

Templateⁱ for submitting voluntary commitments to the Batumi Initiative on Green Economy (Nicosia call)

To be filled in by submitting country/organization

1. Country or organization:

Republic of Armenia, Ministry of Environment

2. Title of the action (referencing in parenthesis the number of the related focus area(s)ⁱⁱ that the initiative will contribute to):

Promotion of Electric Mobility in Armenia

3. Description of the action:

An important policy initiative by the Republic of Armenia refers to electric vehicles that have certain environmental advantages over conventional vehicles running on fossil fuels. They emit fewer greenhouse gases and air pollutants. EVs in particular show great promise in helping meet CO2 reduction targets in the transport domain and in reducing local air pollution. These vehicles have become increasingly popular, now that the main barriers – the purchase price and their limited range due to high battery costs – have been overcome through the introduction of more affordable, long-range EVs into the Armenian market.

With only 27 electric vehicles imported in 2017, Armenia recorded a drastic increase in the quantity of electric vehicle imports in Armenia from 2017 to 2021 amounting to 6645 electric vehicles in 2021. From 2019-2021 more than 90 charging stations have been installed in nearly all regions of the Republic of Armenia. Moreover, by the initiative of the Ministry of Education, Science, Culture and Sport the profession of technical maintenance and repair of electric cars has been included among the professions of state educational institutions implementing secondary vocational education programs for 2021-2022.

In this regard, the Government has implemented a number of measures aimed at stimulating the purchase of newer and eco-friendlier cars, and in this way has also starting to improve the framework conditions for electric vehicles (EVs). Apart from VAT exemptions on the import of EVs until the end of 2023, such cars are exempt from parking fees in the capital. The Eurasian Economic Commission's Council has decided to grant a tariff exemption in the form of customs exemption in respect of electric vehicles imported into the EAEU countries in limited quantities. Particularly in March 2022, Eurasian Economic

Commission Council adopted a decision that granted every member state a certain amount of quotas for imports of e-cars as part of customs-tariff privileges.

Armenia has been allocated a quota for the import of electric vehicles for 2022 in the amount of 7000, and for 2023 - 8000.

"Technical Advisory Support to Armenia on Enabling the Uptake of Electric Vehicle Mobility" GCF-funded program was launched in 2022. The program includes 4 components .

Component 1. Supporting in the design of an enabling policy, legislative, and regulatory environment for the uptake of EVs,

Component 2. Carrying out rigorous consultations with the private sector to design and introduce innovative financial instruments and market-driven models,

Component 3. Developing a plan for rolling-out EV charging stations and related infrastructure,

Component 4. Develop a countrywide awareness raising campaign

"Transition towards Electric Mobility in Armenia" GEF -funded program was launched in 2021.

The program includes 3 components .

Component 1. Institutionalization and strategic planning for low-carbon e-mobility

Component 2: Short-term barrier removal through low-carbon e-mobility demonstrations

Component 3. Policy development for scale-up and replication of low-carbon electric mobility based on lessons learned from the pilot.

4. Timeframe/milestones for the action, as appropriate:

2019-2024

5. Type of actionⁱⁱⁱ:

(a) legal, regulatory and policy instruments;

(b) economy and fiscal instruments; and

(c) information, education-based, capacity-building and voluntary instruments.

6. Economic sectors^{iv}:

Transport

7. Reference instruments and sources, as appropriate: -

8. Expected co-benefits and impact of the outcome:

- ✓ ***Reducing the energy dependence on gas and gasoline and Energy security:*** Armenia imports all its fossil fuels, a significant portion of which is used for transportation. However, electricity, which is necessary for powering electric mobility, can and should be generated predominantly from renewables. Currently Armenia's energy is generated from renewables (around 30%), nuclear power (around 30%) and thermal power (30%). The market for renewables continues to grow as the country is beginning to tap into its solar power potential. Renewables have been and continue to be incentivized by the government through various instruments. The growing e-vehicle market can be well aligned with the growing solar power generation in the country, thus ensuring that domestic transport consumes locally produced commodity, i.e. electricity generated from solar power. This would ensure energy security and energy independence for domestic transport in Armenia in general and most critically during force-majeure events.
- ✓ ***Reduction of greenhouse gas emissions:*** E-mobility significantly reduces greenhouse gas (GHG) emissions. Recent studies claim that up to 20% of global elderly deaths are in one way or another related to burning fossil fuels and its impact on air quality.
- ✓ ***Involvement of green investments into the transport sector:*** Armenia has the potential to tap into these financing facilities for upgrading and electrifying its public transport through climate and environment funds available from the Green Climate Fund (GCF), European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), World Bank (WB), International Financial Corporation (IFC), KfW and others.
- ✓ ***Implementation the obligations in the frame of UNFCCC and Paris Agreement:*** Climate change is a complex issue that is both urgent and extremely serious. It poses a worldwide threat to human development and requires ambitious and bold collective climate action. To cope with the climate change crisis, the international community adopted the Paris Agreement in December 2015, which went into force in November 2016. The Armenian Parliament ratified the Paris Agreement in 2017

