



SUBSIDIES AND CARBON PRICES

UNECE ROUNDTABLE DISCUSSION FOR
THE COMMITTEE ON SUSTAINABLE ENERGY

OECD STUDY ON FOSSIL-FUEL SUBSIDIES IN THE EU'S EASTERN PARTNER COUNTRIES

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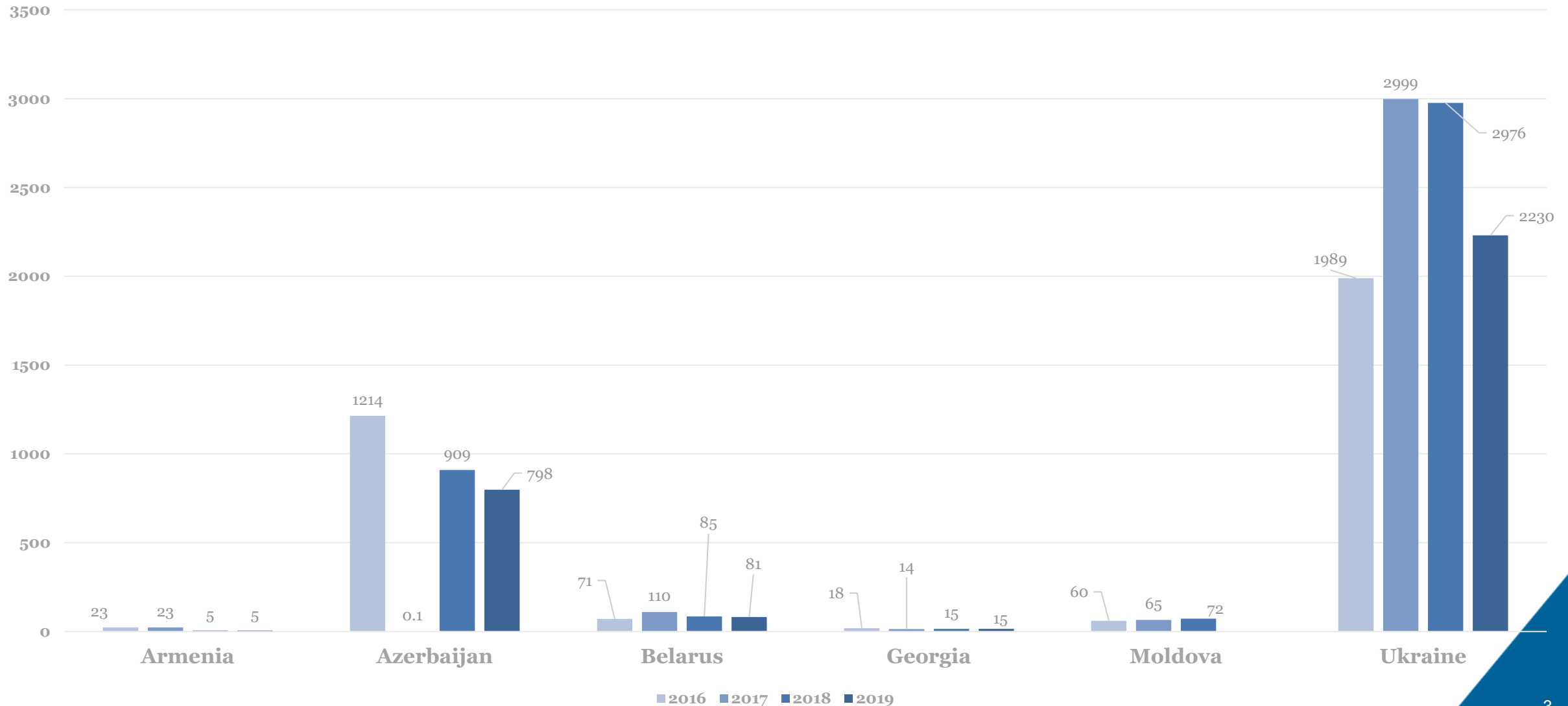


