tackling existing mental health challenges, while they would ideally seek to prevent them from occurring in the first place. There is increasing recognition globally of how individuals need to actively care for their mental health, rather than deal with it only when issues arise. The wide range of services provided by "Miasin" can be found on their website—<https://fundmiasin.by/en/>

The innovative approaches introduced in Armenia by "Miasin" International Charity Foundation and the steadfast support of Yerevan Brandy Company suggest that some very interesting developments will soon bloom in the vineyards of Armenia. ♦

BUILDING A CSR POLICY THAT WORKS:

IDBank's Evidence-Based Strategy

As financial institutions and the private sector across Armenia reassess their corporate social responsibility strategies, IDBank has emerged as a case study in systematic community engagement. Regional Post interviewed IDBank's Head of Communications and Social Responsibility Programs Department, Tatevik Vardevanyan, on the bank's new comprehensive CSR policy.

TEXT : MARGARIT MIRZOYAN / PHOTO : IDBANK

FROM INITIATIVE TO INSTITUTION

When “The Power of One Dram” initiative quietly launched in June 2020, no one could have predicted the profound impact it would have on how financial institutions engage with their communities. Today, with more than 237 million Armenian Drams raised and counting—a figure that changes by the second as customers make payments—the initiative represents far more than successful fundraising.

As Tatevik Vardevanyan, Head of Communications and Social Responsibility Programs Department at IDBank, explains, it created “a new culture of charity in our society, becoming the best example of uniting around one idea and combining forces that make the impossible possible.”

The numbers tell a compelling story. Over nearly five years, “The Power of One Dram” has financed more than 50 projects of strategic importance across Armenia. The concept is elegantly simple: for every payment made through the platforms of Idram and IDBank, one Armenian Dram automatically flows to charitable projects, with customers becoming “goodwill ambassadors” without spending a single additional dram. This success story prompted a fundamental question—if one innovative program could generate such an impact, what could a systematic approach accomplish?

THE SCIENCE OF STRATEGIC GIVING

In 2024, IDBank launched an ambitious initiative to answer that question. Rather than relying on intuition or following industry trends, the bank conducted comprehensive stakeholder research to understand genuine community needs. The methodology was thorough. Internal stakeholders, including high and middle management across departments, were asked which of Armenia's current problems the bank should address based on its capacity and expertise. The same questions went to external stakeholders, namely partners, individual clients, and legal entities with deep connections to the bank. “This way we tried to identify the societal expectations from our company,” explains Mrs. Vardevanyan. The results were quite interesting.



Take education, for instance. While everyone acknowledges Armenia's challenges in education, stakeholders indicated this wasn't within IDBank's primary scope. However, financial and digital literacy generated enormous expectations. "There are many expectations from us that we will put a lot of effort into this field, considering our activities within the area throughout the previous years," Mrs. Vardevanyan notes. Inclusivity emerged as another major priority, particularly regarding people with limited physical abilities—both in employment opportunities and service accessibility. SME development also ranked high among stakeholder priorities. Eventually, based on stakeholder feedback, IDBank identified six key priority areas, ranked by community need and institutional capacity: financial literacy, digital literacy, regional development, environment, inclusivity, and SME development. The identified priorities are already generating concrete programs that reflect this new methodology. The bank is developing serious financial literacy courses and has created Koreez, a gamified financial literacy program for children. Through monthly prizes and engaging gameplay, Koreez teaches kids basic financial concepts while helping them recognize and avoid scams.

The bank's teams regularly visit camps and schools, delivering financial literacy education through interesting examples and visuals for both children and adults. This direct engagement serves multiple purposes: it provides essential education while creating personal connections between bank staff and beneficiaries, embodying the policy's emphasis on meaningful community interaction.

BEYOND COMPLIANCE

This in-depth research resulted in a comprehensive CSR policy, currently awaiting final approval. Unlike many corporate responsibility initiatives that function as add-ons to core business, IDBank's approach integrates CSR as "an element of strategic management, a tool for corporate management improvement and risk management," in Mrs. Vardevanyan's words.

The policy framework draws from international standards, incorporating UN Global Agreement principles and World Accountability Initiative standards alongside Armenian law and internal priorities. This is not just corporate box-checking—it's systematic community engagement with clear accountability measures. The framework provides clear criteria for decision-making, ensuring that every initiative aligns with both community needs and institutional capabilities. This systematic approach represents a fundamental shift from reactive charitable giving to proactive strategic community partnership. IDBank's CSR evolution reflects broader changes in corporate responsibility expectations. As Mrs. Vardevanyan explains, the policy explicitly states that CSR "derives from the company's main strategic purposes and serves to their fulfillment," rather than functioning as a complementary process.

This integration spans multiple areas that were part of the bank's earlier CSR work: health, environmental protection,



education, and protection, including the health and education of soldiers. The new framework maintains these commitments while adding systematic methodology and stakeholder accountability.

Environmental protection remains a priority, alongside all other directions, with activities "initiated in all these directions, which will have their impact in a long-term perspective both on banks' internal infrastructures and work culture, and on our collaboration with external beneficiaries," says Mrs. Vardevanyan.

The bank has fostered specific principles throughout this transformation, including compliance with ethical norms and anti-corruption policies. These principles provide the framework for project selection and ensure alignment with both international standards and local needs.

PUTTING PRINCIPLES INTO PRACTICE

With the policy framework in place, IDBank began implementing tangible changes across its CSR operations. The bank has re-established clear criteria for project selection and considers transitioning to an online application system for organizations seeking support. While comprehensive information gathering, compliance review, and media analysis were always part of the bank's evaluation process, the new framework systematizes these procedures and promises more manageable application flows. This transition to a more structured methodology brings enhanced accountability and transparency to the selection process.

Another significant shift in IDBank's approach involves supporting beneficiaries directly rather than only through foundations. This adds accountability while providing bank staff with an emotional connection to their work. "The team experiences emotions, interacts with the real people behind the numbers and tackles problems," Mrs. Vardevanyan explains. "This direct connection guides them and allows them to have a better understanding of the challenges they're addressing."

Importantly, the bank leadership approaches this as a "work in progress." The process remains flexible, recognizing that effective community partnership requires continuous adaptation and refinement. ♦

“ARMENIA CAN PUNCH ABOVE ITS WEIGHT ON THE GLOBAL STAGE”

Interview with Artur Rieznikov, the General Manager of Philip Morris Armenia

Philip Morris Armenia's newly appointed General Manager, Artur Rieznikov, in his first interview in this role discusses Armenia's untapped potential in science and technology, PMI's ambitious smoke-free future, and why he believes local talent doesn't need to look abroad to build world-class careers.

INTERVIEW : ARSHAK TOVMASYAN / PHOTO : PHILIP MORRIS ARMENIA

Artur, welcome to Armenia and congratulations on your recently appointed role! How has your first impression of Armenia been?

— Thank you! I must say, Armenia has been an enchanting revelation. The warmth and hospitality of the people have made me feel genuinely welcomed. I had the pleasure of visiting Armenia before, and my initial impression was already positive. However, this time, delving deeper into the culture and everyday life is giving me a lot of pleasant discoveries like the amazing and incredibly diverse cuisine, of which I have become an advocate among my relatives and friends.

I am also impressed by the professionalism and dedication of the people here. The staff at Philip Morris Armenia exemplifies a high level of expertise and commitment, which is truly commendable.

How did you start your career with Philip Morris International?

— I started my journey with Philip Morris International over a decade ago, and like many people who join PMI, I was drawn by the scale and ambition of the company—but I stayed because of the people and the purpose. My first job in the company was in Marketing in Ukraine, where I managed the company's portfolio of value brands. From the very beginning, I was given real responsibility, the chance to learn, and the freedom to grow. Over the years, I held various

leadership roles in different functions, such as the Commercial function—managing our business in several regions in the Center and the South of Ukraine—and later on in the Government relations, fighting illicit trade first in the market and subsequently in the region. My professional path with PMI up to now has given me an amazing opportunity to work with a lot of amazing people and talented professionals in Eastern Europe and Central Asia. It also presented many interesting challenges and a deeper understanding of how we operate as a global organization. ➤

OUR FOCUS MOVING FORWARD IS TO **KEEP BUILDING TRUST THROUGH OPEN DIALOGUE, TRANSPARENCY, AND BY WORKING WITH HEALTH EXPERTS, POLICYMAKERS, AND CIVIL SOCIETY TO FOSTER AN INFORMED, RESPONSIBLE TRANSITION**

WE'RE DRIVING A TRANSFORMATION, WHICH DEMANDS STRATEGIC PATIENCE, LOCAL INSIGHT, AND FOCUS. FROM MY PAST EXPERIENCE, I'VE LEARNED THE IMPORTANCE OF BUILDING STRONG LOCAL TEAMS, LISTENING CAREFULLY TO THE MARKET, AND ALIGNING GLOBAL VISION WITH LOCAL EXECUTION

Today, as General Manager of Philip Morris Armenia, I'm proud to lead a team that is contributing to something much bigger than ourselves—a future without cigarettes, built on innovation and science. It's been a journey of constant learning, and I'm still just as energized as I was on day one.

You've taken the lead at a company undergoing major transformation. How would you describe Philip Morris's vision today, and what aspects of your experience do you expect to help you take the company forward?

— Our vision is very clear: we are committed to delivering a smoke-free future. That means replacing cigarettes with science-backed, smoke-free alternatives for adults who would otherwise continue to smoke. It's not just a business transformation—it's

a public health and sustainability commitment, and one I'm proud to lead here in Armenia. We're driving a transformation, which demands strategic patience, local insight, and focus. From my past experience, I've learned the importance of building strong local teams, listening carefully to the market, and aligning global vision with local execution. I know how critical it is to create a culture of collaboration, accountability, and purpose. In Armenia, I see an opportunity not only to grow our business but to positively contribute to the future of the country. My focus will be on fostering trust, creating impact-driven partnerships, and enabling our talented team to thrive.

Speaking of Armenia, what potential do you see here for PMI and the country?

— Armenia is home to incredible talent and brainpower, especially in science and tech. We see it as a country that can punch above its weight on the global stage, particularly in research and development, which aligns perfectly with our science-driven approach. I also believe we have a role to play in empowering young professionals and showing them that they don't have to leave Armenia to build a global career.

It has almost been a decade since PMI's dedication to a "smoke-free future". How is PMI doing so far in terms of changing customer behavior, and what challenges continue to lie ahead?

— PMI has made significant strides over the past decade. Suffice it to say that 42% of the total net revenues of PMI came from smoke-free products in Q1, 2025. More than 38.6 million adult smokers worldwide have already switched to our smoke-free products and stopped smoking. This is a tangible result of our long-term investment in research, development, and science-based innovation. In markets where regulatory frameworks and public discourse have supported this transition, we've seen real momentum. However, changing customer behavior is always complex. In many countries, including Armenia, one of our key challenges is public awareness. People need access to accurate, science-based information to make informed choices. Often, there is a lack of understanding or misinformation around alternatives like heated tobacco products, which creates skepticism or confusion. Our focus moving forward is to keep building trust through open dialogue, transparency, and by working with health experts, policymakers, and civil society to foster an informed, responsible transition. And we won't stop until cigarettes are obsolete.

The Top Employers Institute recognized PM Armenia as a top employer in 2025. PMA has also been recognized as a top employer for several years





before this. What, in your opinion, is the secret to this success, and what can other employers learn from your experience?

— Being recognized as Top Employer Armenia 2025 by the international Top Employers Institute is an honor that reflects our unwavering commitment to our people. For me, the “secret” to this success isn’t a single initiative or policy. It’s the combination of culture, consistency, and care that sets PMI apart as an employer of choice. We put people at the center of everything we do. From flexible working policies to continuous learning opportunities, we create an environment where em-

ployees feel empowered to grow, contribute, and be themselves. We’re also deeply committed to diversity, equity, and inclusion, ensuring that everyone, regardless of background, feels seen, heard, and valued. Another key to our recognition is transparency and communication. In Armenia specifically, we are fostering a workplace culture where local talent can thrive, contribute to global impact, and take pride in the journey we are on. We encourage feedback and recognize performance, not just through rewards, but by providing real opportunities to talented people. When people feel they belong, understand the mission,

and see a path for themselves within the company, engagement and excellence naturally follow.

What advice would you give to young Armenians considering a career at Philip Morris?

— Be curious, stay bold, and know that your voice matters. Whether through our INKOMPASS internship program or full-time roles, we’re looking for people who want to challenge the status quo and be part of something meaningful. I am deeply convinced that building a great career goes along with having a lot of fun along the way. ♦

“HEALTH SHOULD BE A LONG-TERM INVESTMENT, NOT A SHORT-TERM SOLUTION”

Armenia’s healthcare sector has witnessed remarkable transformations, with Avanta growing from a modest dental office to the country’s largest multifunctional dental facility. Regional Post spoke to Dr. Grigoryan, founder-president of Avanta Innovative Medical Center, about modern dentistry’s evolution, Armenia’s potential as a regional healthcare hub, and the strategic vision behind Avanta’s unprecedented growth.

INTERVIEW : MARGARIT MIRZOYAN / PHOTO : AVANTA



Dr. Grigorjan, with your extensive experience in the field, how would you characterize the evolution of modern dentistry? What fundamental advances distinguish contemporary practice from traditional approaches, and where do you see the profession heading?

— To be honest, our profession is experiencing one of its most interesting phases. Previously, the emphasis was mainly on treating problems. Today, we're largely focused on prevention, the application of biocompatible materials, and advanced technologies. Digital scanning, 3D imaging, computer-aided design, and navigational surgery allow us to perform treatments with maximum precision and predictability. In the coming years, I believe the profession will continue developing toward personalized medicine, where each treatment will be fully adapted to the patient's genetic, anatomical, and biological characteristics.

Could you share your professional journey and what initially drew you to this specialization?

— My professional journey began more than three decades ago. I was born into a family of doctors—my paternal grandfather was a physician, and there are many doctors among my close relatives as well. From childhood, medicine fascinated me,



particularly the hands-on, therapeutic aspects of the work. Dentistry became the ideal combination for me. It united the scientific approach with technical skill and the opportunity to meaningfully change people's quality of life. A decisive factor in my choice was recognizing that a healthy and beautiful smile has not only aesthetic value but also profoundly improves a person's self-esteem and social comfort. That understanding still motivates me—it's what gives me the energy to come to work with genuine enthusiasm every day.

Drawing from your expertise and observations of Armenia's healthcare landscape, do you believe our country has what it takes to establish itself as a regional center for dental care?

— I am confident that Armenia can become a regional center, especially in implantology. We have highly qualified specialists, technologies that meet international standards, and rich clinical experience. However, to fully realize this potential, we need to continue investing in several key areas: professional education, research projects, and the development of medical tourism infrastructure. International coop-

eration is equally important—we need Armenia to be recognized not only regionally but on the international stage. This requires building partnerships, participating in global conferences, and demonstrating our capabilities to the wider medical community.

Established over two decades ago as a small dental clinic, Avanta has grown into Armenia's largest multifunctional dental facility. Could you walk us through this remarkable evolution? What were the key milestones and strategic decisions that shaped this transformation?

— Avanta began its journey in 2003 from a small, modest office. I remember—at the beginning, we did everything with our own hands: organizational matters, the most complex surgical interventions, the first marketing steps, even dental technical work. Over the years, our team grew consistently, the range of services expanded, and each new step brought us closer to our dream. Today, Avanta has the largest dental department in Armenia, where we've structured everything so that patients receive complete, quality treatment in one place. I should mention that we now offer comprehensive solutions not only in dentistry but also

in other areas of medicine—aesthetic medicine, plastic surgery, and hair transplantation. It's been a natural evolution driven by patient needs and our commitment to providing holistic care.

What are Avanta's core vision and mission?

How do these guiding principles influence your approach to patient care and institutional development?

— Our goal has always been very simple—to provide the kind of treatment we would want our loved ones to receive. We've worked to ensure quality that equals leading international centers while remaining accessible and affordable. Our mission is to provide each patient with an individual, comprehensive, and conscientious approach. These principles guide us in everything—from daily patient care to developing new services and expanding our capabilities. Fundamentally, we believe that health should be a long-term investment, not a short-term solution.

Given Avanta's position as Armenia's largest multifunctional dental facility, what distinguishes your institution's approach to implantology and comprehensive dental care?

—The distinctive feature of our approach is implementing the principle of "all stages in one place." This

means patients can go through the entire process—from consultation and diagnosis to surgery and final prosthetics—without leaving the center. We use only implants from internationally recognized manufacturers and work with the latest equipment and modern digital technologies. Most importantly, we have a multidisciplinary team of caring, experienced specialists. This integrated approach increases predictability and significantly reduces the risk of complications. That's what sets us apart.

What clinical methodologies and quality management systems do you consider fundamental to achieving such consistent outcomes?

— The foundation of our success lies in three critical factors. First, the application of clinical protocols with proven effectiveness that comply with international guidelines. Second, a strict quality control system that operates at every stage, from diagnosis to treatment and post-operative monitoring. Third, continuous education and professional development. When doctors commit to lifelong learning, they can consistently offer patients the best available solutions. These approaches have allowed us to perform approximately 20,000 implantations and restore more than 100,000 smiles with stable, predictable results.



And regarding Avanta's current promotional campaign highlighting dental implant services, what key messages are you communicating to prospective patients? In your experience, what are the most prevalent misconceptions about implant therapy that require professional clarification?

— The main message of our current campaign is that implant treatment is not only a safe and long-term solution but can also be fast and painless with the right specialist and technology. We're emphasizing several key points: our three decades of clinical experience, the use of only original, certified implants—which is crucial given the prevalence of counterfeit products in the market—and our ability to offer implantation under anesthesia, which is still an exclusive service in Armenia. One of the most common misconceptions is that implants are "dangerous" or "don't last long." In reality, with modern methods and quality materials, implants can serve for decades when proper hygiene and regular monitoring are maintained. Another barrier we address is financial accessibility—we now offer 0% installment plans through partnerships with leading banks, making quality implant treatment available to more patients. Our goal is to inform patients and instill confidence that everyone can have a healthy, aesthetic smile. It's never too late to bring back your smile. This campaign runs through the end of December. ♦





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Armenia, Yerevan, Heratsi 1/1



CIRCULAR ECONOMY

A SUSTAINABLE FUTURE IN ARMENIA







THE LINEAR PAST, THE CIRCULAR FUTURE

The remaining pages of this month's issue focus on the concept of Circular Economy—a model of production and consumption that seeks to eliminate waste and protect our environment, while promoting growth, development, and innovation. What is the concept of the Circular Economy, and how did it evolve? This article provides a global overview of the topic before the following pieces take you deeper into some of the exciting work underway on this topic in Armenia and other countries.

