**Republic of Armenia**

**Information for the OHCHR three-day workshop on promoting and
protecting economic, social, and cultural rights within the context of addressing inequalities in the recovery from the COVID-19 pandemic,
to be held on 6-8 February 2023**

**Question 1.** Achieving inclusive and green economic growth in line with international human rights norms and standards.

**Answer:**

In August 2021, the Government approved the five-year Government Action Plan for 2021-2026, the Environment Protection Section of which lays down the priority areas of the field. In particular, the document states that the policy of the field shall be mainly focused on raising the level of resilience of the country to climate changes through introduction of best adaptation practices, active participation in global efforts towards low-carbon development and proper performance of international legal commitments assumed with regard to mitigating climate change.

Sustainable forest management, actions aimed at adaptation to climate change effects and mitigation thereof, developing and implementing a policy aimed at promoting the long-term goal for green economy and sustainable development, ensuring gradual reduction of and restriction on the use of single-use plastic products, harmonising the environmental legislation with the directives of EU-Armenia Comprehensive and Enhanced Partnership Agreement and enhancing international cooperation in this context, continuous collaboration with International institutions operating in the field of environmental management and engaging in new initiatives are among the priority areas of the environmental management.

With a view to establishing a toolkit required for embarking on green economy pathways, a number of legislative and institutional reforms are under way, in particular:

* An introductory, on-line training course on green economy in Armenian language has been prepared which is targeted at high and mid-level state officials and other parties concerned involved in the processes of setting, implementing and assessing a policy supporting the transition to green and circular economy. Nine state officials have already taken part in the training course and have learnt how to review, analyse and embed the methods of green economy, sustainable consumption and production into policy and strategies at national and sectoral levels.
* The Ministry of Environment has drawn up the Law of the Republic of Armenia "On making an amendment to the Law of the Republic of Armenia "On preservation of atmospheric air" which is fully approximated to relevant EU directives and was adopted by the National Assembly on 6 December 2022. The new law has established the modern approaches to preservation of atmospheric air, the demand for introducing "the best available technologies" widely used in developed countries for the purpose of limiting emissions, record of emissions of polluting (hazardous) substances and improvement of greenhouse gas inventory.
* The draft law of the Republic of Armenia "On making amendments and supplements to the Law of the Republic of Armenia "On ecological education and upbringing" has been developed; the legal framework of the system of ecological education and upbringing will be improved in tune with the economic, educational and administrative reforms of the Republic of Armenia, in accordance with modern ecological standards and the principle of sustainable development to strengthen the role of ecological education and upbringing, ensure continuous ecological education in the education system at all levels. The process of organising ecological education, the scope of competencies of its participants and those in charge of the field, the peculiarities of organising ecological education at various levels of ecological education and for various strata of society will be simplified. Introduction of ecological awareness-raising toolkit will contribute to the promotion of an ecological culture among the population and mitigation of negative effects on the environment, as well as raising the level of ecological awareness of society on environmental issues.
* The Law of the Republic of Armenia "On the targeted use of environmental tax paid by the companies" has been in force since 2001 and it has been improved. According to the mentioned law, deductions shall be made from the amounts of environmental tax paid by large polluting companies for emission of harmful substances into the atmospheric air from stationary pollution sources, leakage of harmful substances and compounds into water resources, as well as subsoil use, placing at specially designated sites and (or) storing the industrial and (or) consumption wastes to the benefit of the community budgets on the administrative territories whereof the activities of the indicated companies produce a harmful effect. The deductions from environmental tax credited to the administrative and fund units of communities are earmarked funds and are used solely for the purpose of implementation of environmental programmes in the above mentioned communities.
* From 2020 to 2022 the Ministry of Environment has initiated the drafting process of the Law "On making an amendment to the Law of the Republic of Armenia "On environmental impact assessment and expert examination"" taking into account the requirements of relevant EU directives and the requirements of Conventions "On Environmental Impact Assessment in a Trans-boundary Context" and "On Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters". The adoption of the law will contribute to creation of favourable pre-conditions for effective implementation of the EIA process through assessment and expert examination of the environmental impact, strategic ecological assessment and expert examination, assessment and expert examination of the foundational document having a transboundary impact or the envisaged activity, through simplification and streamlining of public notification and public hearing processes.
* A policy aimed at development of electric transport in the Republic of Armenia has been carried out in the Republic since 2019; in particular, there is currently a VAT exemption benefit for import and (or) sale of large, medium and small buses, passenger vehicles, motorcycles and mopeds running on electric engine. The benefit shall be effective until 1 January 2024. A preferential tariff quota has been established by the Decision of the Eurasian Economic Commission on 17 March 2022 for import to the territory of the Republic of Armenia of electric vehicles without paying customs duty: the quota size for 2022 shall be 7000 t/m and 8000 t/m for 2023. The benefit shall be effective until 31 December 2023. Due to the above mentioned reforms, the number of electric vehicles imported to the territory of the Republic of Armenia has drastically increased recently. In 2017, the total number of electric vehicles imported to the Republic of Armenia was 29, whereas the number reached 7181 only in the 1st quarter of 2022. The number of charging stations for electric vehicles is also rapidly growing throughout the country. More than 100 charging stations of different power have already been established and being operated by various companies, in particular in Yerevan, Gyumri, Tsaghkadzor, Dilijan, Ijevan, Vanadzor, Sevan, Ashtarak cities and in a number of other communities of the country, on the highways and roads.