Coverage of the OECD fossil-fuel subsidies (FFSs) study

- **Geographic coverage:** Six EU Eastern Partner (EaP) countries – Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine
- **Scope of the study** – subsidies to producers and consumers of:
 - ✓ Coal
 - ✓ Oil and liquid petroleum products used in the transport sector
 - ✓ Natural gas
 - ✓ Electricity and heat generated from fossil fuels
- **Categories of subsidies covered**
 - ✓ Direct budget transfers
 - ✓ Tax expenditure (and other revenue foregone)

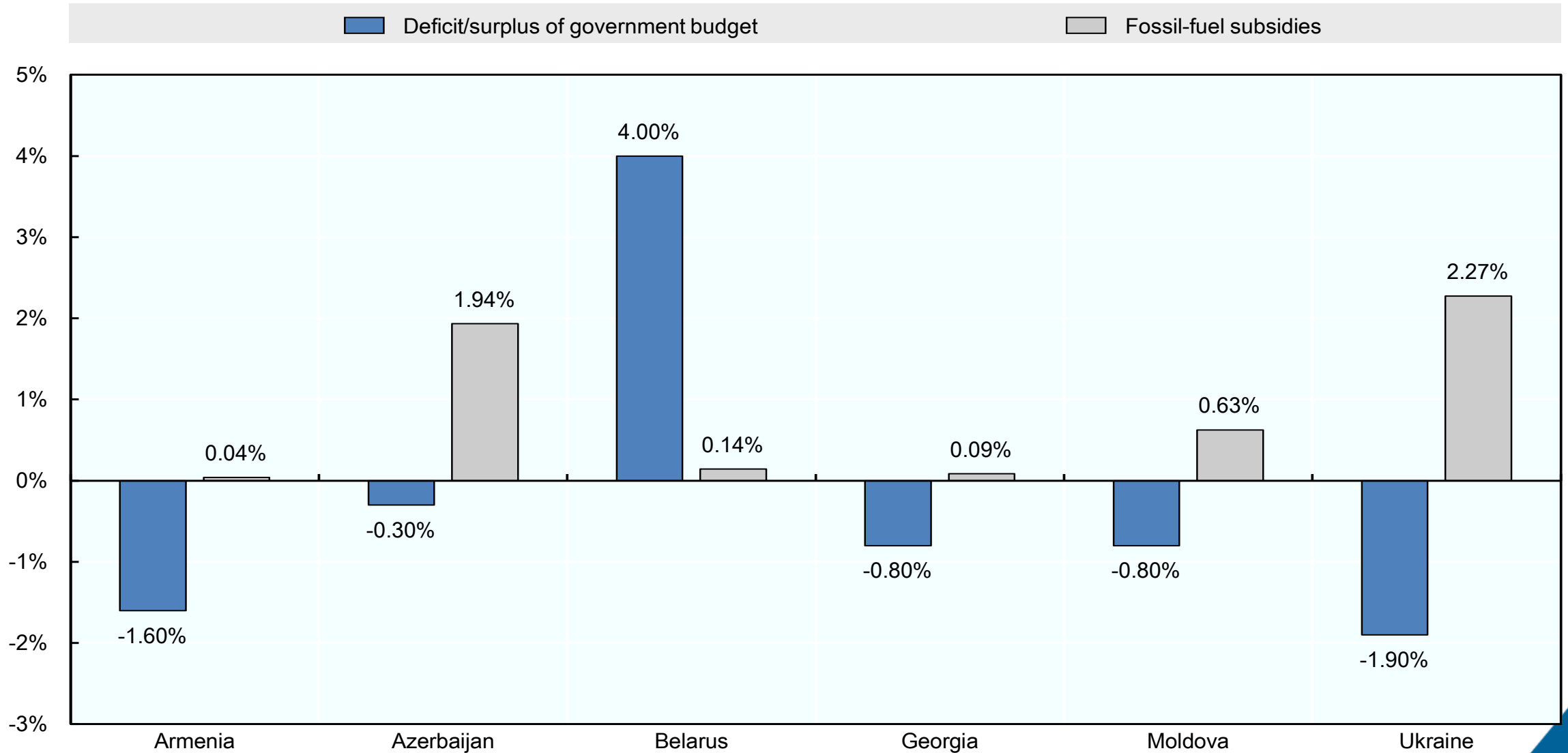


Quantified FFSs, 2016-19, million USD



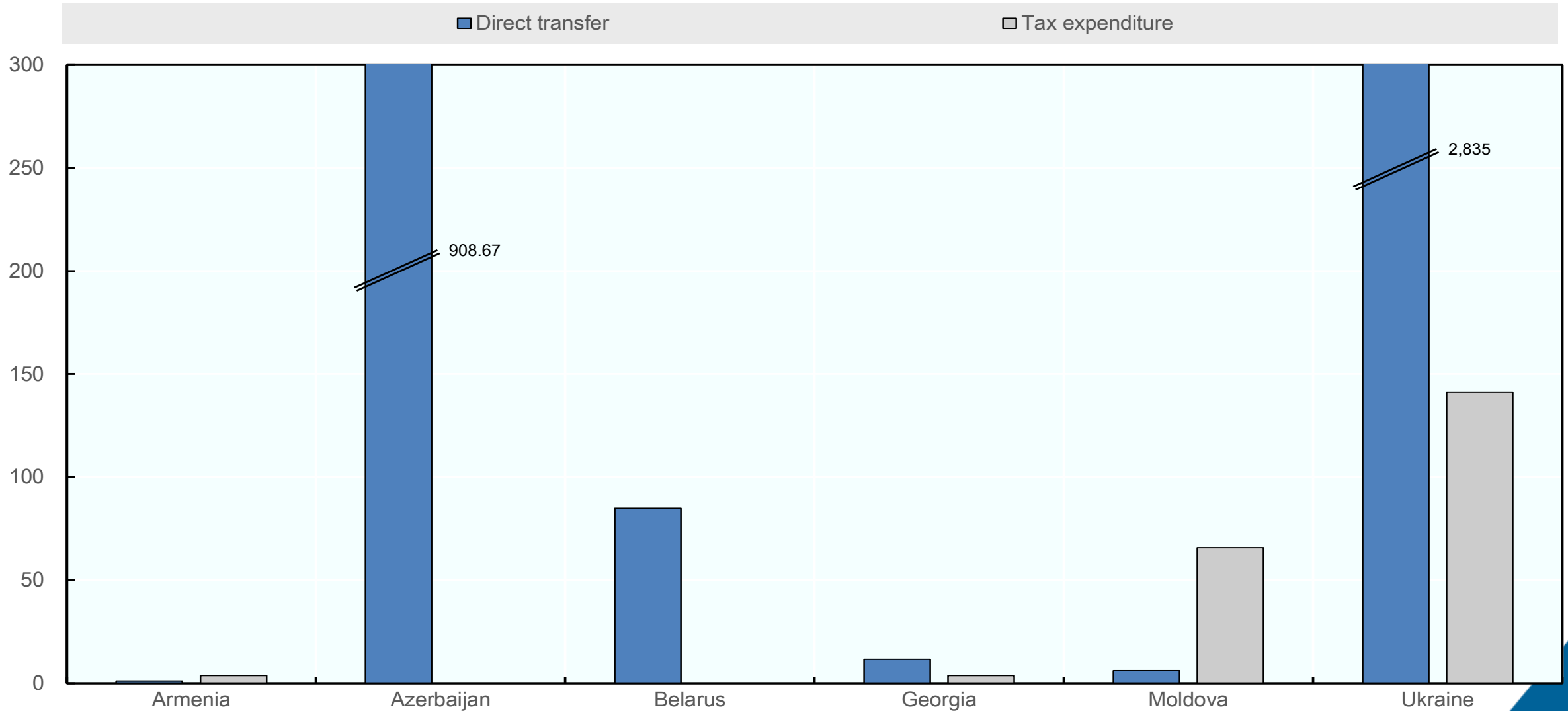


General government deficit/surplus and quantified fossil-fuel subsidies as a share of GDP in 2018