TEXT : NAZARETH SEFERIAN

TODAY'S LINEAR APPROACH

Here's a riddle. What was special about the date November 17 in 1984, September 2 in 2004, and August 1 in 2024? The answer is a couple of paragraphs away, and here's a hint—when was the last time you purchased a brand-new item but used it for a short period of time?

Economics students often hear that buying a new car from a dealership is foolish—you lose around 10% of the vehicle's value before you have even driven out of the parking lot. And yet, consumers around the world buy brand-new cars daily and replace them within a few years.. We also buy new clothes that we get rid of when fashion trends change, when we get bored, or when the first signs of wear appear. Our economy runs on the concept of a linear value chain—raw materials are sourced, processed, and assembled into products, then sold to consumers who use them for a certain period of time before discarding them, generating waste. Perhaps this system could function on a planet that has endless resources and enough space to store infinite waste without harm to its systems. But individuals, organizations, and governments around the world are increasingly waking up to the fact that our planet cannot continue with this “take, make, waste” linear economy model for much longer. Several leading environmental conservation organizations, like the Footprint Data Foundation and WWF, have been working on a concept called Earth Overshoot Day—calculated by estimating the total resources utilized on our planet during the year and comparing it with the Earth's capacity to regenerate those resources, distributing these numbers across calendar days. Once we exceed what our planet can regenerate, we enter the

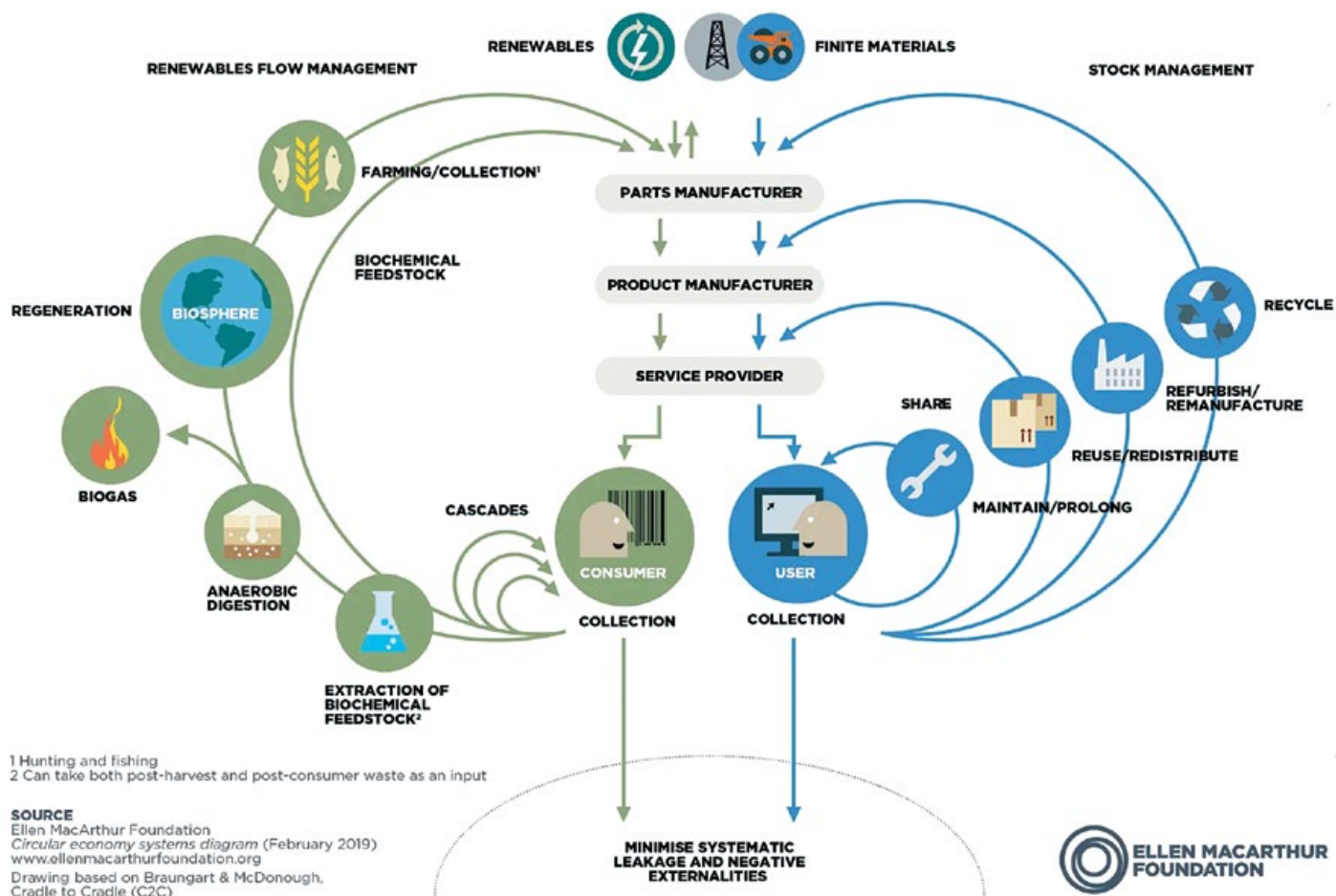
year's “overshoot” period. And that is the answer to the riddle above—in 1984, we had used up the year's resources by November 17, while by 2004, we had already overshoot our planet's capacity by September 2, and in 2024, by August 1. So, on the one hand, we are living on borrowed time—our planet lacks the capacity to regenerate the resources we consume, while also creating waste that is destroying our ecosystems and posing a threat to our quality of life and that of other living beings. On the other hand, we are disposing of items that still have value in them—just because we have been driving the same car for 10 years, it does not mean that it is ready for the scrap heap, nor should the first tear in our jeans suggest that it is time for us to buy a new one. And this is where the concept of Circular Economy enters the scene.

ENVIRONMENTAL AND POLITICAL CONCERNS

For a long time, our planet had seemed limitless in its capacity to provide resources and cope with our economic growth. By the 1970s, however, it became clear that we are virtually in a “closed system”—our natural resources are finite or regenerate slowly, and whatever waste we produced stayed with us in this system, it did not magically “disappear”. The term “Circular Economy” was first coined in 1988 by Allan Kneese in this context, recognizing that linear option was no longer viable. He and other economists and environmentalists envisioned an approach where products wouldn't be disposed of as waste but rather “looped back in” to the value chain in various ways. In 2005, Ellen MacArthur sailed solo around the world in just 71 days, setting a new world record.

CIRCULAR ECONOMY IS BUILT AROUND THE IDEA THAT **NATURAL RESOURCES DO NOT NEED TO BE CONSTANTLY EXTRACTED FROM THE EARTH**—THE EXISTING PRODUCTS THAT ARE IN USE CAN EVENTUALLY BE RECYCLED TO DELIVER THE SAME RESOURCES THAT MADE THEM





Her trip was nonstop, meaning that she had to ensure that everything she needed would be with her from Day 1. When she emerged from her boat after breaking that record, she had a new insight about the world around her. “No experience in my life could have given me a better understanding of the definition of the word ‘finite’. What we have out there is all we have. There is no more,” she said during a 2015 TED talk. She quit her sailing career and established the Ellen MacArthur Foundation, which is one of the leading institutions promoting Circular Economy in the world. There are also public bodies like the European Commission and other governments that have been quite active in pushing Circular Economy practices and building policies around them. This push comes not only from environmental concerns, but from international politics. There is a clear understanding that rare earth minerals and metals are located in a few countries around the world, and these are linked to all kinds of local and regional conflicts and other considerations of political power.

China is the world leader in rare earth mineral deposits, and it cut exports of these resources sharply in 2010 to protect its own manufacturing capacity. The Democratic Republic of Congo supplies over 80% of the world’s cobalt. Russia leads palladium production. The list goes on, each with a resource that is crucial for one emerging industry or another—chips for artificial intelligence, renewable energy, and more. Circular Economy is built around the idea that natural resources do not need to be constantly extracted from the earth—the existing products that are in use can eventually be recycled to deliver the same resources that made them. Before they get to the point of recycling, they can be disassembled and reused elsewhere. Before they are reduced to their parts, their lifespan can be extended to maximize value, or they can be reused by several customers after the first one. This circularity concept aligns naturally with the sustainability movement and the United Nations’ Sustainable Development Goals for 2030. The mantra “reduce, reuse, recycle” has now become quite

THE LINK BETWEEN A CIRCULAR APPROACH AND LONG-TERM ECONOMIC GROWTH IS CLEAR, AT LEAST IN THEORY—**IF WE ARE RUNNING OUT OF NATURAL RESOURCES, WE CANNOT SUSTAIN THE ECONOMY FOREVER**



common for many consumers. But to what extent is this really a sound approach to economic growth?

THE ECONOMICS OF CIRCULARITY

The link between a circular approach and long-term economic growth is clear, at least in theory—if we are running out of natural resources, we cannot sustain the economy forever. At some point, we will not be able to manufacture a certain product, because a key resource we need will be missing. However, Circular Economy also offers short-term economic benefits through improved supply-chain management, cost reduction, and innovation opportunities.

Imagine your company sells take-away coffee to customers in plastic or cardboard cups. Each cup costs a fraction of a dollar, but these numbers add up if your sales reach millions over several months. So you switch to a system where you incentivize customers to come with their own reusable mugs, or you let them “borrow” a mug from your inventory for a deposit. You no longer have to order a new batch of take-out cups every week, you can manage a stock that will allow you to serve your customers in these multiple-use mugs. This will save you time and money. Also, when the customers who “borrowed” mugs come back to return the mug and reclaim their deposit, you create natural opportunities for repeat sales, and the business case for circularity becomes more powerful with increasing consumer awareness about the environment. If your coffee company shows that it cares about the planet, you could be positively differentiating yourself from your competitors who offer coffee like yours but do not share the same concerns as their customers.

Meanwhile, the innovations emerging in Circular Economy space are benefiting both businesses and consumers. Remember how quickly a new car from a dealership loses value? The concept of carsharing is now picking up pace in many countries. Most people do not need to own a car, they simply need to get from one place to another in a convenient manner. Carsharing allows them to do this by giving them the option to choose a free vehicle whenever they need one and then pay only for the period when they use it. No more car loans to buy a vehicle, no tax, no maintenance costs. Just the ability to get into a car and go where you need to go.

Interestingly, the companies that make cars are jumping on board. Some of the largest car-sharing companies in the world are actually owned by car manufacturers. This allows them to add

a new revenue stream to their business with higher profit margins. They no longer need to manufacture a car for each customer—one car can now serve multiple drivers at various times of the day, week, month, or year. And finally, cities can benefit too – fewer cars that take up space, even when they are not in use, allow more territory for other things like parks and playgrounds.

NEW DESIGN, NEW MINDSET

But the transition to circularity is not as easy as it looks. Many of the products we make today are not created with circularity in mind.

If you had a mobile phone twenty years ago and its battery had a problem, what could you do?

For most models, you could open up the phone yourself and take the battery out, replacing it with a new one. Today, it is very rare for most smartphones to have detachable batteries or to be designed in a way that allows users to open them up. The same is true for most electronic devices – manufacturers are still quite attached to the idea of “planned obsolescence”. Technology keeps developing, and your device with high-end graphics or excellent processor speeds becomes quite average just a year after you bought it, signaling that it is time to buy a whole new device. A transition to Circular Economy will require a rethink in the way many products are designed and packaged.

And consumers will also have to rethink their priorities and preferences. In many countries and cultures, buying something new is a signal of success and achievement, which means second-hand items are an option only in case of financial difficulty. Owning a car means having a status symbol, not just a means of transport. Governments clearly have a role to play when it comes to creating conditions that could encourage circular practices among businesses or raise awareness among consumers. Non-governmental organizations and other stakeholders, like educational institutions, are also crucial when it comes to promoting the right consumer practices, creating greater demand for circularity. The private sector steps up when it makes business sense to do so, and this could come from a combination of regulatory requirements, financial incentives (like new revenue streams or reduced costs), as well as customer demand.

Ellen MacArthur sees the challenges but remains confident about the future of Circular Economy. She says, “When young people see the economy through a circular lens, they see brand new opportunities on exactly the same horizon!” ♦

IS CIRCULARITY COMING TO ARMENIA?

The economy — jobs, incomes, investments — has dominated daily conversations in Armenia since independence. But as the world evolves, many governments now recognize that the aim is not just consistent growth, but sustainable development. How do Armenians relate to the concept of Circular Economy, given our Soviet past, and how is the CirculUP! project taking the country to greater circularity?

INTERVIEW : NAZARETH SEFERIAN / PHOTO : IMPACT HUB YEREVAN





THE STORY SO FAR

There was an old bit of dark humor in Armenia in the 1990s: “During the Soviet Union, we had lots of money but nothing to buy. Now, the shops are full of things to buy, but we have no money!” More than thirty years after independence and this transition to a market economy, Armenian consumers find themselves in a very different place compared to this bitter joke—incomes in the country have increased and the shops full of things to buy have been supplemented by department stores and malls, the ability to order online and get home delivery, or even the opportunity to go on shopping trips abroad.

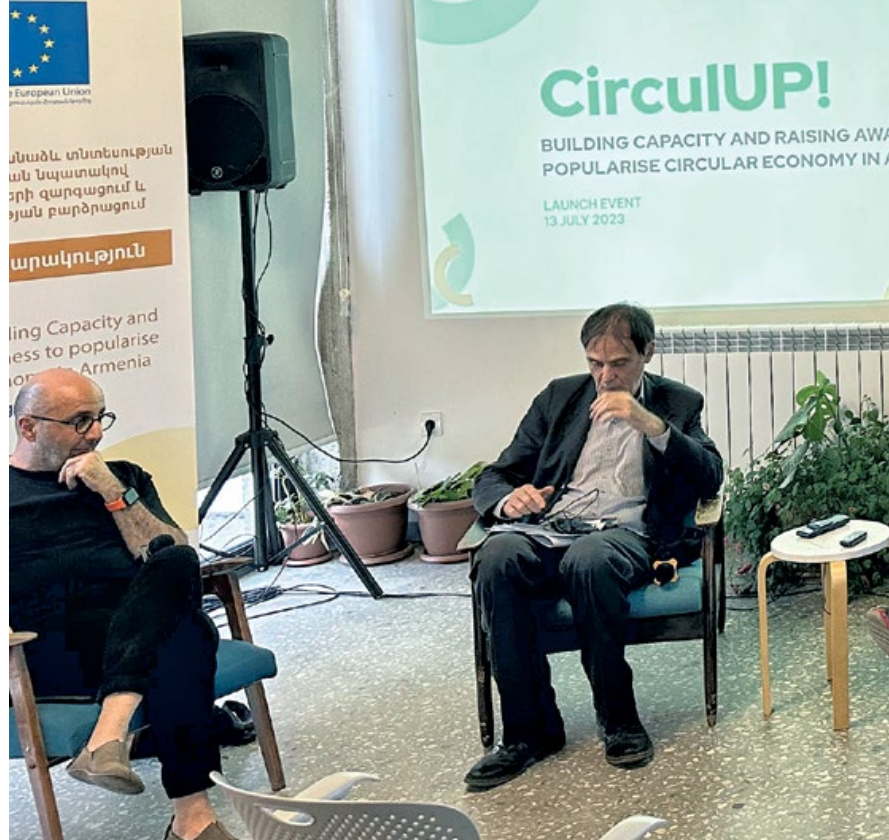
But, in some areas, consumer practices have not yet completely imitated those in the West. It is still quite common to see cobblers and tailors in small booths in the city, offering cheap repair services that help prolong the life of shoes and clothes. When a household replaces a piece of furniture or a television at home, the older items often find second lives at summerhouses or at a relative’s place in the village, rather than heading directly to landfills. At the same time, malls are full of fast fashion brands, and consumers crowd to buy what they can during seasonal sales, “shopping night” events, or before major holidays. Plastic waste is everywhere in the form of discarded bottles, coffee cups, and bags. Recent research reveals that Armenia recycles less than 15% of its plastic waste, much below the global average of around 50%. According to news reports, packaging and single-use products make up around 40% of municipal waste. UNICEF estimates that a resident of Yerevan generates around 300 kg of waste a year,

RECENT RESEARCH REVEALS THAT **ARMENIA RECYCLES LESS THAN 15% OF ITS PLASTIC WASTE, MUCH BELOW THE GLOBAL AVERAGE OF AROUND 50%. ACCORDING TO NEWS REPORTS, PACKAGING AND SINGLE-USE PRODUCTS MAKE UP AROUND 40% OF MUNICIPAL WASTE**

while for someone living in Armenia’s regions, this number is closer to 220 kg a year.

Meanwhile, Armenia has experienced considerable economic growth in recent years—more than 12% in 2022, over 8% in 2023, and above 5% in 2024. The challenge now is to sustain this momentum while being sustainable from the point of view of environmental conservation and social inclusion.

On the sustainability front, the attention largely falls on the concept of a “green economy”, particularly renewable energy. Armenia’s largest industrial solar power plant launched in Mets Masrik in May 2025, with a design capacity of 55 MW and a planned annual generation of 24 kWh of electricity. Mesrop Mesropyan, the Chairman of the Public Services Regulatory Commission, announced in Parliament at the end of 2024 that additional large solar stations were under construction, with a combined planned capacity of 577 MW. In general, the deregulation of electricity markets in Armenia several years ago opened the door to greater independence from fossil fuels at the consumer level. ➤



But when it comes to greater circularity in the economy, these actions barely scratch the surface of what can be done or, in fact, of what needs to be done.

THE CHALLENGES AHEAD

As with many challenges facing Armenia today, substantial work needs to be done targeting mindsets. This transformation must occur across multiple levels—among consumers, entrepreneurs, corporate decision-makers, public officials, and more. Studies looking at post-Communist societies have identified several common patterns in consumer culture. One such factor is this sense of “entitlement” that normalizes overconsumption; a 2011 study in Romania, for example, showed that around 85% of respondents felt that they had the right to “purchase and consume at a rate that would allow reaching Western living standards.” More recently, a 2023 study comparing EU countries on sustainable production and consumption showed that the bottom half consisted almost entirely of countries from the former Eastern Bloc. When it comes to the business sector, environmental concerns are not at the forefront in Armenia. Indeed, the challenges faced by the country, both post-independence and more recent, often push social issues to the forefront when it comes to corporate social responsibility activities. And often, these take the form of charitable initiatives rather than strategic sustainability programs. However, significant momentum is building around

Panel Discussion
at Impact Hub
Yerevan during the
CirculUP! Project
Launch

Extended Producer Responsibility (EPR) with institutions like the American Chamber of Commerce, American University of Armenia, European Business Association, and the Union of Manufacturers and Businessmen of Armenia. The incentive for this action stems, arguably, from an external source, particularly the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) signed between the Republic of Armenia and the European Union in 2017. The objective is to ensure that producers and importers bear responsibility for post-consumer waste products, rather than expect that responsibility to be borne by other parties.