**Question 3.** Addressing structural discrimination in economic planning and budget decisions

**Answer:**

With regards to COVID-19 pandemic, medical care opportunities were provided to the population of the country on equal and inclusive basis, without any discrimination. For the period 01.03.2020-13.01.2023, 44085 coronavirus infection cases have been recorded in Armenia, as of January 13 2023 255 people (0,1%) receive medical care, 435246 (97,6%) recovered. Launched in April 2021, the vaccination against COVID-19 in Armenia was based on the principle of non-discrimination. There were no reported problems regarding access to vaccination services/vaccines against COVID-19. In particular, in order to make vaccination more accessible for population (including for risk groups), duty hours and mobile vaccinations had been established at primary health care organizations at the residences of persons with limited mobility. The vaccination took place at primary health care institutions, regardless of the registration at a certain primary health care institution. Trainings (including online) among healthcare workers and weekly consultations on vaccination issues are still ongoing. As of 12.12.2022, vaccination indicators in Armenia are as follows: first dose received by 51.2% of population, second dose – by 46% of population, booster dose – by 3.7% of population. As of January 13, 2023, 255 people (0.1%) were receiving treatment against coronavirus disease, 435,246 people (97.6%) had been recovered.

**Question 4.** Maximizing available resources, including progressive taxation, industrial policies and curtailing illicit financial flows, for progressively achieving the full realization of all economic, social and cultural rights.

**Answer 1:**

Pursuant to point 3 of paragraph 4 of section 6.8 of the Government Program approved by the Decision of the Government of the Republic of Armenia No 1363-A of 18 August 2021, steps will be taken towards increasing tax revenues to raise the effectiveness and targeting of public resources management and to spend those resources on socially beneficial programmes of nationwide significance, as well as to ensure fiscal sustainability. In addition, the above mentioned programme also stipulates that tax administration should be continuously improved; the shadow economy will be essentially restricted, thus ensuring equal conditions for all participants of economic life. Moreover, the Government of the Republic of Armenia intends, pursuant to paragraph 4 of section 6.8 of the programme of the Government of the Republic of Armenia, to improve tax/GDP ratio by at least 2.6 percentage points, bringing the tax/GDP ratio to at least 25% in 2026.

Within the scope of the mentioned targets, the Government of the Republic of Armenia makes developments to the tax policy aimed at increasing tax revenues. In this regard, the following works have already been carried out in the current year in terms of tax policy:

(1) review of royalty rate calculation formula with regard to metallic mineral resources and calculation of an additional component in conditions where the profitability ratio is greater than 15%, as a result whereof an additional royalty shall be calculated at 15% rate;

(2) laying down regulations relating to taxation of electric tobacco products by excise tax, as well as establishing a schedule of new excise tax rates with regard to tobacco products starting from 2024;

(3) raising the tax burden for internet games of chance and betting, internet betting in the field of gambling, in particular setting a state duty for acquisition of the license to organise games of chance and betting, internet betting;

(4) review of micro-entrepreneurial tax system (in particular imposing an obligation to pay the income tax under the general procedure in lieu of the obligation to pay income tax in the amount of AMD 5000 fixed with regard to employees involved in micro-entrepreneurship, as well as limiting the opportunities of deducting the gross income for the purpose of profit taxation on the basis of payment documents issued by micro-entrepreneurship entities).

**Answer 2:**

Based on Article 19 of the Law "On Medical Care and Service of the Population", medical care of patients with diseases that pose a threat to the environment is provided free of charge and guaranteed by the government. The coronavirus disease is included in the list of diseases, posing a threat to the environment, upon the Armenian Government's decision No. 1286 of December 27, 2001.