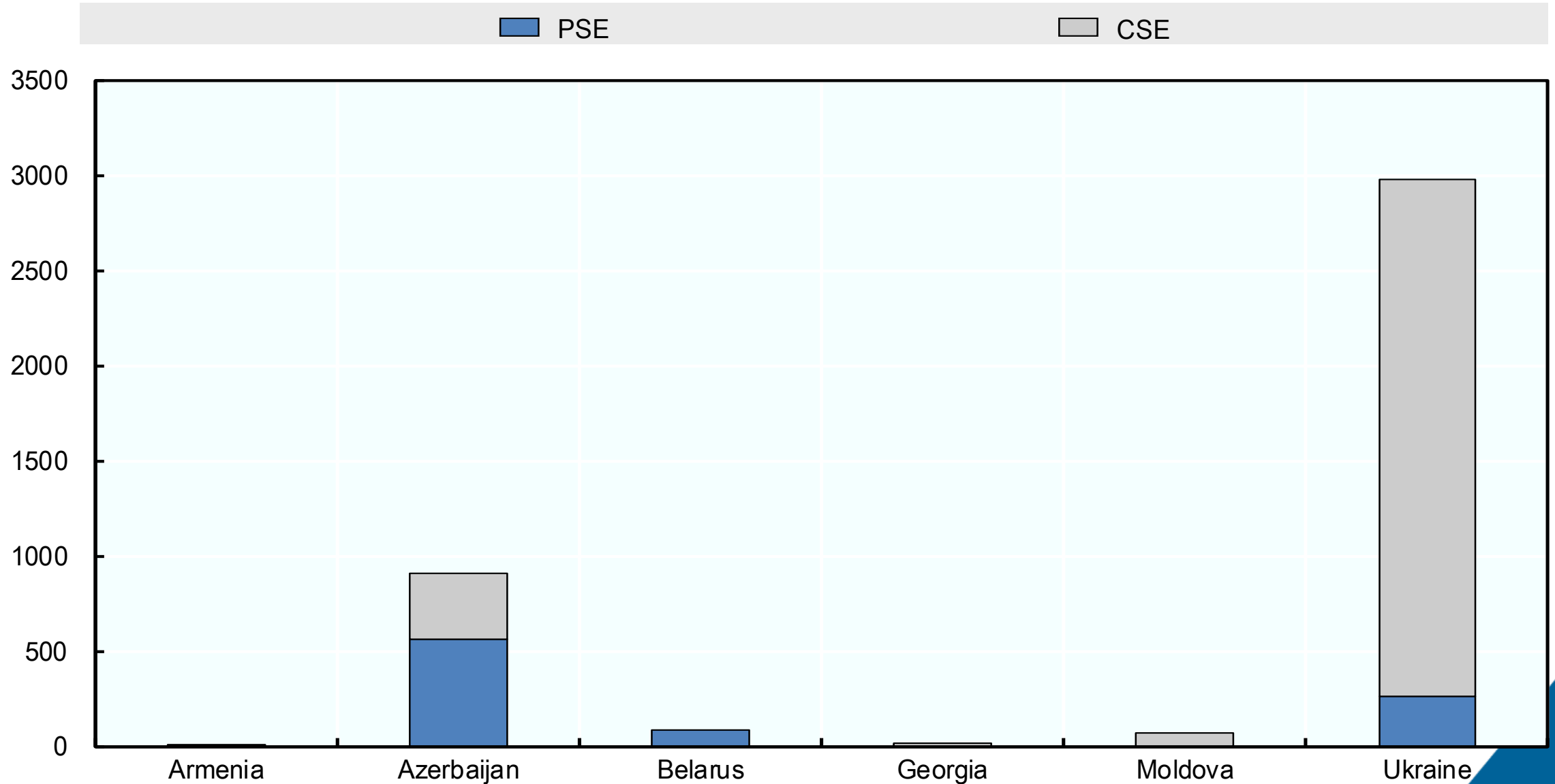


Quantified fossil-subsidies in EaP countries by type of support measure in 2018, USD million