THE CIRCULUP! PROJECT

It is in this context that Impact Hub Yerevan launched the CirculUP! project in January 2023, aiming to spark a systemic shift toward Circular Economy over three years. With 1.5 million EUR in European Union funding and the expertise and support of Impact Hub Amsterdam, the Impact Hub Network, and the local partner Environment and Health NGO in Armenia, this project aims to build a comprehensive ecosystem that would then consistently drive the economy to greater circularity.

“We are seeking to work with all layers of the Armenian economy,” Impact Hub Yerevan CEO Gevorg Poghosyan said during the project’s launch event, “We’re going to work with environmental and social organizations, business support groups... We’ll train existing businesses and



help them transition from a linear value chain to a circular one, we'll engage with startups, involve the public sector... We're building a consortium of people who will become ambassadors of Circular Economy."

The project has made multiple resources on circularity available to organizations and businesses in Armenia, including the Impact Hub Circularity Toolkit, training sessions based on proven methodology from the Netherlands, case studies from other countries, and more. The Armenian Circular Economy Coalition (ACEC) consists of experts and influential thinkers from various fields and conducts its activities through a steering committee, a technical assistance working group, a policy working group, and a communications working group. Coalition members participated in a study visit to the Netherlands, where they examined enterprises with established circular value chains, and also observed the public policies that allowed such businesses to thrive.

The CirculUP! project seeks to demonstrate the strong business case for circularity through training sessions using the CIRCO methodology developed in the Netherlands. This approach takes businesses through their existing linear value chains and identifies cases of value destruction as well as potential new economic and environmental value. The agricultural businesses that have participated in this training have discovered, for example, that discarding the pits of certain fruits or poultry feathers represented a missed opportunity. These

AS WITH MANY CHALLENGES FACING ARMENIA TODAY, SUBSTANTIAL WORK NEEDS TO BE DONE TARGETING MINDSETS. THIS TRANSFORMATION MUST OCCUR ACROSS MULTIPLE LEVELS—AMONG CONSUMERS, ENTREPRENEURS, CORPORATE DECISION-MAKERS, PUBLIC OFFICIALS, AND MORE

"waste" materials could instead generate new products and grow the company's bottom line. This simultaneous focus on both the economic value and the environmental significance of circularity is key to the mindset shift that is required for long-term circularity success. Additionally, the CirculUP! project supports startups and small and medium enterprises (SMEs) by providing competitive grants designed to fund circularity investments, thus growing local case studies that can be used to encourage the rest of the private sector. Circular Economy principles promise a future that is sustainable and full of new opportunities and innovations. CirculUP! is an ambitious first step towards that future in Armenia, and the ecosystem-building approach it employs will seek to establish a strong foundation that other initiatives can then follow.

The years ahead will reveal whether the Armenian economy can maintain its upward trajectory while also developing a circular mindset. ♦



GREEN TRANSITION IS A NATIONAL SECURITY IMPERATIVE!

A middle-income, emerging economy investing heavily in new technologies and products, Armenia cannot afford to miss the opportunity to grow green. For a small country like Armenia, the stakes could not be higher. Green growth is not a luxury reserved for the global economic elite; it is a necessity for a nation with scarce and increasingly stressed natural resources.

TEXT : ALLEN GASPARIAN AMIRKHANIAN / PHOTO : AUA



ENERGY TRANSITION AND SECURITY

In the energy sector, the rapid adoption of renewables and energy efficiency not only drives decarbonization but also strengthens Armenia's energy security. The swift rise of solar power—from virtually zero to nearly 860 MW in just five years—is a genuine policy success. Yet the potential is far greater. Growth is now constrained by the country's aging electricity grid, which struggles to handle surges in peak-hour solar generation and balance them with baseload suppliers. An overloaded grid is not unique to Armenia, but the combination of its outdated infrastructure and isolation from regional electricity markets presents distinctive challenges. Strategic investments in modernizing the grid, improving regional interconnections, and expanding storage capacity (including hydro-storage, lithium batteries, and potentially hydrogen) are

critical priorities for government action. Any of these investments would be green investments that enhance Armenia's security, as the country remains heavily dependent on energy imports—about 75% excluding enriched uranium, and roughly 94% when it is included. Importantly, not all renewables suffer from the intermittency of solar, wind, and small hydropower. Geothermal and biogas can provide stable baseload support, complementing existing baseload sources of nuclear and natural gas. A recent study commissioned by the AUA Acopian Center for the Environment

Alen Gasparian Amirkhanian
Director of the Acopian Center for the Environment and Chair of the Bachelor's in Environmental and Sustainability Sciences at the Akian College of Science and Engineering at the American University of Armenia

STRATEGIC INVESTMENTS IN MODERNIZING THE GRID, IMPROVING REGIONAL INTERCONNECTIONS, AND EXPANDING STORAGE CAPACITY (INCLUDING HYDRO-STORAGE, LITHIUM BATTERIES, AND POTENTIALLY HYDROGEN) ARE CRITICAL PRIORITIES FOR GOVERNMENT ACTION

under the Sweden-funded Waste Policy Armenia program suggests that, even under conservative scenarios, Armenia could replace 10% of its natural gas imports with locally produced biogas. Meanwhile, the Institute of Geological Sciences at Armenia's National Academy of Sciences estimates that Armenia's geothermal potential is around 100 MW—roughly one-quarter of the output of the operating unit of the Metsamor Nuclear Power Plant. None of these options becomes redundant even if Armenia proceeds with building a new nuclear plant. Energy security requires a diversified mix of solutions. Moreover, evolving demand patterns must be addressed. For instance, Armenia has seen a surprising surge in electric vehicle (EV) adoption over the past two years—despite limited tariff waivers for imports due to quota constraints—indicating

strong market momentum. Additionally, discussions around NVIDIA's partnership with Firebrand to build an “AI factory” in Armenia suggest that once operational, the facility could require around 100 MW of power, 3–4% of the country's total available power generation capacity.

MOBILITY AND AIR QUALITY

Accelerating the transition to electric and micromobility can help tackle another critical challenge: urban air pollution. Approximately 65% of Armenia's air pollutants come from mobile sources. Multiple efforts to introduce vehicle emissions inspections and controls have failed, and given current social and institutional realities, further attempts may prove equally futile. A shift to zero-emission EVs and large-scale micromobility may be the fastest route to improving

air quality in Yerevan. Importantly, these vehicles can also serve as part of the country's distributed electricity storage network.

ENERGY EFFICIENCY: THE NEGLECTED FRONTIER

Energy generation and distribution are only part of the green transition. Equally important—if not more so—is the efficient use of energy. Armenia has barely begun to address this challenge. Much of the country's Soviet-era housing stock is notoriously inefficient, with energy consumption for heating exceeding 200 kWh per square meter annually, compared to an EU average of 55 and the global platinum standard of 15 kWh achieved by the PassivHaus standard. This wasteful energy regime carries significant geopolitical costs for a country like Armenia. A comprehensive green transition will directly bolster the country's energy security.

WATER SECURITY: AN UNDERAPPRECIATED PRIORITY

Equally critical is the intelligent management of water. A 2024 study by the AUA Acopian Center found that although Armenia, Azerbaijan, and Georgia appear to have sufficient renewable freshwater resources per capita, both Armenia and Azerbaijan face water stress due to overuse. Each consumes nearly 40% of its annual renewable freshwater supply, putting them in the “extremely stressed” category. For Armenia, that 40% usage figure is based on a long-term average annual supply of 7.7 billion cubic meters. Actual supplies in recent years have been far lower—sometimes as little as 4.4 billion cubic meters—pushing usage to 66% of available water. The situation demands urgent change. Climate change is projected to reduce precipitation and make it more erratic across Armenia and much of the Caucasus region. The country's insufficient





reservoir capacity already limits its ability to capture and store water for future use. Compounding this, Türkiye is rapidly expanding its reservoir infrastructure on the Araks and other rivers in the Kura-Araks Basin. The newly constructed Soylemez Dam on the Araks alone has a capacity of 1.3 billion cubic meters—10% greater than the total capacity of all Armenia’s reservoirs combined. The most viable path to grow economically would be to do so by using significantly less water. Armenia (and much of the world) has to learn to thrive economically with less water. Without a fundamental shift in water use practices, the country’s water, food, and even energy security will be at risk.

BEYOND ENERGY AND WATER

The green transition encompasses many other critical sectors. For example, scaling up biogas production not

ENERGY GENERATION AND DISTRIBUTION ARE ONLY PART OF THE GREEN TRANSITION. **EQUALLY IMPORTANT—IF NOT MORE SO—IS THE EFFICIENT USE OF ENERGY.** ARMENIA HAS BARELY BEGUN TO ADDRESS THIS CHALLENGE

only contributes to energy security but also provides high-quality fertilizers, reducing dependence on imports. Similarly, improving chemical management, wastewater treatment, and ecosystem health will strengthen public health and national security. These measures are not luxuries for Armenia; they are imperatives for rapid modernization and a higher standard of living.

POLICY FOUNDATIONS AND NEXT STEPS

The Armenian government has already laid important foundations for the transition, including the planned

adoption of green economy and circular economy strategies, as well as the establishment of a national green taxonomy to classify sustainable economic activities. Accelerating the implementation of these frameworks is now essential. The EU–Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) provides a useful guiding framework, but the green transition must be embraced by all levels of government and society. After all, this is essential for the country’s security, resilience, and long-term viability. ♦

IMPACT HUB YEREVAN:

Making Armenian Businesses More Circular, More Competitive

Impact Hub Yerevan's CirculUP! project, funded by the European Union, is working with a broad range of stakeholders to set up a strong foundation for the circular economy in the country. We talked to Gevorg Poghosyan, Impact Hub Yerevan's CEO, to better understand the vision behind this work.

INTERVIEW : NAZARETH SEFERIAN
PHOTO : IMPACT HUB YEREVAN





For the past ten years, Impact Hub Yerevan's work has focused on the intersection of entrepreneurship and impact. How does the concept of circular economy fit into this picture, and why is this important to Armenia, in your opinion?

— The driving force behind the concept of circular economy is the scarcity of resources and the need to avoid the destruction of value. Armenia is no exception. Particularly as a landlocked country with a relatively small territory, we should be mindful of every raw material that enters the country or is sourced here, and use it consciously to its full potential. If any waste is being removed that could have potentially led to a new product or service, we are destroying value that could otherwise have been harnessed, protecting our environment from harm, and saving or earning our business more money. However, it is often difficult to pitch the concept of circular economy to Armenian businesses from this perspective—we realize that it will require years of promotion and advocacy for our business community and consumers to adopt this level of responsibility. We have had a lot of conversations on this topic, including with the organizations and individuals that form our Circular Economy Coalition, and there is one clear message on this topic we

WE CANNOT COMPETE WITH ASIAN PRODUCERS WHEN IT COMES TO PRICE, BUT WE CAN DO SO ON CONTENT AND QUALITY, AND CIRCULARITY CAN BE A STRONG WAY TO DO SO

can send to all our small businesses that will resonate with them immediately—adopting certain circular economy principles and practices will add value to your product, making you particularly more competitive in European and other western markets. We cannot compete with Asian producers when it comes to price, but we can do so on content and quality, and circularity can be a strong way to do so. If an Armenian business reimagines its value chain as a more circular one and exports its product to European markets, the average European consumer is more likely to buy it, even if it is not the cheapest option on the shelves.

In this light, what is it that CirculUP! brings to Armenia, and how does it fit with Impact Hub Yerevan's overall mission in the country?

— This is the first project on this topic with an approach of ecosystem building. It involves communication on the concepts of circular economy with all layers—businesses, civil society organizations, academia, policy makers, and more. Impact Hub Yerevan has always been a pioneer in social innovation in Armenia, and we always seek to build strong ecosystems that can drive our country to positive change. Sustainability is another major target toward which all Impact Hubs work. CirculUP! is a project that builds ecosystems surrounding a topic where there is strong potential for social innovation while also helping us push the topic of sustainability forward. So it works well for the betterment of our environment as well as our entrepreneurial practices in Armenia. And I already mentioned the Armenian Circular Economy Coalition, consisting of organizations and individuals that will continue to drive this mission of promotion and advocacy of the circular economy in Armenia even after the CirculUP! project ends. So, we are laying the groundwork for long-term impact. At the same time, we are developing new projects on this topic and expect to be at the forefront of circularity in Armenia for many years to come. ➤

OVER TIME, THIS COMBINATION OF CONSUMER AWARENESS, BUSINESS INNOVATION, AND FAVORABLE POLICIES WILL LEAD TO AN ECONOMY IN ARMENIA THAT IS INCREASINGLY CIRCULAR, RESPONSIBLE, AND COMPETITIVE



Circular economy is quite a new concept in Armenia. What are the challenges related to promoting such novelties in our context? How do you overcome them?

— There is a clear lack of understanding that needs to be addressed at the level of the general public, the business sector, as well as public institutions. There is also no clear strategy on circularity in Armenia, while the existing state strategies on the green economy or sustainability are still far from being effective. In the private sector, when you talk about circularity, it is immediately considered from the point of view of environmental responsibility, which may or may not be a priority for the given entrepreneur or business. There is less thought for the economic value

of circularity in terms of savings or new profit opportunities. So we need to highlight this and pitch circularity as an innovative approach that can add value for the businesses in our country. What we have seen so far is that there is a lot more energy and enthusiasm from our side for the potential of circularity than among the businesses that will benefit most once they make the necessary changes. This is one of the reasons why our project has a grant component. We have trained startups and established small and medium enterprises (SMEs) so that they recognize specific opportunities for circular practices in their businesses and develop new solutions that will eventually increase their profits by earning them more money or saving costs. Once

they have a clear vision of what they need to do to get there, the availability of grant money allows them to buy new equipment or make other major changes to achieve a higher degree of circularity. It is this logical chain of activities—awareness raising at several levels, direct capacity building of businesses, and grantmaking—that allows us to overcome the challenges that come with building, from scratch, an ecosystem for the circular economy in Armenia.

What excites you the most about CirculUP! and the work you are doing on the circular economy in Armenia?

— One of the outcomes we have already achieved is the upgraded knowledge that is now available in Armenia on this topic. We now have a team of trainers who are certified by CIRCO, an experienced Dutch company that has used its practical methodology with more than 900 companies so far. These local trainers can now deliver this knowledge to stakeholders in our country at the same level as in Western Europe. I am also looking forward to seeing what our subgrantee businesses do with the money they have received through the project—there are exciting ideas in the areas of agriculture, textile, and more.

There were two study visits to the Netherlands during the CirculUP! project, one for subject





experts and the other for the members of the Circular Economy Coalition. What can we learn from other countries like the Netherlands when it comes to circularity?

— The first interesting thing we discovered during these visits is that we as a society have incorporated many circular practices a long time ago, which didn't stem from a sense of heightened environmental responsibility, but out of necessity. For example, it is becoming trendier in western countries to rent, repair, and remodel clothes or pass them on to others, rather than quickly buy new items when something grows old or falls out of fashion. This was common practice a few decades ago in Armenia when there was a scarcity of new clothes or a lack of disposable cash to buy a new wardrobe each year, but it has decreased now. Additionally, there is a lot of state support in the Netherlands for the circular economy—it is a government priority, and many businesses can expect both technical and financial assistance from state bodies that will help them develop the right practices. This was exciting to see, but it came with the sobering realization that we cannot expect to receive anywhere near that level of support in Armenia in the near future.

Would you say that Armenian consumers are starting to appreciate circular practices? What can be done to increase awareness?



— There is a very small segment of consumers that considers circularity to be important. While the focus of our message to businesses in Armenia so far has been that circular practices will make them more competitive in European and western markets, our objective is also to constantly promote this concept locally and increase consumer awareness in Armenia over time. This is something that should be done by everyone—local businesses, the civil society organizations with whom we have worked, state bodies, as well as Impact Hub Yerevan, through future projects and our everyday activities. Given the socioeconomic challenges that Armenia has faced, it is understandable that consumerism is sometimes associated with prosperity.

The average consumer might think, “I’m going to buy myself a new shirt because I no longer like the older one, and I can afford to buy a new one!” Some countries have already gone through this stage, and the average consumer there now considers other options like remodeling old clothes, buying second-hand items, and so on. We will get there eventually, too. We are working at all levels to make sure that we get there sooner, rather than later. We also expect the state to eventually develop policies that will counter hyperconsumerism. Over time, this combination of consumer awareness, business innovation, and favorable policies will lead to an economy in Armenia that is increasingly circular, responsible, and competitive. ♦

ADVANCING CIRCULARITY AND THE GREEN TRANSITION

Academia should be one of the key players when it comes to progress on environmental issues in any country, and Armenia is no exception. We spoke to Alen Amirkhanian, Director of the American University of Armenia Acopian Center for the Environment, about the role that his team is playing when it comes to ensuring a greener and more circular Armenia tomorrow.

TEXT : NAZARETH SEFERIAN / PHOTO : AUA





From the early days of its establishment, the American University of Armenia (AUA) has always played a role in advancing the visibility of environmental issues as part of its educational mission. In 2008, the Environmental Conservation and Research Center became the AUA Acopian Center for the Environment (AUA ACE). Since late 2012, under the leadership of Alen Amirkhanyan, one of the many topics on its radar today is green transition and the Circular Economy in Armenia. “I would like the concept of Circular Economy to be understood as one of the approaches to green transition. The idea is to ask ourselves how we can move away from the linear approach of extracting resources, transforming them, using and then discarding them. Once we discard a resource, it’s out of our minds, but we must realize that it’s still out there. In a linear economy, the worst case scenario is that it is actively harming the environment around us, the ‘best case’ scenario is that we have wasted a resource that still had potential value for our economy,” Alen says, “Circular Economy is about thinking in systems and figuring out how to keep these resources circulating in our economy instead of discarding them, whether we are talking about organic materials (like food waste, animal waste, crop residues) or technological ones (metals from devices, plastics, and so on).”