At the beginning of the pandemic in March 2020, only one medical organization of Armenia, the "National Center of Infectious Diseases" CJSC, was involved in the process of treatment of COVID-19 patients. Later, 35 hospital facilities were re-profiled to serve the patients: 19 in the country’s regions and 16 in the Capital City of Yerevan. These re-profiled institutions were provided with more than 3,100 hospital beds. The number of allocated beds has been changed depending on the increasing of the pandemic. The Protocols and Procedures were developed and further being revised on a regular basis, taking into account new approaches of the WTO.

**Question 5.** Adopting budget transparency, accountability and meaningful participation of civil society and other stakeholders

**Answer 1:**

The following information is posted on the official website of the Ministry of Finance of the Republic of Armenia to ensure transparency of budget execution:

* Quarterly reports of State Budget of the Republic of Armenia within 45 days after the expiry of the reporting quarterly period: annual reports and drafts are posted after submission of the reports to the National Assembly of the Republic of Armenia until 1 May of the year following the reporting year, and the final reports shall be posted after their approval by the National Assembly of the Republic of Armenia;
* Quarterly and annual summary on execution of community budgets of the Republic of Armenia;
* Monthly analytical and digital information on the execution of the State Budget of the Republic of Armenia within the month following the reporting period;
* The digital summary on execution of the State Budget of the Republic of Armenia over the last three years (in Armenian and English) after approval by the National Assembly of the Republic of Armenia of the annual report;
* The simplified report of the State Budget of the Republic of Armenia (report for citizens) — after approval by the National Assembly of the Republic of Armenia of the annual report.

We would also like to inform that the Ministry of Finance of the Republic of Armenia held a public discussion in 2022 to improve the quality and content of reports on execution of the State Budget of the Republic of Armenia and to bring them into compliance with the requirements of beneficiaries. To identify the needs of beneficiaries before the meeting, the Ministry of Finance of the Republic of Armenia prepared a questionnaire which was sent to the main beneficiaries of the reports and was posted on the official website of the Ministry of Finance of the Republic of Armenia as well. Relevant amendments were made in the reports on State Budget on the basis of the inquiry. At present, works are under way in collaboration with the World Bank with a view to further improving the State Budget reports.

**Answer 2:**

The increase of social expenses through the state budget in the field of health was by 26.4 billion AMD in 2020 and by 27.7 billion AMD in 2021.

**Question 6.** Ring fencing and/or increasing social spending.

**Answer 1:**

State allocations for the education sector are increased every year both to overcome the challenges of post-COVID situation and mitigate the inequalities and to have a progressive increase taking also into consideration the fact that education sector expenditures are long-term investments. As compared to 2019 pre-COVID numbers, State Budget allocations for the education sector increased in 2020 by 13.6% and by 8.2% in 2021. The 2022 post-COVID allocation numbers grew by 25.7% and 2023 allocations — by 9.8% as compared to those of 2021 and 2022, respectively.

**Answer 2:**

The following measures have been implemented to neutralise the economic effects of Coronavirus disease:

Measure 4: beneficiaries of this measure were families with children under 14, where both parents lost their jobs in the period falling between 13 March 2020 and 25 March 2020 (inclusive), or one of the parents lost his or her job in the period between 13 March 2020 and 25 March 2020 (inclusive) while the other had no job at that period. The urgent monetary assistance provided in the form of one-time payment was equivalent to AMD 100000 for each child under 14.

Measure 6: beneficiaries of this measure were persons who lost their job between 13 March 2020 and 30 March 2020, who had been in employed in private sector (except for financial institutions) at least from 1 January 2020 and whose average monthly salary had not exceeded AMD 500000 within the last 2 months. The urgent monetary assistance was equivalent to AMD 68000.

Measure 7: beneficiaries of the measure were pregnant women registered at medical establishments. The one-time monetary assistance was equivalent to AMD 100000.

Measure 8: beneficiaries of this measure were employees of private sector economic entities affected by the Coronavirus disease and the individual entrepreneurs carrying out their business activities in that sector.

Beneficiaries of 11th and 12th measures were consumers of natural gas and electric energy.

Beneficiaries of the 13th measure were families entitled to family and social allowances as of April 2020.

Beneficiaries of the 20th measure were employees and contract employees working in the affected fields of private sector. The one-time monetary assistance was equivalent to the minimum salary — AMD 68000.

Works were carried out in the context of eliminating the inequalities emerged due to COVID-19 pandemic.

