



MEETING ON FOSSIL-FUEL SUBSIDIES IN ARMENIA  
IN THE CONTEXT OF THE SDG REPORTING FRAMEWORK

16 NOVEMBER 2021

# PRESENTATION OF THE COMPLETED SDG- RELATED FFS REPORTING TEMPLATE

16 NOVEMBER 2021

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# SDG Reporting Template

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- The template supports the identification, evaluation and monitoring of fossil fuel subsidies to report as part of the SDG Indicator 12.c.1, according to its Methodology (<https://wedocs.unep.org/bitstream/handle/20.500.11822/28111/FossilFuel.pdf>)
- It contains different tabs corresponding to the following elements: "Reporting template", "GDP", "Tax benchmark", "FFS reform" tab, "Price gap calculation" tab, "Country information" tab.
- Fuel disaggregation "Outlays" (for direct transfer dt measures) and "tax expenditure" (for tax expenditure te measures).
- Removal of the non-fossil fuel component if the support measure is for end-use electricity.



# Reporting Template

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**Name of subsidy:** e.g. COVID-19 RA government financial assistance to residential consumers

**Description of subsidy:** Assistance to the amount of 30%-50% of electricity and natural gas consumed in February 2020, by residential consumers, depending on the consumption amount and non-gasified settlements.

**Sources:** Data provided by the RA MTAI, Electric Networks of Armenia, Gazprom-Armenia CJSC

**Current status:** Terminated / Ongoing

**Typology, Category:** Direct transfers of funds / Tax expenditures

**Sub- category:** DIRECT TRANSFER OF FUNDS / TAX EXPENDITURES - Tax breaks and revenue foregone

**Fuel type:** ELECTR / NATGAS / NONBIODIES

**Recipients; Level; Stage of support; Incidence: Start date / End date;**

**Comments; Currency.**

**Financial value (local currency, nominal, millions) 2010 - 2020**



# GDP and Tax benchmark

Calculation template, to support the reporting of "tax expenditures"

The value of the country GDP for each year should be indicated in local currency, nominal value and in millions. The values included here will be used to determine the value of total fossil fuel subsidies per unit of GDP, as required by the SDG indicator 12.c.1. The calculation will be done automatically.

Benchmarks used can be the same for all measures or different. The SDG Methodology recommends two possible approaches: i) Setting the benchmark on the structural features of the tax system; or ii) A reference-law approach considering only taxes explicitly stated in law.





# Price gap calculation tool

## ELECTR

## NATGAS

Total / Weighted Average	39.594	AMD/kWh	5,192.17	GWh
Consumers fed with 110 kV voltage (day tariff)	33.48	AMD/kWh	460.29	GWh
(night tariff)	29.48	AMD/kWh	228.53	GWh
Consumers fed with 35 kV voltage (day tariff)	35.98	AMD/kWh	145.30	GWh
(night tariff)	31.98	AMD/kWh	69.50	GWh
Consumers fed with 6/10 kV voltage (day tariff)	41.98	AMD/kWh	1,163.55	GWh
(night tariff)	31.98	AMD/kWh	423.56	GWh
Consumers fed with 0.38 kV voltage (day tariff)	44.98	AMD/kWh	2,040.64	GWh
(night tariff)	34.98	AMD/kWh	470.61	GWh
Socially vulnerable households (day tariff)	29.99	AMD/kWh	153.87	GWh
(night tariff)	19.99	AMD/kWh	36.32	GWh

Total/ Weighted Average (NATGAS)	128021	AMD/k m3	2071.82	M m3
Residential	139000	AMD/k m3	634.51	M m3
Socially vulnerable households (up to 600 m3 annual)	100000	AMD/k m3	34.23	M m3
Greenhouses (November 1 to March 31)	224	USD/k m3	73.48	M m3
Producers of canned food, beverages and dairy products (Agriculture)	224	USD/k m3	34.26	M m3
Other consumers with consumption up to 10,000 m3 per month	139000	AMD/k m3	180.42	M m3
Other consumers with consumption over 10,000 m3 per month	256	USD/k m3	1114.92	M m3



# FFS reform and Country information

FFS reform tab, to report on past and ongoing fossil fuel subsidy reform plans or related initiatives

"Country information" tab, to collect specific country information on energy consumption, production as well as energy market structure, prices and taxes.



The bottom-up approach revealed only very limited subsidies in Armenia, which do not appear to create significant distortions in energy consumer choices.

Armenia has gone not just through energy policy change, but a much harder, more fundamental transformation of both its economy and people's mentality. At the same time, it is possible to draw on some technical aspects of Armenia's experience as good practice for replication in the wider region of the EU Eastern Partnership countries and Central Asia.



# Challenges filling out the SDG Reporting Template

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- Availability of FFS data and identification of measures, evaluation and monitoring.  
**PSRC, RA SC, RA MTAI, "Electric Networks of Armenia" CJSC, "Gazprom-Armenia" CJSC**
- Removal of the non-fossil fuel component if the support measure is for end-use electricity.  
**International Energy Agency, PSRC, RA SC**
- GDP and Tax benchmark – **RA MF, WB**
- Price gap calculation- **PSRC**
- Country information – **National Communications, RA MoE**
- FFS reform – **Strategies, RA MTAI, Biennial Update Reports, RA MoE**





***Thank you for your  
attention***

OECD [database](#) on FFSs

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