When it comes to the Circular Economy and other environmental topics in Armenia, Amirkhanyan acknowledges that there has been a new impetus for action in recent years. “This is very much driven by the Armenia–EU Comprehensive and Enhanced Partnership Agreement (CEPA) and international financial institutions like the World Bank, Asian Development Bank, and others. The Armenian Government has taken on certain commitments, and we have now seen the Ministry of Economy developing a Circular Economy roadmap, a green transition strategy, and so on,” he says. He points out that one possible reason why such initiatives don’t move faster through the decision process may have to do with the policy-making process, especially the absence of tools such as economic cost-benefit analyses. “In most developed economies, policymakers analyze to see if a measure under consideration offers more benefits than costs? These would be economic costs and benefits, and not only financial ones. There has to be a net benefit. When such a systematic

approach is missing, decisions may be based on financial cost-benefit, regulatory factors, and such.”

Alen adds, “When we speak of the public sector, there is a capacity issue. There are simply not enough people with the right skills and experience to conduct such relatively complex analyses. Fortunately, the international organizations and the private sector in Armenia can offer such capacity, and could have a role. Over the past 10 or 15 years, I’ve heard economic cost-benefit analysis being mentioned more often in my conversations with policymakers. Once this becomes a mandatory part of their decision-making processes, I suspect we’ll start making more rapid progress on several topics, particularly as it relates to the green agenda.”

The green transition comes with a lot of potential for Armenia. The recent adoption of the green taxonomy will facilitate new investments in the country that can have a significant impact on the economy. “But there is still work to do on this front,” Alen points out, “Green taxonomies help avoid greenwashing. With the

IN A LINEAR ECONOMY, THE WORST CASE SCENARIO IS THAT IT IS ACTIVELY HARMING THE ENVIRONMENT AROUND US, THE ‘BEST CASE’ SCENARIO IS THAT WE HAVE WASTED A RESOURCE THAT STILL HAD POTENTIAL VALUE FOR OUR ECONOMY



framework government decision establishing the green taxonomy in place, we now need to work on its implementation. We need institutions that can verify if an investment meets the requirements of the taxonomy. The World Bank is working with the Ministry of Economy on this, and hopefully, this institution will be in place sometime in 2026.”

The green taxonomy is a good example of how the interests of several ministries can be aligned. The Ministry of Environment considers this a priority because it will help mitigate several environmental risks and develop the economy in a way that encourages at least the “do no harm” principle when it comes to our natural surroundings. The Ministry of Economy will be encouraged by the potential for new investment flowing into the country, which is one of its key targets. There are also important private sector players, like banks, that would like to see this process go ahead smoothly. So there seems to be enough stakeholder buy-in to justify optimism in the results that can come from the adoption and implementation of the green taxonomy in Armenia. In addition to cost-benefit analysis, Alen believes that internal political risks are among the many considerations one must take when assessing the potential for systemic change, especially in countries like Armenia. “Let’s take Poland as an example,” he suggests,

“Imagine telling the political leadership of Poland that they need to end their diesel fuel economy when the country has a coal industry that employs more than 75,000 people. How can a political leader expect to win an election after agreeing to such a decision? He stresses that an important part of this discourse is the concept of a “just transition”—namely, ensuring that the shift to a sustainable, low-carbon, and climate-resilient economy is fair, inclusive, and leaves no one behind. People are supported to make the transition, which would be done gradually. At the same time, there is a challenge that continues to remain prominent in Armenia and other developing countries when it comes to the public sector. The pace of change is so rapid that

state institutions do not have the capacity to keep up. “Some major infrastructure investments require government support. And it’s not just about financial support—the absence of the right legislation could prove to be a significant obstacle for that infrastructure upgrade. There is sometimes the risk of slow action in these cases, because the relevant public bodies are unable to keep up with the changes happening in the relevant sector,” Alen clarifies. Fortunately, in the case of Armenia, there is relevant expertise in the form of professionals coming through international partners, as well as in the private sector and academic institutions like the American University of Armenia. The AUA Acopian Center for the Environment has played a significant role as a stakeholder on environmental issues in the country for several decades now. It currently works in various directions in this sector in Armenia. “Our flagship project is the Sweden-funded Green Agenda Armenia, co-implemented by the Stockholm Environment Institute. As part of this work, we’re helping various ministries and other state bodies identify the priorities for green transition. This is particularly important when it comes to the issues that currently have less support from the Government or international donors, like biodiversity conservation and soil management. This work also allows the Government





to integrate these issues into their planning cycles and interim programming,” Alen elaborates.

The Center is also focused on the topic of waste management, with a very sizable Sweden-funded program, Waste Policy Armenia, which is working with the Ministry of Territorial Administration and Infrastructure to develop source separation of waste in a demonstration community and develop national guidelines. The program is also supporting the Ministry of Environment to develop the law on extended producer responsibility (EPR), a requirement of the CEPA. It is working with the Ministry of Economy on important Circular Economy topics like the development of biogas. When it comes to water management, the Center conducts both scientific research, like analyzing the nutrient loading of Lake Sevan, and social research, understanding the behaviors of communities and consumers around that crucial water resource in Armenia.

Alen and his team are also very active in youth engagement as well as working with communities to understand how behavior change occurs around environmental issues. The Center works with a very interdisciplinary group of professionals, since many of the aspects of this work require expertise and experience in business, political science, and other spheres.

SOME MAJOR INFRASTRUCTURE INVESTMENTS REQUIRE GOVERNMENT SUPPORT. AND IT’S NOT JUST ABOUT FINANCIAL SUPPORT—THE ABSENCE OF THE RIGHT LEGISLATION COULD PROVE TO BE A SIGNIFICANT OBSTACLE FOR THAT INFRASTRUCTURE UPGRADE

When asked about Armenia’s opportunity to host the 17th Conference of the Parties (COP17) of the Convention on Biological Diversity (CBD) in October 2026, Alen was candid that there is still a lot of work to be done. “This is one of the first large-scale events with Armenia at the center of the world stage, where we have to talk about global problems, not Armenian issues. This comes with the need for a broad group of people in our country to quickly gain some basic knowledge on global environmental topics,” Alen explains. The AUA Acopian Center for the Environment, in partnership with the Ministry of Environment and the CBD Secretariat, is organizing the Road to COP17 Initiative, which includes a series of professional and technical workshops, an international scientific conference, and Biodiversity4All e-modules for a larger audience. “We also have a large-scale public information campaign on the cards, including our work with schools. There will be 20,000-30,000 people coming to Armenia, and this means that

a whole range of people, from event greeters to tour operators, to taxi drivers, need to learn more about the global and Armenia’s biodiversity agenda.” All in all, Alen Amirkhanian and his team at the Acopian Center for the Environment will have a lot on their plate over the next year or two. One significant milestone that the American University of Armenia expects in 2027 is the first cohort of graduates with bachelor’s degrees in Environmental and Sustainability Sciences. This program will play a major role in increasing the quantity and quality of professionals equipped to deal with the environmental challenges facing Armenia. “In the past 3 or 4 years, I’ve seen exponential growth in how our students understand the problems that exist, as well as the creativity they put into their solutions. We are now clearly in a place where many people understand how this is directly related to their livelihood, and I believe that this will lead to greater motivation for action,” Alen says hopefully. ♦



“CIRCULAR ECONOMY IS A MEANS, NOT AN END”

In conversation with Nazareth Seferian, Tigran Jrbashyan, Partner and Director of Management Advisory Services at Ameria CJSC and one of the country's leading economic visionaries, reveals how Armenia can leverage circular economy principles not just for environmental benefits, but as a strategic pathway to economic transformation.

INTERVIEW : NAZARETH SEFERIAN / PHOTO : AMERIA CJSC

As someone with extensive experience in economic development, how would you define the Circular Economy in practical terms?

— If we try to present some things as basic concepts, then here's a simple representation of what we get through “industry”—a raw material is extracted, processed, and then sold to consumers, who use it and eventually discard some or all of it. There is waste at every stage of this process, not just the end. This is what we call a linear approach. Circular Economy is a concept through which the waste at each stage is reduced or eliminated, returning it into the production cycle and allowing the development of new products and services, reused or recycled solutions. This is not completely new to the Armenian context. Over the years, I have had the opportunity to visit many textile factories in our country, and I've seen how some companies have modified their processes when it comes to cutting fabric to reduce losses or reusing the waste pieces to make new products. These companies may not have heard the term Circular Economy, but they are taking their value chains to greater circularity, simply because it makes business sense for them to do so. The different trends I see internationally can be understood in the context of Maslow's pyramid, or the hierarchy

of needs. In developed economies, they are higher up that pyramid, and so the Circular Economy is all about responsibility, a kind of “self-actualization” where the key message is to save the planet. In countries like ours, we are not up there, but a transition to the Circular Economy actually makes sense for all kinds of other reasons.

So, what would you consider the compelling arguments for a transition to the Circular Economy in Armenia?

— I can think of half a dozen key arguments to make here. First, we have serious limitations when it comes to accessing trade routes. We have no direct access to the sea, and two of our four land borders are closed. Any raw material that comes into Armenia will come at a higher price for us than many of our neighbors. So we should use this raw material to its absolute maximum, creating as much new value from it as possible and reducing waste to zero, if possible. This will raise

Armenia's overall competitiveness. Second, our economy is structured such that a considerable part of it consists of the extractive industries. If we add agriculture to this mix, as a kind of economic activity that once again extracts resources directly from nature, their combined share in the economy is massive. Circular Economy principles mean using these extracted resources more efficiently, and that will have a direct positive impact on economic productivity in Armenia. The third argument comes in the form of innovation. Very often, a transition to the Circular Economy comes with new technological and innovative solutions that can qualitatively change our economy and lay a strong foundation for future growth. Fourth, Circular Economy solutions tend to be very inclusive. The experience of other countries suggests that the transition to circularity comes with a combination of more blue-collar jobs for tasks like waste sorting as well as high-end white-collar jobs in engineering, and everything in between. Given

ANY RAW MATERIAL THAT COMES INTO ARMENIA WILL COME AT A HIGHER PRICE FOR US THAN MANY OF OUR NEIGHBORS. SO WE SHOULD USE THIS RAW MATERIAL TO ITS ABSOLUTE MAXIMUM, CREATING AS MUCH NEW VALUE FROM IT AS POSSIBLE AND REDUCING WASTE TO ZERO, IF POSSIBLE

the inefficient use of labor resources in Armenia today, a move toward the Circular Economy can help us provide good jobs to our population while also attracting talent from abroad. Fifth, circular solutions tend to be geographically dispersed. Given that they often focus on sectors like mining, agriculture, tourism, and so on, there is a lot of activity today outside Armenia's capital, and these regions can become tomorrow's hotbed of circularity. The GDP per capita in Yerevan today is three to four times higher than in the regions, so any increase in economic activity in the regions would have a massive positive effect in closing that gap. And finally, we have the positive environmental impact that comes with the Circular Economy, which will make Armenia and our planet a cleaner, healthier, safer place to live for future generations. As I said, in developed countries, this final argument is the driving force. But I see it as a smaller part in a much bigger, strategic vision for the Circular Economy in Armenia. And this now serves as the shared vision for the Armenian Circular Economy Coalition.

Which countries or regions do you consider leaders in implementing Circular Economy prin-

ciples, and what specific lessons could Armenia learn from them?

— The first countries that come to mind are in Northern and Western Europe—the Scandinavian countries, the Netherlands, Germany, and the United Kingdom. They have many solutions that we can learn from and adapt to our context in Armenia. But, once again, it is important to understand that the motivating factors behind development are different in those countries.

Let's take, for example, the manufacture of biogas from domestic waste, a common practice in some countries like Denmark. They are driven to implement this to reduce environmental risk. In our case, the driving factor will be energy independence, reduced energy costs, or increased efficiency when it comes to producing biofertilizer. We must focus on development directions when it comes to circular solutions, otherwise, we risk being unable to make the most of the opportunity.

This is a very strategic approach to the Circular Economy. Would you say that the public sector is a key player when it comes to making this a reality in Armenia?

— This is indeed strategic, and the public sector is very important. But let me be clear in saying that I hope we do not have a separate strategy for the Circular Economy in our country. We can have separate strategies for things like forest management or water resources, for example. But the Circular Economy needs to be a horizontal effort—it should be integrated into existing and future strategies in all sectors. This also means that circularity should not be housed within a single ministry like the Ministry of Economy. It should be a part of the agenda for other ministries as well. The efficient and effective use of our resources should be a recurring theme in all areas of state policymaking. In our case, the Circular Economy is a means, not an end. As a simple first step, the state can intervene to encourage the private sector to reduce and reuse waste. There is no need to reinvent the wheel. Policymakers should look at what is already happening in the country and gently nudge businesses in the right direction. Let me give you an example from another textile factory I visited. This is a factory that exports everything it produces to the West. When I visited them, I saw a very specialized and sophisticated



ed piece of equipment for washing the fabric, while all the other factories I had seen tended to use simpler, cheaper machines that could serve several purposes at once. I was impressed by what I learned. After each wash cycle, that sophisticated device sent data to its manufacturer in Italy, which then generated a document that certified that batch of fabric as being low-water intensive. This was the product's added value that allowed it to have a market in the West and charge a premium. So, circularity makes business sense at the company level and is of strategic importance for Armenia at the national level. I see it as an engine that can take us to economic growth and sustainable development. The state can choose to fine businesses or reward circular solutions. For example, each company could pay a certain fine for discarding its waste. But this is difficult to implement and monitor. Instead, the state could set up a mechanism where the delivery of that waste to another company with a circular solution is rewarded. This would automatically give businesses a financial incentive that would increase their circularity, and it would create new industries to power the Circular Economy in Armenia.

You and the rest of the ACEC Coalition are part of the CirculUP! Project led by Impact Hub Yerevan. What are your views on the project, and what more needs to be done to promote the Circular Economy in Armenia?

— CirculUP! is an important project and lays solid groundwork for the development of the Circular Economy in Armenia. For future initiatives, we should focus on technology transfer and capacity building. There is a lot of potential in Armenia for energy efficiency or reducing losses that can be achieved through relatively simple technologies, like the example with the low-water-intensive fabrics I mentioned earlier. If future initiatives talk to businesses and present these opportunities to them while also connecting them with partners who can help bring this technolo-

IF FUTURE INITIATIVES TALK TO BUSINESSES AND PRESENT THESE OPPORTUNITIES TO THEM WHILE ALSO CONNECTING THEM WITH PARTNERS WHO CAN HELP BRING THIS TECHNOLOGY TO THEIR COMPANIES, THIS WILL BE A BIG STEP FORWARD

gy to their companies, this will be a big step forward. Innovation comes after an initial stage of modernization, and we have not yet used up the full potential of that stage, so we cannot leapfrog into innovative ideas just yet. It's one thing to train startups and small businesses on the concepts of Circular Economy—this is very important, no doubt. The next logical step is to make real connections by taking these companies to expos where they can see circular solutions in action, and help them strike partnership deals with the companies that deliver these solutions.

What about consumers? What is the solution to the “chicken-and-egg” puzzle in this case? Do responsible consumers create circular businesses through demand, or do circular businesses educate consumers to be more responsible?

— I can say for myself that I pay attention to waste and other principles of circularity, even when it costs me a little more. But I am part of a very small minority in our country. I think we need to think long-term when it comes to consumer behavior; this will come later in the process through education and increased awareness. In the short-to-medium term, things need to be practical and convenient for consumers; otherwise, their behavior will not change. For example, you have the option of getting a paper bag or a plastic one at the supermarket. As long as the paper bag costs two or three times more than the plastic option, very few shoppers would go for paper. If, through some kind of state policy, they become equal in price, or paper becomes cheaper, it might work. But we have issues, in general, when it comes to the execution and monitoring of our laws. So I would

prefer to focus on consumer education and see a long-term change through increased awareness.

What about the role of Armenian banks and financial institutions in financing circular economy projects?

— There is a lot of food for thought when it comes to banks. Financial institutions have a longer-term planning horizon than most businesses in Armenia; this is natural. And there is definitely a role they can play. Let me give the example of small hydroelectric stations in Armenia. When it comes to constructing these stations, there are several options for the turbine systems—European technology, Russian versions, and homemade Armenian options. Many small hydroelectric stations in Armenia were made using the local technology over the past two decades, and banks readily financed these solutions, but they ended up having a shorter lifespan. The European turbines are more durable and would still have been operational on those same stations, had they been installed instead. Banks could, for example, say that lower-quality technology is riskier and the financing comes with higher interest rates in such cases, which would encourage businesses to go for newer technology, and thus contribute to circularity. In general, I remain quite optimistic about the future of the Circular Economy in Armenia. It would be wonderful for its strategic potential to be recognized and for the public sector to take an active role. But, even with just the private sector engaged, there is a lot of potential to take Armenia's economic development to the next level through circular practices. ♦

POLICY:

THE CRUCIAL LINK FOR CIRCULAR ECONOMY

Circular Economy in Armenia will not achieve anywhere near its full potential without the right policy instruments in place. This is the firm belief of Harutyun Alpetyan, Program Manager and Lecturer at the American University of Armenia (AUA) Acopian Center for the Environment and a member of the Armenian Circular Economy Coalition (ACEC). He elaborated his vision for the development of circularity in Armenia during a conversation with Regional Post.





“With government support at that level, no wonder they have advanced so much.” This is one of the common reactions in Armenia when inspiring examples in Circular Economy are presented from countries like the Netherlands. While it is possible that certain actions can be taken at the grassroots level to promote circularity in Armenia, true ecosystem building cannot take place without giving policymakers a prominent seat at the table. This is the point of view shared by a member of the Policy Working Group of the ACEC, Harutyun Alpe-tyan, who is a leading waste management expert in Armenia and a lecturer at the American University of Armenia. In his words, there are three key ingredients to the development of Circular Economy—policy, infrastructure, and behavior. The latter actually directly depends on the first two factors. Focusing on policy, Harutyun sees

both the progress that has been made so far in terms of relevant legislation in Armenia and the areas that continue to be weak.

“Energy is where we have advanced the most, even though one could say this is indirectly related to Circular Economy. The liberalization of the market, the incentives that have been directed at solar energy, the feed-in tariffs—all this has had a real impact on the ground, and it influences the way people behave, so it is relevant to circularity,” he says. He noted that another big step in the right direction had taken place two years ago, when

legislation made water recirculation mandatory in fish farms.

In more recent developments, Armenia adopted a Green Taxonomy in the summer of 2025, which defines which economic activities can be considered green and which cannot. Although the impact of this regulation is not yet clear, there is hope that the availability of green funding will boost activities that promote circularity and discourage those that do not.