**Question 7.** Investing in social spending to comply with the obligation of realizing minimum essential levels of all economic, social and cultural rights and to progressively achieve the full realization of these rights by:

* implementing counter-cyclical fiscal policies efficiently, effectively and equitably to avoid regress of economic, social and cultural rights
* reallocating public expenditure (re-directing resources towards social spending from areas such as defence)

**Answer 1:**

To confront and mitigate the consequences of COVID-19 pandemic and Artsakh, the Government has implemented a counter-cyclical fiscal policy by applying the "exceptional case" rules defined by fiscal rules from 2020 to 2021.

As a result of increase in expenditure conditioned by decrease of tax revenues caused by the economic decline, as well as anti-crisis measures implemented by the Government, the impact of the fiscal policy on the economy was significantly stimulating and a drastic growth in State Budget deficit and Government debt was seen. In particular, the expenses increased due to the counteracting fiscal policy were directed towards neutralisation of the negative economic consequences of the pandemic within the scope of the anti-crisis measures package approved by the Government of the Republic of Armenia, which has included programmes covering 215 billion drams (3.5% of GDP) earmarked for socio-economic support. Consequently, the deficit of the State Budget has reached to the 5.4% of GDP. This and the currency appreciation caused a drastic increase in the Government debt burden, amounting to 63.5% of GDP.

The goals of fiscal policy in 2021 were to ensure fiscal sustainability, contribute to economic recovery and significantly mitigate the consequences of the COVID-19 pandemic and Artsakh war. In particular, the fiscal condition was stimulating, but it decreased as compared to 2020, as a result of which the impact of the fiscal policy on aggregate demand was restraining, in line with the envisaged direction. The budget deficit has decreased in 2021 remaining at a higher than historical level, while the debt/GDP ratio of the Government of the Republic of Armenia has amounted to 60.3%, by decreasing by 3.2 percentage point as compared to the previous year.

From 2022, the country has returned to the approach of the "golden rules" of state finances defined by the fiscal rules, establishing solid grounds for ensuring long-term high economic growth, ensuring reducing debt/GDP trajectory and improving the cost structure. At the same time, the collection of revenues which was higher than expected, has allowed to raise the expected tax revenues indicator, increasing to AMD 1 920 billion in 2022 as compared to AMD 1,843.8 billion expected by the draft State Budget, as a result of which the tax/GDP ratio will improve by 0.5 percentage points compared to the previous year, amounting to 23.2%. At the same time, the debt/GDP ratio of the Government is expected to be at the level of 50.1% due to the economic growth, currency appreciation and reduction of the budget deficit.

**Answer 2:**

Introducing alternative cost-effective pre-school models:

Currently, there are no pre-school educational services in 270 communities of the country. The financial capacities of communities of the Republic of Armenia are insufficient for building appropriate preschool educational establishments or completely renovating the existing ones, therefore there arises a need to seek alternative solutions and ensure their applicability in communities, observing the pre-school education criteria. The procedure for designing alternative cost-efficient models of pre-school education and introducing those models was approved in 2021, which provided for 8 options for provision of pre-school education services.

From 2 September 2022, preparatory procedures for establishing alternative models were launched in two communities.

The school construction program plays an important role in the context of ensuring accessibility and affordability of education: the programme envisages building, capitally renovating or renovating at least 300 schools, 500 kindergartens and pre-school establishments by 2026 and ensuring that they are fully equipped with the necessary furniture and equipment. In 2022, planning and designing works for 79 kindergartens and 82 schools, as well as construction works for 23 kindergartens and 17 schools were launched.

To fill the vacancies of teachers available at general educational establishments in borderline or highland communities, the Ministry has established the procedure for secondment of relevant specialists to state educational institutions in borderline or highland communities. As of 12 December 2022, 4 teachers have been seconded by the Ministry of Education, Science, Culture and Sport of the Republic of Armenia.

Transport expenses of teachers and students of state educational establishments are compensated. In 2021 the transport expenses of students are compensated irrespective of distance, if a student has to attend a school in another community due to absence of a school in his or her actual place of residence or due to the absence of the given educational programme in the relevant school; Teacher assistants and specialised pedagogues also receive compensations starting from 2022.

From 2021, to ensure the continuity of education for students at regional schools of the Republic of Armenia, given the lack of teachers, an e-learning system is being operated through the network of mentor schools for the subjects for which no teachers are available in the given school. It is noteworthy that the teaching is carried out within the framework of the ["E-school Armenia"](https://e-school.am/) program, which has been launched during the COVID-19 pandemic by way of organising centralised distance learning through video classes. As of November 2022, the programme includes 24 mentor schools and covers 85 beneficiary schools and 4500 students.