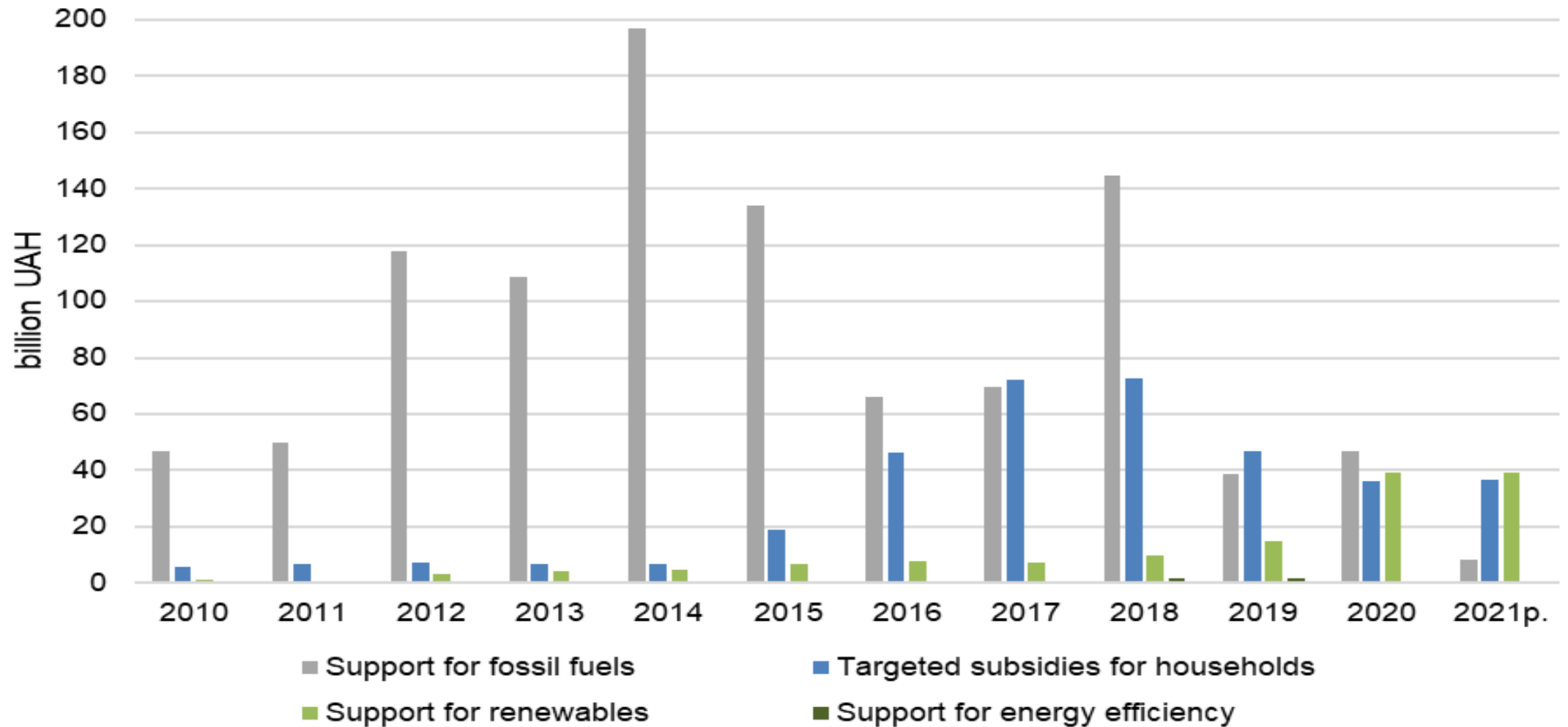


Quantified fossil-fuel subsidies in EaP countries by PSE/CSE indicator, 2018, USD million