While these recent developments are heartening, there are still many shortcomings when it comes to policymaking on Circular Economy in Armenia. ➤

WHILE IT IS POSSIBLE THAT CERTAIN ACTIONS CAN BE TAKEN AT THE GRASSROOTS LEVEL TO PROMOTE CIRCULARITY IN ARMENIA, **TRUE ECOSYSTEM BUILDING CANNOT TAKE PLACE WITHOUT GIVING POLICYMAKERS A PROMINENT SEAT AT THE TABLE**

DEVELOPING BIOGAS WOULD LEAPFROG ARMENIA INTO CIRCULARITY AND RAISE THE COUNTRY'S PROFILE INTERNATIONALLY WHEN IT COMES TO MEETING OUR COMMITMENTS ON ENVIRONMENTAL PROTECTION

Harutyun believes that one of the weakest areas is waste management, and a big milestone ahead on this topic will be legislation on Extended Producer Responsibility (EPR). “When it comes to EPR, we are talking about finding solutions for managing waste from things like packaging, batteries, electronic equipment, car tires, oils, filters, and more. It is difficult at the moment to estimate the numbers in terms of how material flow will change, but EPR legislation should result in a big boost to recycling in Armenia. It is expected to include specific recycling targets, which producers will then have to meet,” Harutyun explains. In terms of a realistic timeline, he expects the National Assembly to debate and adopt legislation on EPR in 2026, with the law coming into effect in 2027 and the first results visible in 2028.

Harutyun also flags another key topic for Circular Economy, where policy-making is weak—biogas production. “When it comes to industries with organic waste, biogas is one of the most circular solutions one can have. We are talking about millions of tons of organic waste every year that we are simply dumping, which is both harmful to the environment and represents a missed economic opportunity,” he says.



With the right infrastructure and policies, organic waste could be processed to produce biomethane, organic fertilizer, and carbon dioxide gas. All three of these products can then be used, providing a triple boost to Armenia's performance through sustainable energy, sustainable waste management, and sustainable greenhouses. "Did you know that many greenhouses burn fuel today, even in the summer heat, to produce the carbon dioxide that they need? Developing biogas would leapfrog Armenia into circularity and raise the country's profile internationally when it comes to meeting our commitments on environmental protection," Harutyun states. In his opinion, the biggest problem standing in the way of circularity can be put into very simple terms – as long as the option of cheap or free illegal dumping remains, there is no way for waste management and Circular Economy to achieve their full potential in the country.

"Whether we are talking about small and medium enterprises or large corporations, there is a simple truth to business—the cheapest option is always the one that is chosen. If there is no cost to dumping, then this is the option that businesses will choose," he explains. The role of state institutions is two-fold—to make biogas development economically viable and to enforce regulations against dumping. Biogas is qualitatively a better source for Armenia's energy security than solar power, he says, but it cannot be economically viable without the right enabling environment in place. Meanwhile, enforcement is a crucial aspect, and neglecting it comes at a big cost. "Cattle in Armenia produce around five million tons of manure every year, and around 90 percent of this is dumped into rivers, valleys, and elsewhere. Some European countries have calculated that dumping one ton of manure into rivers costs society around 50 Euros, so we are looking here at an annual cost to our country of more than 200 million Euros! Not to mention all the



missed benefits that would come if that manure had been processed through a biogas plant," he adds. When it comes to encouraging the private sector to adopt Circular Economy principles, Harutyun says that profit, whether through cost savings or opportunities for new income, is the only real motivating factor. He appreciates the awareness-raising and training components of Impact Hub Yerevan's CirculUp! project because some businesses might simply be unaware of the business opportunities that lie before them in terms of circularity. But most businesses always look at their value chain to figure out where they are making or losing money, and this is what the right policies must tweak to encourage impactful behavior. Harutyun illustrates this with a recent example from his own experience. "Someone had seen me speaking about waste management on television and asked me a question. He was growing mushrooms and would sell the used sacks to someone else instead of disposing of them in a landfill. Now, his buyer had said he would no longer pay the regular price, and it had suddenly become cheaper for the man to dump his used sacks in the trash, which has serious environ-

mental consequences. He wanted to know if I could connect him to another buyer. His value chain had changed, and his instinct as an entrepreneur would be to go for the cheaper option of dumping unless he could find someone to buy his waste at the right price. This is why it is crucial to enforce regulation on dumping and add a price tag to it – it would change the equation completely and make proper waste management much more economically attractive than dumping," Harutyun elaborates.

The CirculUp! Project has set some wheels in motion in terms of developing policies in Armenia that would promote circularity. The creation of the Armenian Circular Economy Coalition (ACEC) is a key component of the project and aims to sustain this work beyond the project's lifetime. "I'm optimistic that the Coalition will keep working in this area because this is relevant to the work that each of us in the ACEC does individually, in our professional spheres," Harutyun explains, "I don't know whether the structure will be formalized in some way in the future, but I definitely see potential for support from the private sector or other stakeholders to keep this important work going. ♦



ENCOURAGING CIRCULARITY AROUND THE WORLD:

The Impact Hub Network Leads The Way

With over 120 Impact Hubs existing in the global network, many of them are running programs on the Circular Economy. We spoke to Ani Baboosian, a programs manager in the global Impact Hub team, to learn more about the initiatives that are being rolled out in various countries, the tangible impact they are creating, and their potential to transform the future of business.

INTERVIEW : NAZARETH SEFERIAN / PHOTO : IMPACT HUB NETWORK



Laura Chiriac, originally from northeastern Romania and now based in Bucharest, has a passion for wine and began pursuing professional certification in this industry at the age of 29. Somewhere along the road, her interest began to focus not only on the beverage, but the cup that holds it. Fast forward to today and she is the founder of Laura and Wine, a company that uses recycled material to make glasses for wine, coffee and other drinks.

“Even though I have a business and I’m selling something for profit, I also have another goal in mind—a story, giving a second chance at life to glasses that were once broken,” Laura explains when describing the core of her enterprise. Laura was one of the participants of the Romania ClimAccelerator run by Impact Hub Bucharest, a program that helped elevate the concept of Circular Economy in the country to the next level. It gave participants the opportunity to explore new and innovative solutions for the growth of their businesses. “My long-term plan is to find alternative methods for melting glass and to contribute, through parallel research with the business, to increasing the use of recycled materials in production in Romanian factories,” Laura says confidently.

Romania ClimAccelerator is just one of several programs on Circular Economy that the Impact Hub Network runs globally. Circular Economy has become a hot topic in the

Impact Hub Network since 2012. Ani Baboornian, one of the earliest employees at Impact Hub Yerevan, first heard the term “Circular Economy” in 2018 during an Impact Hub training session in Geneva. “They split us up and suggested several themes for small group discussion. Circular Economy was one of those themes and, in fact, almost everyone went to that session. It was completely new to me then, but it grabbed my interest immediately,” Ani recalls.

Combating climate change is now a key topic for Impact Hubs around the world and the concept of Circular Economy equips entrepreneurs with new approaches to save the planet. Ani moved to Italy a few years ago and now leads several programs for the global Impact Hub Network, which brings together more than 500,000 impact makers in over 65 countries in the world.

Local Impact Hubs are supporting circular economy initiatives across continents, from the Netherlands and Switzerland in Europe to Senegal in Africa and Nepal in Asia. “It is important to recognize that CirculUP! is focused on building a whole ecosystem. When you’re bringing a new concept to the local economy, you cannot work in isolation with entrepreneurs alone,” Ani explains. Impact Hub takes a holistic approach to the CirculUP! program, and this approach to ecosystem building has been enshrined in an internal toolkit that supports Impact Hub teams around the world.



ACEC members during a study trip to the Goede Doelen Loterijen office building in Amsterdam

Besides directly supporting entrepreneurs with new knowledge, skills, and funding, this involves working with civil society organizations, government officials, academia, media companies, and more.

In several Western European countries, governments drive the agenda for the Circular Economy, which has a clear understanding of the existing limits to natural resources and threats of climate change, along with a vision of the economic potential that can be harnessed through innovative and entrepreneurial solutions. However, in most of the world, change emerges from the bottom up through comprehensive programs like the ones developed by the Impact Hub Network. Ani is confident that sustained support is the key to making the Circular Economy an everyday topic anywhere in the world, including Armenia, and an institutional partner can make a key difference.

“Thanks to funding from the European Union, the program we are running in Armenia takes a large-scale and multis-takeholder approach. I believe the European Union has a long-term commitment to this topic in many countries. Armenia and other countries like it could leapfrog into the Circular Economy at a faster pace than their western counterparts, with consistent and institutional support,” Ani believes. The corporate sector can also serve as a powerful partner and supporter of Circular Economy programs. The Impact Hub Network is partnering with Bank of America as part of its Embedding Circularity program in China, Indonesia, and Japan. Localized versions of the global circular economy toolkit, complemented with relevant case studies, help

ACEC members during a study trip to The United Repair Center (URC) in Amsterdam



DATA FROM THE CIRCULAR ECONOMY PROGRAMS OF 12 IMPACT HUBS WORLDWIDE, INCLUDING 82 SMALL AND GROWING BUSINESSES, HAVE SHOWN THAT **PARTICIPATING ENTREPRENEURS HAVE MORE THAN DOUBLED THEIR MEDIAN REVENUE,** INCREASING IT FROM USD 5,000 TO USD 12,000



entrepreneurial support organizations in these countries integrate circular practices into their own programs. The toolkit is designed for incubators and accelerators and takes them, step by step, through the larger concepts and issue-based ecosystem-building principles, while also focusing on details and providing ready-to-use content for workshops. Although the environmental impact remains a key focus for any circular economy program, Impact Hub emphasizes that it also needs to make sound business sense if entrepreneurs are going to embrace this transition. The numbers support this approach, demonstrating how entrepreneurs are learning to become more profitable while also having a positive impact on the environment. Data from the circular economy programs of 12 Impact Hubs worldwide, including 82 small and growing businesses, have shown that participating entrepreneurs have more than doubled their median revenue, increasing it from US\$ 5,000 to US\$ 12,000. Part of this increased revenue comes from the added value that the business is now offering its existing customers, and the new markets that are unlocked by its transition to circularity. In the case of the glasses made by Laura and Wine, for example, this is no longer about a receptacle that holds your beverage – it's a unique item with a compelling story. Each glass is handmade with different recycled materials, blown and shaped in a way that ensures that no other piece will be exactly like it. The transformation that comes with the move to circularity extends beyond the businesses or their products. For Ani,

the concept of the Circular Economy is important because it also has a transformational impact on one's mindset as a consumer. "I've never been comfortable with over-consumerism. I'm very excited that the Circular Economy comes with this mindset of reducing one's waste by reusing products, and so on. I am now much more comfortable buying second-hand items than ever before, and I see others around me who have also changed their habits as consumers," Ani says. For Impact Hubs around the world, sustaining this behavioral change is a fundamental principle. Besides running programs on innovation and entrepreneurship, many Impact Hubs are communities with physical spaces, where the principles of circularity are increasingly embedded. Here's just one example. Impact Hub Florence has an initiative every year after the Christmas holidays. Members of their community who received a present they did not need can exchange it for something else with another member. Instead of leaving the gift on a shelf as it gathers dust, this fun activity ensures that community members have an enjoyable interaction and part ways with more useful items, extending the life of various products and reducing waste. As the CirculUP! program implemented by Impact Hub Yerevan is coming to an end this year, Ani is excited about what will be next. "I've learned a lot on this topic. I'm always excited when it comes to making connections for a positive impact, so it's great to see Impact Hubs around the world looking at our example in Armenia and learning from the wonderful team in Yerevan!" ♦

CIRCULARITY TRAILBLAZERS:

Meet the Pioneers!

As part of the CirculUP! project, Impact Hub Yerevan has been supporting entrepreneurs in creating or growing their businesses using the principles of Circular Economy, including funding solutions that take them to a new level of circularity. We spoke to six entrepreneurs to better understand their businesses and their outlook on the Circular Economy.

TEXT : NAZARETH SEFERIAN / PHOTO : IMPACT HUB YEREVAN



THE RUG CODE

Kyle Khandikian, Founding Director

What is your business, and how is circularity integrated into it today?

— The Rug Code is an online shop for high-quality rugs and carpets, handmade and directly supplied from weavers based in the villages of Armenia. The online shop launched in February 2024 to preserve our Armenian traditions of rugmaking while providing an opportunity for people living in rural Armenia to make a decent living. Previously, the women who were skilled in our traditional rugmaking techniques could not find customers for their carpets, and so they chose to engage in other activities to secure an income for themselves and their families. The Rug Code helps solve this issue by promoting their products, arranging high-quality photographs, and finding customers for these beautiful handmade rugs and carpets. When someone makes a rug, there are always leftover scraps of thread that are usually tossed out and burned. I found out that these scraps can be processed and turned into a ribbon-like material that one can then use to make felt rugs. We also have an ancient tradition when it comes to using felt for rugs, and this is even more endangered, so this is a great way to develop a new product while staying true to our mission.

How did the CirculUP! project impact your business?

— I learned about the Circular Economy through the CirculUP! project and this inspired me to look at our waste products and see what we can do with them. I wanted to stick to my principles of sourcing only local raw materials, working with village-based weavers, and using natural dyes, so the option of using felt was really a good fit. The project also provided the support we needed to get one of our artisans the necessary training to try rugmaking with felt, to refurbish old family looms, and get the necessary equipment we needed to make our carpets and rugs in the sizes that match our customers' orders.

Who are your biggest customers, and does circularity matter to them?

— The Rug Code sells its products mostly to individuals and families in North America and Europe. These are people who care about the fact that these rugs are handmade, and that this work generates a positive social impact in Armenia's villages. Now, this added element of circularity helps us stay true to our principles and have even more impact in our country. So, I'm confident that they will appreciate this new element in the Rug Code story.

Do you think the Circular Economy is important for Armenia?

— Absolutely. In our case, our wool travels from one end of the country to the other a couple of times before it ends up in the hands of our weavers. There is so much negative impact there in terms of low efficiency, high costs, as well as unnecessary emissions. A countrywide shift to the Circular Economy will be positive for many businesses in Armenia, leading to greater efficiency and reduced costs, which means higher profits. And, of course, our environment benefits as well.

FLOWTRIC

Ani Sahakyan, Founder and CEO

What is your business, and how is circularity integrated into it today?

— We harness energy from the sun, wind, and water using small, portable devices that you can take with you on hikes and outdoor trips. We are a startup and have not yet entered the market, but we are looking forward to providing outdoor adventure lovers with the ability to charge their devices and meet other electricity-related needs, even if they are away from civilization and enjoying the beauty of nature for several days in a row.

Besides the fact that our solutions work with renewable energy, there is also an element of circularity in our product design—the devices are modular and can be broken down into their components and rearranged as needed, depending on whether you want to use solar energy or wind energy, depending on how much energy you want to generate, and so on. Our business model is also circular—we will have an open-ended buyback offer for the clients that purchase our devices, and we are also aiming to provide them on a rental basis.

How did the CirculUP! project impact your business?

— I had heard about the Circular Economy before the project, but my understanding of it was limited to recycling. I learned during the incubation phase about how businesses can

prevent value loss and create new solutions that also have a financial return. We also got funding from the project that we will use in marketing, which will be important for us when we enter the market.

Who are your biggest customers, and does circularity matter to them?

— We see nature lovers as our main customer segment, so there is a clear harmony here between their values and the positive impact that our company generates for the environment.

We are aiming to position ourselves in the local, US, and particularly European markets, where consumers value circularity and care deeply about nature. We are also aiming to develop a message around our products that focuses on positive emotions, and I think this will fit well into the whole picture.

Do you think the Circular Economy is important for Armenia?

— The industrial sector in Armenia generates a lot of waste and there are many opportunities for recycling and greater circularity. Everyone knows that air quality in Yerevan is a big problem now and our water is not as pure as it used to be. If each of us takes a step in the right direction, we will get to enjoy these natural resources for a longer time, while also ensuring our own long-term health.



LUKASHIN AGRICULTURAL ASSOCIATION

Vardges Davtyan, President

What is your business, and how is circularity integrated into it today?

— Our consumer cooperative was founded in 2005 with 42 members, and we now have more than one hundred farmers within our business. We offer a range of fresh, dried, frozen, and processed agricultural products, such as dried fruits. In the past, we would end up with lots of waste during the fruit drying process—some pieces of fruit were not used because they were wrinkled or not of the best quality, and there would be lots of

seeds left over that we would discard. Today, we see this as a new kind of raw material and we have developed a range of products from it, like soft candy, fruit bars and seed oils.

How did the CirculUP! project impact your business?

— We already had a European certificate for organic produce and we were looking for ways to improve our products, using less energy and chemical supplements like caustic soda. Thanks to the CirculUP! project, we received training on important concepts and also received some funding that will go into solar panels. This will

reduce our costs and make us more competitive. Through the project, we also purchased new equipment that works more efficiently, helping us save time while also reducing water usage and emissions during our production processes.

Most importantly, we can now offer a new range of products—seed oils. These are used for beauty and health-care purposes. We used to discard the seeds but now make a product with them that is more valuable than the fruits themselves. The other members of our cooperative will soon see how this will make them more money per kilogram of fruit than ever. Seed oils are also easier to store—they take up less space than the fruits and have longer shelf lives. So any logistical issues like temporary border closures, delayed shipping, and so on will not affect their revenues and the seed oils fetch a higher price on the market than fresh or dried fruits.

Who are your biggest customers and does circularity matter to them?

— Our customers are individuals in Armenia and other countries—we also export to the European Union and the United Kingdom. Not all customers care for circularity—the ones outside Armenia understand this concept better. But all of them want to have high-quality products that are healthy and taste good, which we secure through our organic principles and the efficient nature of our processes.

Do you think the Circular Economy is important for Armenia?

— In agriculture, we should prioritize anything that takes us to more natural and less wasteful solutions. Over the decades, farmers in Armenia have used too much chemical fertilizer and we are now seeing that this is leading to a reduction in our soil quality. We need to keep our products healthy and tasty, which means sticking to some principles in terms of agriculture, which are also much more efficient and less costly in the long term.



SKESOOR MAMA

Hripsime Hovhannisyan, Founder

What is your business, and how is circularity integrated into it today?

— I worked for a long time as a journalist and was lucky enough to have a mother-in-law who would make clothes for me. We decided in 2013 to join forces and start a new business, which is how our fashion studio—Skesoor Mama, meaning “mother-in-law”—came into being in 2013. Over the years, I noticed how my mother-in-law kept putting scrap material aside after making various clothing items. I had started going to Impact Hub as part of another program and noticed an announcement for the CirculUP! project. I learned also that the

fashion industry has one of the biggest negative impacts on the environment. So I applied for the project, and we decided to use our scrap material to make new products. Today, we stuff our oven mitts and some of the other household items we make using the scrap material that we generate from our work.

