

UNIDO-Carlsberg Group

Promoting resource efficient cleaner production along the entire brewery value chain

THE CHALLENGE

Natural resources in the Russian Federation are under increasing stress due to widespread over-extraction of water resources and unsustainable land use patterns, such as the excessive use of fertilizers in agricultural production. This is a particularly important issue for brewers, as significant quantities of water and land are used, not only by the breweries directly but also in the production of beer's principle agricultural raw materials (barley, rye, wheat etc.).

There are significant opportunities to further improve the sustainability of Russian Brewers and agro-industrial suppliers and reduce their impact on the environment. However, under the prevailing water and energy price regime there is a lack of incentives to switch to more resource efficient cleaner production processes. The capacities of public institutions for natural resource management also need to be strengthened to mainstream the application of resource efficient cleaner production principles, and in turn promote environmental sustainability.

THE RESPONSE

In October, 2012 UNIDO entered into a partnership with the Carlsberg Group, the world's fourth largest brewer, and its subsidiary Baltika Breweries. With the support of the Global Environment Facility (GEF), the partnership aims to reduce natural resource consumption, pollution and greenhouse gas emissions, while also improving the agro-ecosystem and water systems in the Russian Federation. The overall objective of the public-private partnership is to demonstrate a replicable approach of how Baltika Breweries, as a corporate socially responsible industrial player, can become a pro-active steward for resource efficient cleaner production along its entire value chain.



The project is multi-focal in nature. Over the next five years Baltika Breweries will invest US\$ 30 million in resource efficient cleaner production and pollution reduction to improve the direct and indirect environmental footprint of all of its breweries in Russia operating in Saint-Petersburg, Tula,



BUSINESS PARTNERS

Carlsberg Group
Baltika Breweries

WEBSITE

www.carlsberggroup.com
<http://corporate.baltika.ru>

INDUSTRY

Beer and non-alcoholic beverages

PARTNERSHIP OBJECTIVE

Catalyzing market transformation of breweries from a natural resource consuming industry to a pro-active steward for resource efficient cleaner production

EXPECTED RESULTS

- Life-cycle assessment methodology developed to measure environmental footprint of breweries and suppliers from cradle to grave
- Innovative, economically not yet feasible brewery waste to energy approaches developed for GHG emission reduction. (Incremental GHG emissions >43,000 t CO₂ equivalents per year)
- Natural resource consumption, pollution and greenhouse gas emissions of 10 Breweries operated by Baltika and their agro-industrial suppliers significantly reduced
- Capacity of local institutions and experts strengthened in terms of sustainable resource management
- Regional, national and international policies and policy instruments developed for the mainstreaming of resource efficient cleaner production principles

GEOGRAPHIC SCOPE

The Russian Federation

PARTNERSHIP CATEGORY

Core business and value chain partnerships

PROGRAMME PARTNERS

Global Environment Facility (GEF)
Centre for International Industrial Cooperation in the Russian Federation
Volga International Cleaner Production Centre
St. Petersburg National Cleaner Production Centre

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Yaroslavl, Voronezh, Samara, Chelyabinsk, Rostov-am-Don, Krasnoyarsk, Novosibirsk and Khabarovsk. This will involve investing in infrastructure for waste water treatment and ground water replenishment, in catchment areas under water stress in which Baltika is a main water user, improved energy efficiency production processes, as well as developing and testing innovative solutions such as approaches to convert brewery waste into energy which are not yet economically feasible. Funding provided by GEF will focus on improving water and energy efficiency of agro-industrial suppliers, providing technical assistance to reduce over fertilization, pioneering environmental friendly brewing technologies and strengthening the capacities of public institutions for sustainable resource management.

Leveraging its well established structures and networks in the Russian Federation, UNIDO will provide technical expertise and assistance to ensure the smooth implementation of the programme. Sustainability and up-scaling will be achieved by disseminating the results to other industries in the sector through industry associations and by creating the regulatory framework including economic incentives required for the mainstreaming of resource efficient cleaner production processes in breweries and their agro-industrial supply chain.

THE BENEFITS OF PARTNERING

This public-private partnership is the first of its kind in Russia and represents a new way of thinking about environmental sustainability. The partnership is expected to deliver environmental benefits by reducing natural resource consumption, pollution, and greenhouse gas emissions, while also improving the agro-ecosystem and water systems.

UNIDO has a proven track record of helping industrial organizations improve their environmental standards. Baltika Breweries has already received widespread recognition for its environmental sustainability activities in Russia. Through this partnership, UNIDO can support and strengthen these environmental efforts by developing and sharing international industry-related knowledge and providing technical expertise. By working with UNIDO, Baltika and the Carlsberg Group will have an opportunity to further strengthen one of their core values of engaging with society through dedicated community activities focused at improving the environment and implementing sustainable practices in agro-projects. The partners will also contribute to the Russian Federation's ongoing efforts of ensuring environmental sustainability.



Isaac Sheps and Sergey Korotkov at the Signature Ceremony

“This partnership is an historic example of a public-private partnership where we, as market leaders, invest in supporting and sustaining the environment in which we operate. The partnership shows our commitment to investing not only in the Russian economy but also in its environment, and we do so by partnering with one of the most respected and experienced international organizations in the field of industrial environmental sustainability.”

Isaac Sheps, Senior Vice President of Carlsberg Group in Eastern Europe and President of Baltika Breweries

“This partnership is a good example of how UNIDO and a leading company in the beverage sector contribute to greening the industry in the Russian Federation”

Sergey Korotkov, Director of UNIDO's Investment and Technology Promotion Office in the Russian Federation