and under this Agreement, together with all signatory countries, will try to limit and reduce greenhouse gas emissions.

- ✓ **Reduction of air and noise pollution:** *This issue is quite relevant in large cities, where the levels of air and noise pollution generally surpass maximum permitted levels (as set by the World Health Organization) often precisely because of the transport and lead to negative effects, both on the environment and human. Conversely, e-vehicles produce little to no noise and would dramatically reduce noise pollution and also via the usage of e-vehicles the air quality increased and air pollution from mobile sources is reduced.*

9. SDGs target(s) that the action may contribute to implement:

SDGs 9,11,13,15

10. Implementation of Environmental Performance Review (EPR)

Recommendations, as appropriate: -

11. Objectively verifiable indicators, as appropriate:

- ✓ 1. Quantity of EV/per year, for all types EV/
- ✓ 2. Monitoring of air pollution, air quality and pollutants/per Year, for main types of air pollutants/
- ✓ 3. Data on gas, gasoline, diesel, electricity consumption /per year/
- ✓ 4. Data on GHG emissions/Per year for main GHG types/.
- ✓ 5. Assessment and analyses of Green grants, Loans/per year/.
- ✓ 6. Monitoring of traffic/traffic maps analyses, evaluation of route time/.

12. Partners:

Ministry of Territorial Administration and Infrastructure, Green Finance institutions, including GCF, GEF, WB, ADB and others

13. Contact points:

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Additional information on the Nicosia focus of the action:

- Is the action related to the Nicosia environmental theme I: “Greening the economy in the pan-European region: working towards sustainable infrastructure”? (YES/ NO)

Title of the Action	Who will take actions a) Government (national and local) b) Business/associations, c) investors/finance, d) International organizations, e) Academia & NGOs	Types of measures	Focus area(s)	SDG targets to which the measure will contribute
Promotion of Electric Mobility in Armenia	a) b) c) d)	(a) legal, regulatory and policy instruments; (b) economy and fiscal instruments; and (c) information, education-based, capacity-building and voluntary instruments.	2-8	9,11,13,15

- Is the action related to the Nicosia environmental theme II: “Applying principles of circular economy to sustainable tourism”? (YES / NO)

ⁱ Based on the “Pan-European Strategic Framework for Greening the Economy” (ECE/BATUMI.CONF/2016/6, appendix).
Webpage: <https://unece.org/documents-and-materials>

ⁱⁱ Nine integrated focus areas were identified in the Strategic Framework are:

- 1: Improve the measurement and valuation of natural capital;
- 2: Promote the internalization of negative externalities and the sustainable use of natural capital;
- 3: Enhance ecosystems and ecosystem services as part of ecological infrastructure;
- 4: Shift consumer behaviours towards sustainable consumption patterns;
- 5: Develop clean physical capital for sustainable production patterns;
- 6: Promote green and fair trade;
- 7: Increase green and decent jobs, while developing the necessary human capital;
- 8: Improve access to services, healthy living and well-being;
- 9: Promote public participation and education for sustainable development.

ⁱⁱⁱ In accordance with the Strategic Framework, the following three types of actions are suggested:

- (a) legal, regulatory and policy instruments;
- (b) economy and fiscal instruments; and
- (c) information, education-based, capacity-building and voluntary instruments.

Countries and organizations should refer to any of these three types, as appropriate and relevant.

^{iv} In accordance with the Strategic Framework, the following three clusters of sectors are suggested:

- (a) economy-wide;
- (b) cities; and
- (c) sectors, including: agriculture, forestry and fishing; energy; mining; manufacturing; transport; water; waste; tourism; and housing, buildings and construction.