How did the CirculUP! project impact your business?

— I learned a lot about the negative environmental impact of the linear economy as well as the potential economic opportunities of a circular approach. Thanks to the available grant funding, we procured a machine that helps us reduce scrap cloth to something that we can use more easily. At the moment, it takes a lot of time to cut up that cloth manually; it will be much more efficient with that piece of machinery. The grant also allowed us to create some high-quality videos and improve our visibility on social media.

Who are your biggest customers, and does circularity matter to them?

— Our customers are mostly ordinary residents of Yerevan; I would not say that they are particularly aware when it comes to environmental issues. But my experience as a journalist has emboldened me to use every opportunity to talk to them about this topic and to tell them more about our journey towards circularity. We do this through our social media channels as well as when a customer walks into our studio or gives us a call. Surprisingly enough, I have received very positive feedback and people seem genuinely interested. They are now giving us all their old clothes and other scrap material that they would otherwise have thrown away, and we are looking forward to processing all this using our new textile processing equipment. We are looking forward to selling our circular products in Yerevan as well as online, through various sales platforms.

Do you think the Circular Economy is important for Armenia?

— I think we have all kinds of problems in Armenia and we sometimes lose sight of what is important. The environment is a priority around the world, we are seeing the consequences of climate change not just in Armenia, but everywhere on the planet. I think it's great that businesses are becoming more responsible in this aspect in Armenia, and this is relevant for small enterprises too; it's not just about large corporations.

BERDAVAN GUESTHOUSE

Erik Hakhverdyan, Founder

What is your business and how is circularity integrated into it today?

— I launched my guesthouse in 2019 in the village of Berdavan, Tavush, and developed the land around it using the principles of permaculture. Permaculture is a landscape design approach that allows you to use the same land for a long period of time without depleting the soil's resources or fertility. It involves efficient usage of water and a diversity of plants, which makes the orchard a mini-ecosystem and provides better protection against insects and pests, without the use of chemicals. We also use a range of composting methods that give us various options for their application. We added a new element of circularity—we work with the farms in our region to collect their agricultural waste and use this material in our permaculture facility for mulching and other processes. Thus, we reduce waste, reap the benefits of these discarded resources, and also educate others in their potential use.

How did the CirculUP! project impact your business?

— I was a participant in another incubation program and one of my mentors told me about Impact Hub Yerevan's CirculUP! project. I learned a lot about the Circular Economy; there are still various relevant tools from the training sessions that I plan to use in the future. I used the grant funding to procure a pickup truck that helps me collect the waste from neighboring farms for mulching, composting, and other activities.

Who are your biggest customers, and does circularity matter to them?

— The fruits and vegetables that I grow are offered to the guests who stay at Berdavan Guesthouse. There are several segments here—the family members of soldiers serving in the army base nearby often stay at my place. For them, environmental awareness or the Circular Economy is not a big topic, but they care about the quality of the food they eat, and they can tell the difference in taste when it comes to chemical-free fruits and vegetables. I also have tourists coming to Berdavan from time to time. Those who come from European countries tend to have more appreciation for permaculture and the Circular Economy.

Do you think the Circular Economy is important for Armenia?

— As far back as I can remember, we have had a scarcity of resources in Armenia and the world. With a growing global population and climate change, these issues will only grow worse. If we want to maintain the quality of the food we eat, we need to adopt a different approach to how we grow our fruits and vegetables. Permaculture offers that approach, and the Circular Economy presents a model that we can build around that.



BABY GEAR ARMENIA

Lisa Iskikyan, Founder

What is your business and how is circularity integrated into it today?

— In 2024, I launched Baby Gear Armenia, a rental service that provides high-quality baby gear like car seats, strollers, and other essentials to families visiting Armenia with young children. The inspiration came from conversations with traveling parents, who debated lugging heavy car seats onto planes or considered buying travel cribs once here in Armenia to avoid schlepping gear they already owned. So, the concept of circularity is built into the business model by challenging the wasteful thinking of "I'll just buy another one" and instead promoting longer gear lifespans through mindful reuse.

How did the CirculUP! project impact your business?

— Services similar to mine exist around the world and they are good examples of a circular business. I applied to the CirculUP! project and learned more about the Circular Economy because I wanted to grow my business in a sustainable and responsible way. I was excited to see how the project is educating businesses on becoming more circular and I appreciated the mentorship opportunities it provided. I received grant funding that I spent on marketing and other administrative support, as well as purchasing some baby gear to meet the growing demand that we are experiencing.

Who are your biggest customers and does circularity matter to them?

— Most of our customers visiting Armenia are from the US, Canada, and the UAE. Baby Gear Armenia provides value by giving these tourists a solution that is convenient and makes their travel safer and more comfortable. I would not say that the circularity aspect of it is the primary incentive that draws them to us. But this is about behavior change—people who might just buy an item are now seeing that there is the option to rent and then return it at the end of their visit. I believe this is the first stage in a change of mindset and behavior.

Do you think the Circular Economy is important for Armenia?

— It's absolutely critical because circularity is a major aspect when it comes to sustainable development. In many ways, Armenia is still quite a wasteful country, and we really cannot afford to continue this way, given our size and finite resources. If individual households and businesses can think in a more circular manner, perhaps this bottom-up movement will give the necessary impetus for bigger changes like energy efficiency and other significant developments. ♦





THE GREEN TAXONOMY IS HERE!

Securing Sustainable Investments for Armenia

A key milestone for sustainability in Armenia came in 2025 with the adoption of the Green Taxonomy thanks to the efforts of the World Bank and a multistakeholder consortium of policymakers, organizations, and experts. We spoke to Dr. Irina Ghaplanqan, Senior Advisor on Climate Change to the World Bank, on what this is and what it means for Armenia's future.

INTERVIEW : IRINA GHAPLANQAN, NAZARETH SEFERIAN / PHOTO : WORLD BANK

Dr. Ghaplanqan, for our readers who may be encountering these concepts for the first time, could you explain what a green taxonomy means in practical terms and why establishing these classification systems is crucial for countries in the South Caucasus region as they transition toward sustainable economic models?

— In simple terms, a green taxonomy is a kind of dictionary that defines what is “green”. It’s a classification system that sets clear, science-based criteria for which investments, projects, and activities can genuinely be called sustainable. This is crucial because the lack of a common standard causes confusion and increases the risk of greenwashing. This is very relevant for us as our economies in the region are resource-intensive and highly vulnerable to climate change. But public budgets alone cannot finance our transition to a greener, more resilient model. We need private capital to flow into renewable energy, sustainable agriculture, better waste and water systems, and resilient infrastructure. But investors need clarity and credibility on

WE NEED PRIVATE CAPITAL TO FLOW INTO RENEWABLE ENERGY, SUSTAINABLE AGRICULTURE, BETTER WASTE AND WATER SYSTEMS, AND RESILIENT INFRASTRUCTURE. BUT INVESTORS NEED CLARITY AND CREDIBILITY ON THIS FRONT, AND THAT IS WHAT THE GREEN TAXONOMY PROVIDES

this front, and that is what the green taxonomy provides. A green taxonomy actively guides the flow of capital toward projects that reduce emissions, improve resource efficiency, and strengthen resilience. This builds trust, whether it is government spending, private investments, or financial markets. So this is not just a technical tool. It’s a strong signal of where we want our economy to go—toward a future that is competitive, inclusive, and sustainable.

The World Bank has played a key role in getting us here through the “Developing Green Taxonomy in Armenia” project. Tell us a little about the process behind this and how this aligns with Armenia’s broader economic development goals.

— The World Bank’s support for Armenia’s Green Taxonomy began in 2023 at the request of the Government and particularly the Central Bank of Armenia. Commercial banks had already started to issue financial products packaged as ‘green’ and there was an urgent need for a credible, nationally-owned system that could clarify the criteria for this label and help avoid greenwashing. The Ministry of Economy established an inter-ministerial working group, ensuring cross-government ownership from the very beginning. To bring in independent expertise, we contracted the Acopian Center for the Environment at the American University of Armenia, which mobilized a wide range of sectoral experts. Over the past two years, we engaged in an arduous, inclusive and highly consultative process with government



agencies, technical specialists, and stakeholders across priority sectors, such as energy, water, agriculture, forestry, industry, mining, transport, waste, and urban development. When the Ministry of Economy further developed the taxonomy into a normative legal act, preparing it as a government decree, it was posted on the Government's e-draft portal, where there was active engagement from civil society organizations, experts, and individual citizens. Their comments and observations not only enriched the process but also signaled something bigger—that the public is in tune with this reform and is ready for its adoption.

The result is a robust, context-specific classification system that defines three types of projects—green, transitional, and enabling. This tiered approach recognizes that not every sector can leapfrog immediately, but all must move in the direction of greener, safer, and more sustainable practices. We are also helping the government operationalize the taxonomy by building verification systems, training verifiers, strengthening reporting, and ensuring transparency. Armenia's commitment to this agenda has been clearly articulated in the Government

Program and Action Plan for 2021-2026, which emphasized the need to transition to a green and circular economy. The Green Taxonomy is the backbone of this transformation, highlighting that the vision for modernization is not separate from the green agenda—to be modern is to be green. We are seeking a future where every dram invested supports sustainable, inclusive, and competitive growth.

What kinds of changes can everyday citizens in Armenia expect from the adoption of the green taxonomy? How will it impact their lives?

— By setting clear criteria for what counts as green, the taxonomy helps direct financing and public support into areas that people interact with every day.

For households, this could mean easier access to affordable loans for energy-efficient home improvements, like insulation, solar panels, or switching to cleaner heating. It also means better waste management services and improved air quality in urban areas, because the taxonomy directs resources toward cleaner municipal systems and greener public transport. For farmers, sustainable agricultural practices are key. So, over time, we

expect to see more support for things like efficient irrigation systems, reduced fertilizer and pesticide use, and soil and water conservation measures. That not only reduces environmental harm but can also improve productivity and incomes.

For workers and communities, we expect to see more investment in greener industries and technologies. That means safer jobs, reduced pollution in industrial regions, and a healthier environment overall. It also helps municipalities invest in energy-efficient buildings, better water systems, and cleaner transport, in other words, improvements people will directly experience in their daily lives.

How will the success of the taxonomy be measured?

— While it is great to have the taxonomy as a guiding document, the key metric of its success will be how widely it is actually used. In practice, that means tracking the number of financial institutions, commercial banks, and public agencies that voluntarily integrate the taxonomy into their investment, lending, or budgeting decisions. The more institutions apply it, the more Armenia will be able to

channel finance into projects that are truly green and aligned with the country's climate and development goals. Success will also be reflected in the quality of investments it helps unlock—more energy-efficient housing, greater adoption of renewables, cleaner transport, greener agriculture, and more resilient infrastructure. Over time, as it becomes embedded in green bond frameworks, climate finance tracking systems, and investment planning, the taxonomy will serve as the backbone of Armenia's sustainable finance architecture. Thus, success will be measured not just by the adoption of the taxonomy itself, but by how deeply it shapes financial flows and decision-making across the economy, and by the tangible improvements this brings in resilience, efficiency, and sustainability.

Let's look at two related topics that are of increasing importance in Armenia—circularity and biodiversity. How does the World Bank see these two topics in Armenia's current context, and what considerations should be key in decision-makers' minds?

— The World Bank promotes the circular economy because it is one of the most effective ways to reconcile growth with sustainability. The costs of transitioning to circularity are outweighed by the returns because circular models reduce waste, improve efficiency, and extend the life of materials, which translates into savings for households, businesses, and governments. The return on investment is not only financial; it comes through cleaner air, healthier ecosystems, and more resilient communities. However, according to our recent report, *Squaring the Circle: Policies from Europe's Circular Economy Transition*, circularity does not just happen on its own. Without strong policy frameworks, the penetration of circular business models tends to plateau at around 8-10 percent. In other words,

the private sector will experiment with circular approaches, but without supportive regulation and incentives, it will never scale across the economy. That is why we welcome Armenia's commitment, under the 2021–2026 Government Action Plan, to adopt Extended Producer Responsibility legislation (EPR). EPR is one of the proven policy levers that drives circularity because it shifts part of the responsibility for waste management back to producers, creating real incentives for better product design, recycling, and reuse. Once adopted and implemented effectively, it will be a major step forward.

ON ALL THESE TOPICS, THERE IS ONE CROSS-CUTTING KEY MESSAGE THAT EVERYONE SHOULD GRASP—STRONG TOP-DOWN INITIATIVES LIKE THE GREEN TAXONOMY AND EXTENDED PRODUCER RESPONSIBILITY ARE CRUCIAL TO GET CIRCULARITY AND SUSTAINABILITY ON THE RIGHT TRAJECTORY

Biodiversity is a big topic for Armenia today. In 2026, the country will host its biggest international event ever, with more than 25,000 delegates expected to arrive for COP17. How would you illustrate to decision makers and even average citizens that these topics—circularity, biodiversity, and the green taxonomy—are all interrelated, positive contributors to our country's sustainable economic growth?

— Take the example of the Armash fishponds in the Ararat Plain. It's become a growing destination for birdwatchers because of its unique wetland ecosystem. Every year, large numbers of migratory birds stop there as they travel through the re-

gion—flamingos, pelicans, herons, and many others that you wouldn't expect to see in a landlocked country like Armenia. It shows how, with the right protection and management, even our most resource-constrained landscapes can become places of biodiversity, tourism, and economic opportunity. While we lack robust statistical data in terms of numbers, we see that there has been a significant increase in birdwatching tourists in recent years. And birdwatchers are qualitatively a different kind of tourist—for the most part, they are environmentally aware, so they do not negatively impact their surroundings and, on average, they are considered a mid- to higher-tier spending tourist. There is an interesting geography of birdwatching tourists who visit Armenia from a range of countries like Japan, the UK and US! Strategic decisions on building a green economy also open the door to new opportunities in tourism. Armenia can position itself as a destination for sustainable tourism—the kind that values our landscapes, biodiversity, and cultural heritage. The goal is not only to bring in more visitors, but to ensure that their experience is meaningful, that it creates lasting benefits for local communities, and that it helps preserve the environment. Managed this way, tourism becomes both a driver of economic growth and a partner in protecting the very nature that makes Armenia unique.

On all these topics, there is one cross-cutting key message that everyone should grasp—strong top-down initiatives like the green taxonomy and extended producer responsibility are crucial to get circularity and sustainability on the right trajectory. But at the same time, they cannot succeed without bottom-up engagement—citizens, communities, businesses, and especially young people must make it part of daily life. Policy sets the rules, but people make it real. ♦



GREEN FOX – GREEN TALKS

With over 500 young people already signed up for their circular economy contest, Green Fox is making waves in Armenia's youth education scene. We asked the team to tell us about their innovative approach to teaching teens about sustainability through their superhero fox character and Telegram chatbots.

TEXT / PHOTO : INNOBIZ



*This is the Fox,
That ate the hare,
That munched the carrot,
That grew from the soil,
Enriched by the remains
Of the Fox...*

*That ate the hare,
That munched the carrot,
That grew from the soil,
Enriched by the **remains**
of the Fox...*

This seemingly endless verse profoundly illustrates the elegance of nature's design. It symbolizes a healthy, self-sustaining cycle where every element plays a crucial role, ensuring nothing is wasted and life perpetually renews itself. At Green Fox, we are deeply inspired by this inherent wisdom. We aim to cultivate an understanding and foster behaviors that lead to a circular economy, helping our audience visualize and grasp these intricate connections with the same clarity and engaging simplicity found in this illustrative rhyme.

The name "Green Fox" carries symbolic weight. You might be surprised to learn that the fox is known for its role in maintaining forest hygiene by consuming carrion. We chose the fox as a symbol of nature's inherent cleansing and balance. Besides, in folklore, the fox is often portrayed as clever, curious, and full of creative tricks, a perfect guide for exploring new approaches. The "Green" element, of course, represents an environmentally friendly attitude and our commitment to a sustainable future.

"I knew right away our Fox had to vibe with the youth while also guiding them through this new topic. So we gave it a twist, and SuperFox in a cape was born!—says Marie Teroyan, the creator of the Green Fox Character.

Our current focus is on youth, because the values we instill today shape the leaders and citizens of tomorrow. We see the circular economy not just as a system, but as a mindset, a way of thinking that challenges habits, reimagines waste, and redefines value. Young people aged 15 to 20, with their openness to new ideas and their instinct for change, are uniquely positioned to become powerful ambassadors for this transformation. Their influence extends beyond personal choices: we believe they will be tomorrow's creators, innovators, and decision makers.

"Green Fox is a super fun and meaningful initiative that builds an ecosystem around the circular economy. It uses smart and flexible tools to spark curiosity and creativity in young people. The contest format encourages them to take initiative and explore new ideas, and we're pretty sure it's going to make a real impact on how youth understand and engage with the circular economy." Notes Gevorg Poghosyan, CEO of Impact Hub Yerevan.

Innobiz consistently stands out for our innovative and effective approaches to education, capacity building, and awareness. Our philosophy of continuous improvement, marked by constant testing and refining methodologies, culminated



Funded by the European Union
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Yerevan



INNObiz

CONTESTS' LAB

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15-30 տարեկան

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սպասվում են
մրցանակներ



Tatevik Adamyan
"Contests' Lab" educational
NGO President



Elina Simonyan
"Innobiz" NGO Co-Founder



Marie Teroyan
Volunteer, the creator of
the Green Fox Character

in the Innobiz Academy in 2024. This program currently engages over 1900 learners, making it Armenia's largest non-formal educational initiative. The resounding success and high demand for our programs stem from unparalleled precision in targeting: we meticulously identify our audience, ensuring every detail of our approach serves that precise target with maximum impact.

"We chose a contest-style format to make learning about the circular economy fun and engaging for Youth," explains Elina Simonyan, Co-Founder of Innobiz. "It encourages them to test their knowledge, challenge their peers, and truly understand the power they hold to make a positive impact on the planet." Building on the Innobiz. With academy experience, a series of short educational videos on the circular economy will be available online, allowing participants to learn at their own pace and according to their preferences. Once completed, they'll enter the competition phase via a custom-built Telegram chatbot, designed specifically for this contest by our good partner Contests' Labs.

"We decided to meet youth where they hang out and use the platforms they enjoy," says Tatevik Adamyan, the CEO of Contests' Lab, the official organizer and representative of

various international and local competitions for schoolchildren and teens, such as Kangaroo, World Robot Olympiad, Meghu (Bee), and so on. "With AI rapidly evolving, we saw an opportunity to make learning more engaging and fun, so we developed this contest through a chatbot to speak their language and spark curiosity."