Ukraine: Energy subsidies, bln UAH, 2010-2021



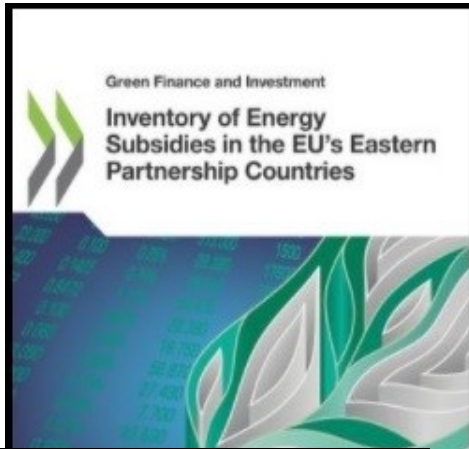


Examples of FFSs reform

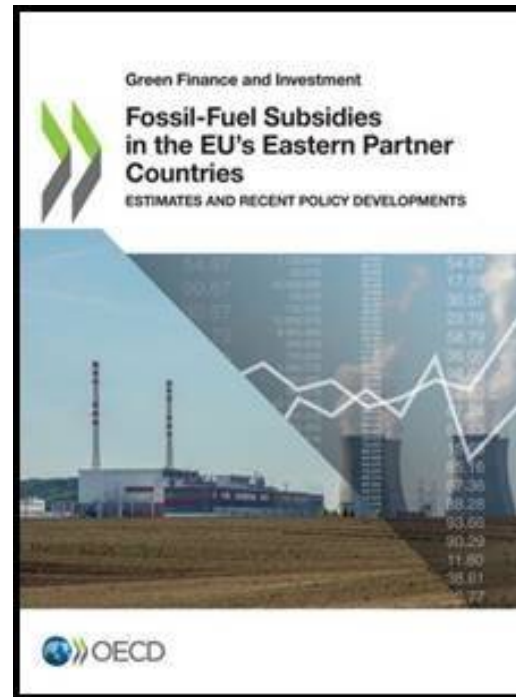
- In 2016, **Armenia** phased out excise exemption for compressed natural gas worth around USD 9 million per year.
- **Belarus** terminated VAT exemptions for natural gas and electricity for households in January 2016, ending a subsidy worth USD 200 million per year.
- **Ukraine** eliminated several budget transfers recently but, at the same time, introduced new *ad hoc* measures to deal with emergencies and arrears in the energy sector.



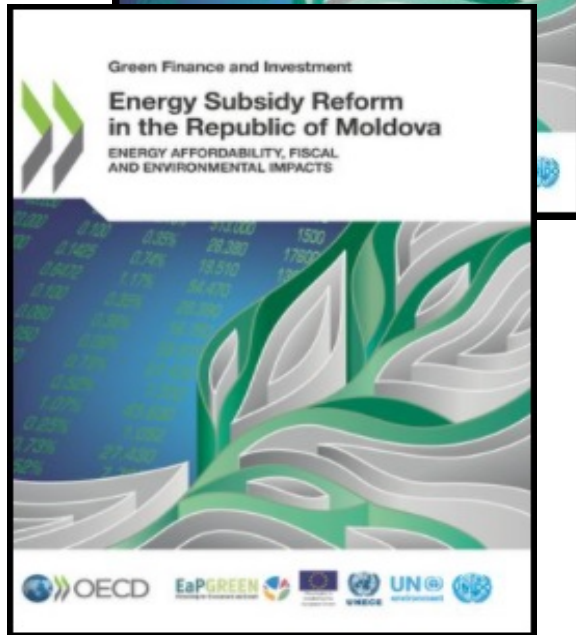
OECD work on FFSs in the EaP region



Inventory of Energy subsidies in the EU's Eastern Partnership Countries



Energy Subsidy Reform in the Republic of Moldova: *Energy Affordability, Fiscal and Environmental Impacts*



Fossil-Fuel Subsidies in the EU's Eastern Partner Countries: Estimates and Recent Policy Developments

OECD FFSs database: housed in the [OECD.Stat](https://www.oecd.org/fossil-fuels/countrydata/) portal: <https://www.oecd.org/fossil-fuels/countrydata/>