We've already received over 400 applications, so to prepare the participants for the learning experience and the contest itself, we launched "Green Fox – Green Talks" in our Telegram channel. Through this interactive space, young people explore solutions, share their experiences with responsible practices, and take on mini-quests, like finding repurposed products or repaired goods and sending in photos. The level of excitement and engagement is incredibly high, and we're thrilled to see this model truly resonate with Youth.

"This was a wonderful opportunity to gain new knowledge, presented in such an engaging and unique way. The victory was completely unexpected. When the results were announced, I was so happy, I couldn't sleep the whole night. It was truly a motivating and inspiring experience. I promise to be a fast and proactive Green Fox in my turn," shares first prize winner Yeva Hayrapetyan. ♦

KOMO

REAL ESTATE AGENCY:

REVOLUTIONIZING PROPERTY TOURS IN ARMENIA

KOMO Real Estate Agency is transforming how Armenians view properties with an innovative approach that's catching attention across the market. While traditional agencies schedule individual property visits one by one, KOMO has built its entire business around large-scale open house events and comprehensive group tours that let multiple customers explore dozens of properties in a single, well-orchestrated experience. "We kept seeing the same problem everywhere," explains the founder of the Agency Khachik Gevorgyan. "Buyers and renters were burning entire weekends driving from property to property, dealing with scheduling conflicts, and often missing opportunities because of logistical headaches. We realized there had to be a better way." KOMO streamlines this process by focusing on group tours and open house models, saving their client's valuable time and energy.

PHOTO : KOMO



Komo's innovative approach offers several key advantages:

Efficient Group Tours: Rather than the traditional one-property, one-appointment approach, KOMO organizes comprehensive tours where customers can explore multiple properties in a single outing—whether that means viewing apartments in a residential building or touring several houses throughout a neighborhood or village. This efficiency represents the core innovation driving KOMO's success. The agency's tours to Argyugh exemplify this approach perfectly, combining property viewings of available land and houses with strategic meetings between potential buyers and local business owners, plus direct access to municipality officials who can answer questions about development plans and community resources.

Variety Through Open Houses: Each KOMO tour is carefully curated to showcase properties that span different price points, styles, and locations, ensuring clients can compare diverse options side-by-side rather than trying to remember details from scattered individual visits weeks apart.

Seamless Convenience: The agency handles every logistical detail—from coordinating complex schedules among multiple property owners to arranging group transportation—eliminating the stress that accompanies property hunting and allowing clients to focus on evaluating their options.

Transparency and Community Connection: The open house format naturally encourages open communication, giving clients authentic insights into community dynamics and local lifestyle that individual property visits rarely provide.

This comprehensive approach reflects KOMO's broader philosophy about real estate service in Armenia. The agency's team combines deep knowledge of local market conditions with hands-on guidance that extends from initial property exploration through final closing procedures. For Gevorgyan and his colleagues, the group tour model isn't just more efficient—it represents what real estate service should be like in Armenia. Komo Real Estate Agency is committed to providing exceptional service and expertise to its clients. With a deep understanding of the Armenian real estate market, Komo's team of professionals guides clients through every step of the process, from property selection to closing. We believe that the open house and group tour model is the future of real estate in Armenia. "Our goal is to make the property search enjoyable and productive," adds Mr. Gevorgyan. "We believe our unique approach, centered around efficient open house events and tours, will transform how real estate transactions are conducted in Armenia."

Extending this commitment to transparency and market knowledge, KOMO has launched a comprehensive real estate statistics platform—KOMO Real Estate Statistics (<https://komo.am/stats>).

ABOUT KOMO REAL ESTATE AGENCY

Komo Real Estate Agency specializes in innovative, open-house-style property viewing experiences and group tours in Armenia. The agency is committed to providing clients with efficient, convenient, and transparent services.





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REAL ESTATE AGENCY

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komo.am

THE ART OF MAKING A LASTING IMPRESSION:

A PERSONAL BRANDING TALK WITH ANNA SALOME

In today's competitive landscape, staying true to yourself while being associated with specific values has become a real challenge. Success requires knowing yourself, positioning yourself wisely, and highlighting what makes you unique. But, how do you build a personal brand that's authentic, visible, and lasting? Regional Post asked Anna Salome, a marketing specialist who has shaped over 30 successful personal brands, to share her insights on the art of personal branding and how you, too, can leave a mark that matters.

INTERVIEW : TEREZA HOVHANNISYAN / PHOTO : ANNA SALOME AGENCY



What does personal branding really mean, and how would you define the concept of a personal brand?

— A brand is the perception or mental framework that forms in people's consciousness—creating specific associations, both positive and negative. When we see Nike, for instance, we immediately visualize their product portfolio, experience their brand energy, recall their campaigns, or connect with their associated values and personas. This exemplifies strategic branding in action. Personal branding operates on identical principles, where an individual becomes the focal point of these perceptual associations and strategic positioning.

Let's talk about the importance of personal branding. How relevant is it today, and who needs personal branding?

— The role of personal branding is not exaggerated—it represents a direct response to the reality in which we live. We exist within an era of intense competition and information overload. In such an environment, individuals constantly confront the challenge of standing out, positioning themselves clearly, and being recognized and understood for who they are. Personal branding provides precisely the strategic framework to accomplish these objectives. It's particularly important for people who want to increase their income or gain greater visibility and recognition within their sectors.

When someone approaches you for personal branding, where does the process begin?

— The first step is conducting a comprehensive SWOT analysis. This founda-

tion allows us to build a personal brand around our strongest attributes. From the beginning, it's crucial to understand the fundamental why: what is the goal of the personal branding process? That objective shapes our entire strategy and direction. Once the goals are clear, we define the target audience, determining who we're speaking to and who will be the "consumer" of this brand. There's one principle I always apply: in marketing, it's more important to be first than to be the best. That's where the real advantage lies—identifying what makes the person unique and how they stand out from the competition.

Can we consider rebranding in cases where a person is already well-known but needs to reposition himself/herself and show up differently?

— Absolutely. Rebranding represents a significant component of personal branding strategy. We frequently observe public figures who are already established but undergo complete repositioning over time. One of the most notable examples is Kim Kardashian, who initially gained recognition through reality television and celebrity culture. However, she executed a comprehensive rebranding process supported by a substantial professional team. Today, she has positioned herself as a businesswoman advocating for family values, offering public commentary with social consciousness, connecting with her Armenian heritage through visits to Armenia and paying respects at the Armenian Genocide Memorial, among other initiatives.

What are the key elements of personal branding?

— First is positioning—understanding how an individual should be strategically positioned within their market. It's essential to identify and emphasize the distinctive quality or characteristic that differentiates you from competitors. Ideally, your name should consistently evoke three to five specific words or associations, and these associations should remain relatively consistent across both broader and niche audiences. Another fundamental element is image alignment—your physical appearance and presentation should directly support your positioning strategy.

What is the role of media and social platforms? How important are they today?

— Today, we cannot overlook the significance of media and social platforms as they have become indispensable strategic tools. The selection process depends entirely on the individual and their professional sector, requiring us to identify which platform offers the most relevant opportunities for their specific objectives. There are circumstances where active social media engagement may not be necessary for certain positioning strategies. However, social platforms provide one distinct



advantage: they offer relatively equal opportunities to everyone. You can begin from zero, establish a presence, cultivate an engaged community, define your target demographic, and potentially develop it into a revenue stream. This represents a fundamental shift from traditional media channels like television, where visibility required substantial financial resources.

You've had quite an extensive experience, but could you highlight a few successful collaborations?

— Many of my professional collaborations remain confidential—this is something we establish from the initial stages of any engagement. However, several examples are public. One notable case is psychologist Tamara Simonyan. Her account grew through an organic content strategy, and today she exemplifies how a professional psychologist can effectively share expert insights and valuable content through digital platforms. Another significant project involved my work with Grisha Aghakhanyan. We collaborated on his strategic return to the entertainment industry, revitalizing both his musical catalog and public image. We achieved a point where his earlier releases gained renewed popularity.

What challenges can arise during the process of building a personal brand?

— Unfortunately, there are quite a few. One of the most prevalent is impostor syndrome—nearly all of my clients eventually encounter moments where they begin questioning their achievements, feeling undeserving of their success, doubting the value of their contributions, or believing they have reached their position through fortunate circumstances rather than merit. As I mentioned previously, we conduct thorough risk and threat assessments at the beginning of our engagement, but unexpected situations inevitably arise.

We live in a rapidly changing world, where every day brings something new: trends, innovations. What advice would you give for staying relevant?

— One of the most crucial elements for maintaining relevance is authenticity—remaining organic in your approach. You must feel genuinely aligned with your actions and messaging, rather than forced or out of place. When alignment exists naturally, the approach succeeds. When it doesn't, the result can appear awkward or even counterproductive. It's equally important to avoid becoming a victim of every emerging trend. You want people to perceive you in a specific, deliberate manner, and that requires consistency rather than constantly chasing each new development in the market. ♦

THREADS OF TRADITION:

MEGERIAN CARPET'S MISSION TO KEEP ARMENIAN WEAVING ALIVE

In an era when mass production threatens traditional craftsmanship worldwide, one Armenian family business stands as a guardian of cultural legacy. Megerian Carpet, Armenia's largest manufacturer of hand-woven rugs, has dedicated itself to revitalizing the ancient art of Armenian carpet weaving. Regional Post interviewed xxx to explore how this enterprise balances business imperatives with cultural preservation, employing traditional techniques and natural dyes to create pieces that will maintain their vibrant colors for centuries to come.

INTERVIEW : NAZARETH SEFERIAN / PHOTO : REGIONAL POST – CAUCASUS





As Armenia's largest carpet manufacturer, how would you define Megerian Carpet's cultural mission within today's rapidly modernizing marketplace?

— Our cultural mission is twofold: to preserve the ancient art of Armenian rug weaving while creating sustainable livelihoods for our people. Through our work, we provide jobs to skilled artisans and support vulnerable groups in our society, from orphans and children to soldiers and citizens in remote villages. In this rapidly changing world, we believe our greatest purpose lies in honoring Armenia's rich cultural heritage while shaping its future, keeping these treasured traditions alive for generations to come.

While honoring ancestral techniques, what innovations has Megerian Carpet introduced to preserve and elevate traditional Armenian weaving methods?

— In the late 1990s, our family made a pivotal decision to refocus on traditional Armenian rug weaving methods. We undertook the comprehensive retraining of all our weavers, equipping them with original techniques that have been passed down through generations of the Megerian family. The Megerian rugs manufactured in Armenia are the only Armenian rugs woven with the authentic Armenian double knot method. We extract organic colors

from numerous plants that can be found in the Armenian highlands—the vibrant yellow comes from the “immortal flower” while our rich reds derive from madder root. Perhaps most remarkable about these organic dyes is their extraordinary longevity—they maintain their vivid, lively appearance not just for decades, but for hundreds of years.

Armenian carpets are visual narratives of cultural identity. Which symbolic elements and motifs are most significant in Megerian's designs?

—Our carpets and rugs breathe new life into ancient Armenian motifs and symbols, integrating them into present-day reality. Among the most significant elements in our designs are the wheel of eternity—symbolizing earth, wind, water, and fire—alongside powerful representations of dragons, the sun, and the tree of life. We also incorporate cruciform shapes, human figures, and geometric interpretations of birds and animals. Many of our pieces feature distinctly Armenian cultural landmarks such as churches, altars, and khachkars. These elements aren't merely decorative; they represent architectural and spiritual traditions that have defined Armenian identity for thousands of years.

What processes does Megerian employ to authenticate and maintain the integrity of traditional Armenian designs and color palettes? ➤



First, we undertake a comprehensive research to verify the Armenian origins of each design and motif we reproduce. Next, we collaborate closely with our entire team—weavers, designers, and color specialists—ensuring that every step in production is met with knowledge, understanding, and a keen eye for perfection. Our benchmark remains the authentic antique Armenian rugs, with an accurate and precise match of original colors and designs.

How has Megerian Carpet established its global presence, and what partnerships have been most valuable in showcasing these cultural treasures internationally?

— We've built our global presence through strategic partnerships spanning multiple continents. Our network includes international rug and carpet dealers who distribute Armenian rugs across diverse markets worldwide. Equally important are our collaborations with designers, decorators, and consumers from different parts of the globe. Locally, we've developed strong relationships with Armenia's tourism sector—working alongside travel guides, hotels, and cultural organizations to showcase the rich heritage of Armenian rug weaving to thousands of international visitors annually.



In today's international marketplace, what level of recognition and demand exists for authentic Armenian handmade carpets?

— The global market shows considerable appreciation and demand for authentic Armenian rugs and antique pieces. However, we face a significant challenge in the international arena—countries like Turkey and Azerbaijan invest substantial resources in attempts to rewrite history, claiming credit for carpet-weaving traditions that Armenians have practiced for millennia. This cultural appropriation makes it all the more important that Armenians worldwide embrace and showcase this aspect of our heritage. If all Armenians support this form of ancient art and display Armenian rugs in their homes, we can prevent these attempts to discredit our ancient art and history. To enhance the global competitiveness and recognition of our carpets, our primary strategy focuses on effectively marketing the uniqueness, beauty, and originality of Megerian Armenian carpets to the world. We maintain unwavering quality standards to ensure that experts, designers, and buyers recognize our rugs as investment-grade artworks that appreciate over time. Beyond commercial channels, we've strategically donated Armenian rugs to internationally significant religious sites—including St. Lazzaro in Venice, the Vatican in Rome, and the Church of the Holy Sepulcher in Jerusalem. These donations serve as cultural ambassadors, introducing Armenian artistic heritage to the world.

How can elements of Armenian cultural heritage, like carpet weaving, be positioned to compete effectively in today's global marketplace?

— Armenian culture possesses unique qualities that captivate international visitors, who are often enchanted by our ancient rug weaving traditions, traditional foods, music, and cultural dances. At Megerian Carpet and Megerian Museum, tourists experience various aspects of our rich cultural heritage firsthand. We've found that



awareness is the critical factor—when the international community is properly introduced to well-represented Armenian cultural traditions, these elements naturally become competitive in the global marketplace.

Has Megerian Carpet explored creative collaborations with artists from different disciplines to broaden the appreciation of Armenian weaving traditions?

— Yes. In 2006, we marked a significant milestone by unveiling the first Armenian handwoven rugs to the U.S.

market at a landmark event in Atlanta, Georgia, called “Armenian Odyssey.” This showcase brought together numerous Armenian artists and designers who helped us present reproductions of our beautiful historical patterns to new audiences. In 2009, we collaborated with an American designer Barry Dixon, creating a unique organic collection that blended traditional Armenian weaving techniques with his distinctive artistic vision.

What are the primary obstacles Megerian encounters when bringing traditional Armenian craftsmanship to modern commercial markets?

— We face two significant challenges in today’s marketplace. First, there has been a substantial increase in production costs in recent years, which inevitably affects the pricing of our rugs. While we could pivot to lower-quality or machine-made alternatives to address this issue, doing so would compromise the integrity of Armenian rugmaking tradition and diminish the global reputation of these cultural treasures. Instead, Megerian remains committed exclusively to the highest-quality productions that maintain the prestige and artistry associated with Armenian rugs worldwide. The second critical challenge is ensuring knowledge transfer to the next gener-

ation. We must continually attract and train young weavers to preserve the specialized skills of traditional Armenian rug making. To address this, we’ve developed targeted educational programs designed to engage younger artisans, ensuring these ancient techniques and cultural practices won’t be lost.

Looking ahead, how do you envision the evolution of Armenian carpet weaving, and what guidance would you offer to the next generation of entrepreneurs looking to build viable businesses around Armenian cultural traditions?

— We believe that the demand for high-end Armenian rugs and carpets will continue to rise, as it is a form of art that is highly appreciated around the world. As production costs for labor and materials continue to rise, Megerian’s pieces are likely to appreciate considerably in value as the number of designs and rugs will be limited. In this sphere, the key requirements are passion and deep knowledge about your specific cultural business. You must also be prepared to defend Armenia’s cultural heritage from organizations in neighboring countries that invest substantial resources to discredit the thousands of years of Armenian artistic tradition. Building a business around Armenian culture also means becoming an advocate for its authentic history and legacy. ♦





ANCIENT GRAPES, MODERN SOLUTIONS:

Building a Sustainable Wine Tourism Model in the Caucasus

Regional Post asked the Founders of EventToura agency, Marj Badalyan and Nune Manukyan how Yerevan Wine Days transformed from a single-street festival into Armenia's most successful case study in sustainable event tourism, proving that ancient wine traditions and modern environmental responsibility can go hand in hand.

INTERVIEW : MARGARIT MIRZOYAN / PHOTO : EVENTTOURA

To start, could you give us an overview of how EventToura views its role in promoting sustainable practices within Armenia's events industry, particularly through flagship events like Yerevan Wine Days?

— EventToura sees itself not just as an event organizer, but as a catalyst for responsible and sustainable tourism development in Armenia. Our flagship initiative, Yerevan Wine Days, goes far beyond being a celebration of Armenian wine—it serves as a vibrant platform that actively promotes sustainable economic, cultural, and environmental practices within the events and tourism sectors. At the heart of our approach is the involvement of local producers, partners, wineries, and food vendors. By giving them direct access to thousands of local and international visitors, we help strengthen small businesses and ensure that economic benefits remain within local communities. This inclusive model supports the long-term

vitality of Armenia's tourism landscape. We promote eco-conscious choices through the use of reusable wine glasses and sustainably produced merchandise such as scarves and t-shirts. The use of plastic is strictly prohibited during the event, and visitors are encouraged to bring their branded glassware from previous years, helping to avoid unnecessary waste. As a result, we save approximately 100,000 plastic cups annually. EventToura actively collaborates with municipal authorities, international organizations, and sponsors with a focus on sustainability to align with broader environmental and tourism goals. We also partner with educational institutions, NGOs, and volunteer groups to create meaningful opportunities for youth and women to engage in the planning and execution of the festival, empowering the next generation of leaders in the cultural and events sectors. Through Yerevan Wine Days, we aim to set a benchmark for how events in



THE NUMBER OF PARTICIPATING WINERIES BY YEAR

2017 – 25 wineries
2018 – 35 wineries
2019 – 40 wineries
2021 – more than 40 wineries
2022 – more than 50 wineries
2023 – 70 wineries
2024 – over 80 wineries
2025 – up to 100 wineries

Armenia can be both high-impact and low-footprint. It is our living case study—a dynamic example of how cultural celebration can harmoniously intersect with sustainability, community empowerment, and responsible tourism.

Looking at the broader impact, how do you see events like Yerevan Wine Days contributing to Armenia's tourism and economic development goals?

— The main goal of the Yerevan Wine Days festival is to develop event tourism in Armenia. Unlike traditional tourism, event tourism provides a specific reason to visit and creates a strong emotional connection that motivates travelers to return to the country. The festival has become one of the driving forces of event tourism in Armenia, attracting thousands of international visitors each year from all over the world. Surveys conducted during the event indicate that a significant portion of tourists travel to Armenia specifically to attend Yerevan Wine Days. The event takes place annually on the first Friday, Saturday, and Sunday of June, allowing international tour operators to plan their travel packages well in advance, positioning Yerevan Wine Days as a key attraction for visiting Armenia. Tourists who travel to Armenia to attend the festival typically stay in the country for an average of 3 to 5 days. According to estimates, their total spending amounts to around 25 million USD, generating a significant economic impact on the national budget. These expenditures include not only purchases made during the festival but also accommodation, food, transportation, excursions, and cultural experiences, creating a broad and integrated effect across the entire tourism value chain.

How has Yerevan Wine Days evolved since its inception, and what changes have you observed in Armenia's wine industry during these years? What are your main goals for the festival's future development?

— Yerevan Wine Days was launched in 2017 on Saryan Street, and in its very first year, it welcomed around 25 winemakers and 25,000 visitors. Since 2017, the event has expanded year by year, increasing the number of participating wineries, partners, and attendees. The festival has breathed new life into Armenian winemaking. Since the launch of the event, the number of vineyards has increased, wine production has grown, both traditional and emerging wineries have developed, and product quality has significantly improved. Wine exports have noticeably risen, especially thanks to B2B meetings held within the framework of the festival, which have fostered cooperation between local producers and international partners. Armenian wine's global recognition has also grown, highlighting both the country's historical heritage—such as the 6,100-year-old winemaking evidence from the Areni-1 cave—and the uniqueness of indigenous grape varieties.

Can you walk us through your waste management system for Yerevan Wine Days? What specific targets have you set for Yerevan Wine Days in this regard, and what happens to glass, organic waste, and other materials generated during the event?

— Sustainability is one of the core values of Yerevan Wine Days, and our waste management system is designed to minimize the environmental impact of such a large-scale urban event. One of the main elements of our sustainability strategy is the



use of reusable wine glasses. The official glass of each edition of the Yerevan Wine Days festival can be used in subsequent years, significantly reducing the need for single-use cups. In 2024 alone, during the 3-day festival, more than 40,000 visitors used reusable glasses. Another key focus area is reducing food waste. In this regard, we closely collaborate with participating restaurants to encourage more responsible food practices. The restaurants work with us to use only fresh ingredients and prepare food on-site, based on real-time demand. This approach helps prevent overproduction and unnecessary waste. Additionally, the paper tickets included in our “Wine Enjoyment Package” are also subject to recycling. During the 2024 edition of the festival, nearly 1,000 kg of paper tickets were sent for recycling, contributing to environmental protection and the advancement of sustainable development goals.

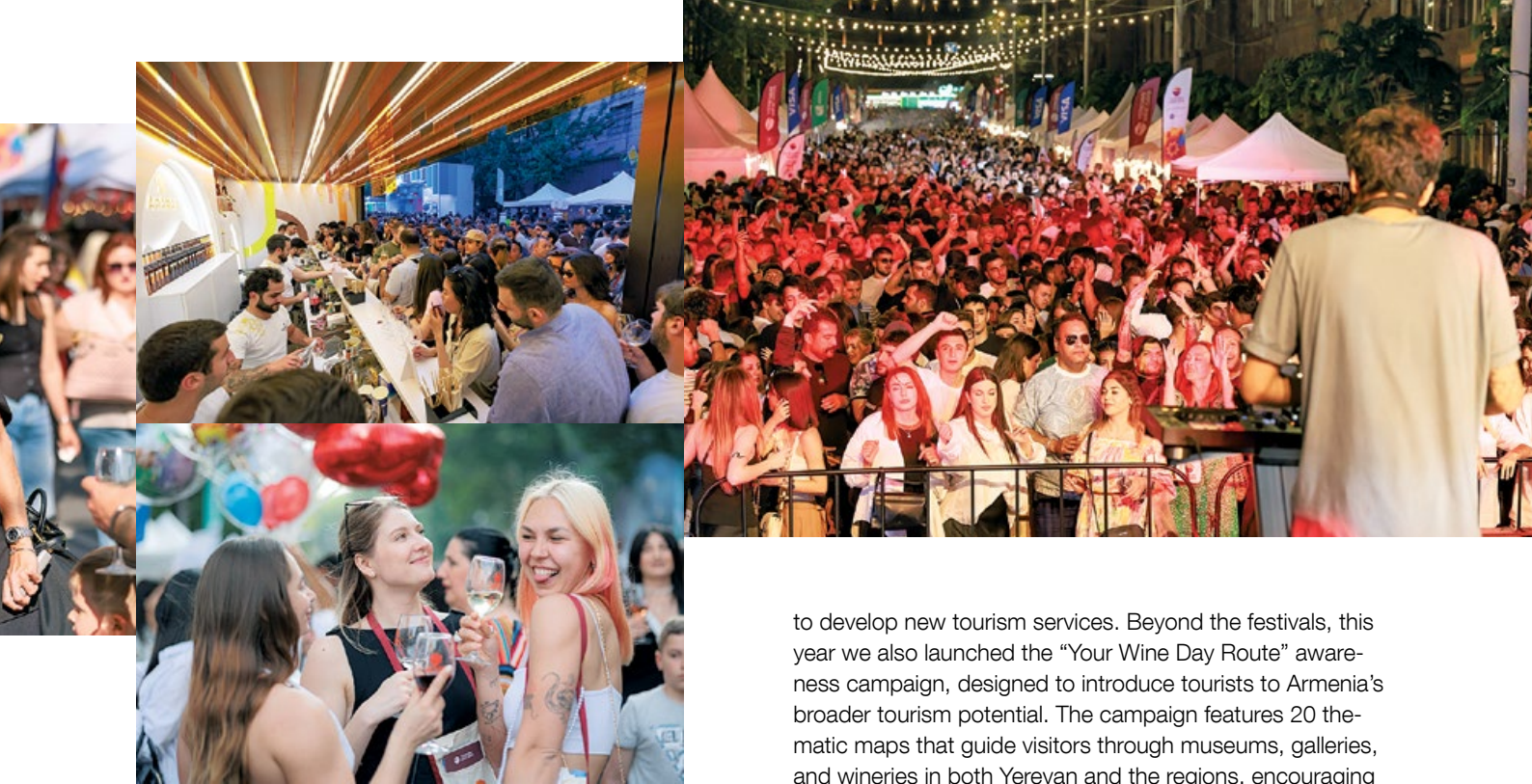
What social impact initiatives has EventToura implemented through its events? For instance, how do you support local communities, vulnerable groups, create employment opportunities, or preserve wine-making traditions?

— The event is large-scale and encompasses numerous components, including support for local communities, the creation of opportunities for vulnerable groups, the promotion of local production, and the generation of new employment opportunities. The festival also collaborates with charitable and civil society organizations, providing a platform for awareness campaigns and social initiatives. Every year, several NGOs participate in the event, raising awareness of important issues through direct engagement with thousands of attendees. In 2024, we partnered with organizations supporting women with breast cancer, providing care for children with epilepsy and other complex neurological conditions, and addressing challenges faced by children in border communities.

These partnerships reflect the festival's commitment to social responsibility and contribute to inclusive community development. The festival also hosted the “Taste of Artsakh” initiative, whose mission is to preserve and share the traditional flavors and cultural identity of Artsakh. Notably, women from Artsakh prepared the beloved zhengyalov hats (herb-stuffed flatbread) for the event, which became one of the most memorable and unique flavor pairings with Armenian wines.

Can you describe your partnerships with local suppliers and producers? How do these relationships contribute to both the local economy and sustainable event practices?

— The Yerevan Wine Days festival would not be possible without effective collaboration with local suppliers and producers. These partnerships serve not only as a foundation for the festival's success but also as a strategic tool for economic development and sustainable event management. Winemakers from all regions of Armenia participate in the festival—including Vayots Dzor, Tavush, Aragatsotn, and Artsakh—with particular emphasis on supporting small and medium-sized wineries. The festival offers producers the opportunity to present their work to over 180,000 visitors, including international partners and tourists. This exposure fosters both immediate sales and long-term collaborations. We don't just sign contracts with our producers—we build lasting partnerships. Many of our partners have grown alongside the festival, improving their services and expanding their customer base year after year. After the event, we consistently conduct surveys, organize meetings, and collect feedback to encourage mutual growth and innovation. The cooperation between the Yerevan Wine Days festival and local producers and suppliers stands as a prime example of economic inclusion and sustainability. By



rooting our activities in local communities, we not only create an authentic and captivating festival experience but also foster success that reaches from one community to another.

How does wine production and winemaking affect different regions of Armenia, and what initiatives is EventToura undertaking in these regions beyond the main festival to support sustainable development?

— Wine production and winemaking have a multifaceted impact on various regions of Armenia—economically, culturally, and socially, particularly in rural communities where winemaking traditions run deep. The development of winemaking in these communities manifests in various ways, from job creation and tourism growth to the preservation of cultural heritage and overall improvement in the quality of life. Moreover, wine culture has become a source of community identity and pride, reinvigorating traditional knowledge and craftsmanship. Local wineries actively collaborate with educational institutions, tour operators, and government bodies, introducing innovative solutions and strengthening regional development. Through organizing Yerevan Wine Days, EventToura, in partnership with the Areni Wine Festival Foundation, also organizes the Areni Wine Festival, helping to promote the village of Areni in Vayots Dzor as a cradle of Armenian winemaking. Held in a borderland community, the festival attracts over 30,000 visitors annually, ensuring a significant influx of tourists into the village and stimulating the local economy. It becomes an economically beneficial platform not only for winemakers but also for other community members—artisans, guesthouse owners, restaurants, and entrepreneurs. In addition to the economic benefits, the festival strengthens the cultural identity of the community, encourages youth participation, and creates opportunities

to develop new tourism services. Beyond the festivals, this year we also launched the “Your Wine Day Route” awareness campaign, designed to introduce tourists to Armenia’s broader tourism potential. The campaign features 20 thematic maps that guide visitors through museums, galleries, and wineries in both Yerevan and the regions, encouraging deeper exploration and cultural engagement.

Finally, as we look toward the future, what role do you see events like Yerevan Wine Days playing in positioning Armenia as a destination for sustainable wine tourism? What new initiatives are you planning, and what specific environmental and social impacts are you hoping to achieve through these future developments?

— In recent years, Yerevan Wine Days has become one of the key events in Armenia’s tourism calendar, significantly contributing to the country’s international branding efforts. The festival presents Armenia as an ancient cradle of winemaking, enriched with modern, emotional, and responsible approaches. As we now consider wine tourism as a long-term development path for the country, Yerevan Wine Days emerges as a fundamental tool for positioning Armenia as a leading destination for sustainable wine tourism. Each year, the festival attracts tens of thousands of local and international visitors who become acquainted with Armenia’s winemaking landscape—its wine-makers, grape varieties, and cultural diversity. These direct interactions foster ongoing interest in Armenia’s wine regions, particularly Vayots Dzor, Ararat, Tavush, and Armavir. Many tourists plan follow-up trips to regional wineries, turning their festival experience into a full-fledged wine journey. Ultimately, the growth in wine consumption and circulation directly contributes to the revitalization of agriculture. This trend encourages the planting of new vineyards, the preservation of grape varieties, and the restoration of diverse rural landscapes. As a vital platform for knowledge sharing, we have established EventToura: Foundation for Event-Based Tourism to support not only our events but also the development and sustainability of other community-based festivals across Armenia. Through this foundation, we aim to connect expertise and resources with the regions, promote community involvement in tourism initiatives, and reinforce Armenia’s position as a global destination for festival-based and wine tourism. ♦



DILIJAN EYE

Where Forest Meets Wellness

Regional Post spoke with Hovhannes Basnetsyan, Deputy CEO of DCD, about the company's ambitious Dilijan Eye project—an 18-hectare wellness estate within Dilijan National Park, transforming Armenia's luxury hospitality landscape, as well as exclusive townhouse purchase opportunity details revealed for the first time alongside their other estate investment offerings.

INTERVIEW : MARGARIT MIRZOYAN / PHOTO : DCD





Hovhannes Basnetsyan,
Deputy CEO of DCD

The Dilijan Eye Project made its debut at TUNEXPO 2025, marking a significant moment for Armenia's wellness sector. Can you tell us about DCD and what drove the company to embark on this ambitious venture in Dilijan's protected forests?

— We're developing what is essentially an 18-hectare wellness estate situated directly within Dilijan National Park. When I emphasize "within," I mean genuinely inside the protected forest boundaries, not merely adjacent to them. Of our total footprint, only 1.5 hectares will accommodate built structures, while more than 16 hectares remain as pristine forests and meadows. We're talking about a 436-apartment hotel complex, 21 exclusive townhouses, comprehensive sporting and leisure facilities, and what will become Armenia's first international-caliber detox center. The founders of our company, the Boyajyan family—Ashot and Vera Boyajyan—acquired this land in 2004. Since 2009, Vera Boyajyan has led the Armenian Community of Malta, and the family has maintained strong connections to Armenia throughout these years, visiting regularly.

You mentioned being positioned within the National Park. How did DCD acquire land with actual property rights within a protected reserve?

— Throughout the entire Dilijan National Park, we remain the only entity with actual property rights documentation. All other locations, including areas like Parz Lich, operate under 50 or 100-year rental agreements. The government had never previously transferred parkland to private ownership, given its protected reserve status. During Soviet times, this specific area underwent scientific examination and was determined to have exceptionally pure air quality. Specialized trees were planted to enhance air purification, and it became a dedicated health center for individuals with severe respiratory conditions. Notably, the center proved so successful that the Soviet cosmonauts would visit for recreational purposes, and eventually it became an exclusive sanatorium specifically for them. Following the 1988 earthquake, the buildings sustained severe damage, and the facility deteriorated. By 2004, it had become a financial burden for the government—substantial salary debts, no operational capacity, and requiring enormous investment that no entity was willing to undertake. The Boyajyans recognized the potential and acquired not just the buildings, but the land itself with complete property rights.

This question might sound trivial, but what drew the Boyajyan family and the company in general

to Dilijan, and what's your vision for wellness tourism here?

— The Boyajyan family's connection to Dilijan runs deep. Vera Boyajyan grew up in a family of hereditary physicians, so naturally air quality and children's health were priorities. That's why Dilijan was chosen as the family's summer retreat even back in Soviet times. Dilijan is often called "little Switzerland," and there's solid justification for that comparison. The air quality, microclimate, and natural beauty are exceptional. Even within Dilijan itself, when you arrive at our specific location, the difference in air quality is immediately noticeable. Given these unique environmental conditions across our 18-hectare property, establishing an international detox center became the logical next step. We're moving towards wellness tourism that can compete with Switzerland's offerings, yet at considerably more accessible price points. We're establishing a medical division with complete diagnostic capabilities for pre-detox assessments. The natural environment itself provides therapeutic benefits—remember that Soviet scientists originally selected this location specifically for respiratory health applications. The philosophy centers on flexibility. We'll offer both detox-focused and conventional cuisine, lounge and



cigar bars, co-working space for IT professionals, a 600-person conference hall, and even a movie theater.

Can you describe what guests will experience when this estate is completed?

— Guests will arrive through our private access road, constructed from the main Dilijan-Ijevan highway, entering an environment where premium hospitality meets pristine nature. We're offering two distinct accommodation experiences here. The hotel complex will be fully renovated and furnished, offering 436 apartments where guests can either stay traditionally or purchase as investment properties with guaranteed returns. But what we're particularly excited about are the 21 townhouses, which represent something quite special—ultra-premium residential options where we're highly selective about our clientele. This is not a mass market product. Each townhouse is delivered as a shell without interior details, allowing owners complete freedom to customize them according to their vision and preferences. While our buildings occupy only 1-1.5 hectares, guests have access to 16 hectares of pristine natural forest and meadows, we're developing golf facilities, tennis and padel courts surrounded by forest, squash courts both indoor and outdoor, extensive fitness facilities, spa amenities, and covered venues for football, basketball, and volleyball. There will be hiking trails—including a direct route to Haghartsin Monastery—plus rock climbing opportunities. At the government's request, we tripled the size of our sports facilities, for which we received official recognition from the state.



What's the development timeline, and what can potential investors expect?

— The townhouses will be ready for occupancy within a couple of months—we're currently completing landscaping and site improvements. The complete hotel complex will be finished in 3-3.5 years. For hotel apartment investors, we offer a compelling model: purchase an apartment, and we manage it fully, delivering up to 20% annual returns. Owners enjoy complimentary accommodation for a specified number of days annually, and we rent the units for the remaining period. We're actively marketing these investment opportunities and conducting site tours for prospective investors.

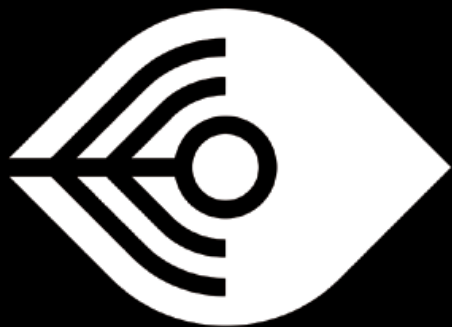
Developing within a protected forest raises environmental concerns. How is DCD approaching sustainability?

— This is absolutely critical to understand: we are conducting zero construction activity in the forested areas, even within our purchased territory. All construction occurs exclusively where the former sanatorium buildings previously stood. We're essentially replacing deteriorated Soviet-era infrastructure with modern, environmentally com-

pliant facilities. All construction work follows strict environmental standards. We demolished structures that were in emergency condition and preserved what remained viable—one preserved building will serve as a public space.

Dilijan is experiencing unprecedented development – World Bank tourism investments, international educational institutions. How does your project fit into this broader transformation?

— We're part of a regional transformation, but we're introducing something entirely new to Armenia—luxury wellness tourism at international standards. This can become a regional hub, attracting visitors not only from Armenia but across the region and internationally. DCD has emerged as the largest investor in Tavush, and the project has received support from both the Investment Support Center (Enterprise Armenia) and Tavush Regional Administration. The economic impact of this project extends well beyond our immediate area. We're creating employment, attracting international investment, and positioning Dilijan as a world-class destination. When people will visit for detox treatments, they're also experiencing Armenian culture, cuisine, and hospitality. ♦



DILIJAN EYE

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