

**Technical Expert Group on Fossil
Fuel Subsidy Indicator for SDG 12c
Second Consultation Meeting
*29 September 2017***

Avneet Kaur
Deputy Director
Ministry of Statistics and Programme Implementation
Government of India

India's Developmental strategies and programmes and SDGs (1/2)

- India has always been committed to a sustainable path to prosperity
- The national Government has been pursuing the path of ***Sabka Saath Sabka Vikaas*** which is consistent with the pledge of the global political Community reflected in 2030 Agenda '***no one left behind***'.
- Flagship programmes and various other developmental programmes aim at addressing many of the targets under the SDGs.

India's Developmental strategies and programmes and SDGs (2/2)

- Some of the major flagship programmes include:
 - *Pradhan Mantri Jan Dhan Yojana* (world's largest financial inclusion programme),
 - *Beti Bachao Beti Padhao Abhiyaan*,
 - Total Sanitation Campaign,
 - Mission Housing for All,
 - Digital India,
 - Skill India,
 - Clean Energy Mission
 - Sustainable Agriculture Mission
 - Smart Cities Programme,
 -and so on.

Mapping of Target 12 c

- NITI Aayog responsible for implementation of SDGS
- MoSPI responsible for development of Indicator Framework at national level and monitoring progress
- Nodal Ministry identified for target 12c: M/o Environment Forests and Climate Change
- Ministry of Finance and Ministry of Petroleum and Natural Gas identified associated ministries for Target 12c.
- India has also identified the current Centrally Sponsored Schemes and Related Interventions that directly address the aspects of implementation of target 12c. For e.g. National Mission on Food processing (SAMPDA) , National Policy on bio-fuels, National Clean India Fund (NCEF) etc.

National Indicator Framework and Target 12c

- Under proposal: A list of about 310 indicators; Largest ever Monitoring Framework in the country
- Attempt made to cover all components of the targets. All targets covered except targets to be monitored at global level.
- Scope of improving the Framework by adding more indicators with improvements in Statistical System.
- Data availability on the indicators by consulting the respective Ministries.
- Data sources and periodicity included.
- Two indicators suggested in the National Indicators Framework for target 12c subject to approvals:
 - Subsidy per unit of fossil fuel consumption.
 - Tax per unit of fossil fuel consumption.

Current Data Sources for Target 12 c

- Union Budget of Government of India
- Petroleum Planning & Analysis Cell (PPAC), Ministry of Petroleum and Natural Gas.
- Ministry of Finance
- Ministry of Coal
- Ministry of Power
- State Planning and Statistical Departments.

Data Availability related to Target 12c

- Subsidies provided under Budget of Government of India under head 'Subsidy' in value terms/percentage of total subsidy/Percentage of GDP already available in Expenditure budget; Latest 2016-17 (Annual)
- Budgetary subsidies are also captured by Ministry of Finance (Monthly)
- Ministry of Petroleum and Natural gas publication 'Petroleum and Natural Gas Statistics' – subsidy(fiscal/Freight) data available (Annual).
- Petroleum Planning and Analysis Cell (PPAC) – Time series and Monthly data release on subsidies.
- Ministry of Power publishes data on Generation of Power by source, tariffs, duty/surcharge, subsidised power in states.
- Ministry of Coal provides data on geological reserves of coal, Mining leases, allocation of coal blocks, assistance for exploration etc.
- Data monitored for by respective Ministries for all social sector schemes providing subsidy. Eg Subsidy on LPG for the poor (UjjWALA)

Some fossil fuel subsidies done away with in recent times

- Major existing Subsidy is on PDS Kerosene and domestic LPG and freight subsidy for far-flung areas(North East)
- Price of Diesel market-determined; Eliminates the subsidy burden effective 19th October, 2014.
- Petrol price was made market determined effective 26th June 2010.

Policy initiatives on Fossil Fuel in India

- LPG

- Recent initiatives: Pradhan Mantri Ujjwala Yojana (PMUY).
- With effect from May 1, 2016
- Providing LPG connections to women from families below the poverty line.
- Ensures universal coverage of clean cooking gas; moving away from unhealthy emissions from burning coal, wood
- Simultaneous rationalizing the subsidy outgo by excluding such LPG consumers or his/her having spouse taxable income of above Rs 10 lakhs from availing LPG subsidy with effect from 01.10.2016.

Policy initiatives on Fossil Fuel in India

– LPG (PAHAL/Give-it-up)

- Recent initiatives: scheme '**PAHAL**'
- For direct transfer of LPG subsidy to consumers in bank accounts; largest direct cash transfer scheme in the world
- In effect from January 1, 2015
- Cut subsidy leakages, but not subsidies
- LPG is being sold to consumers at the market rate while the subsidy is directly credited to their bank accounts as per entitlement
- '**Give-It-Up**' Campaign; well -off LPG consumers voluntarily give up LPG subsidy. Against each 'Give It Up' consumer, one security deposit-free connection is given to a Below Poverty Line family
- Effective 1st September 2016, the Government has authorized to increase the effective price of subsidized Domestic (excluding state taxes), retrospectively from 1st July 2016 till the end of financial year 2016-17 or reduction of Government subsidy to nil.

Policy initiatives on Fossil Fuel in India

–PDS Kerosene

- Direct Benefit Transfer in Kerosene (DBTK)
- The cash subsidy to be paid to users equivalent to the difference between current PDS price and market rate directly in bank accounts
- Meant for Subsidies on Kerosene to reach the intended beneficiaries
- States level implementation incentive – states given cash incentive of 75% of subsidy savings during first two years, 50% in the third year and 25% in the fourth year

Policy initiatives : Taxes on Retail Prices

- Customs and excise duties are relatively high on petrol and diesel.
- Component of sales tax and VAT on retail prices.
- Policy of tariff rationalization in coal.
- States are coming up with indirect Environmental taxes: Eg Environmental tax on Transport vehicles entry in Delhi; Pollution Cess on Petrol.
- Shift to Renewable Energy in country energy mix – Solar, Hydro, Wind etc. share of Thermal (Coal/Oil/Gas) decreasing.

SDG Target 12c Implementation Challenges

- Setting right indicator(s)
- Inter-relationships - coordination mechanism
- Implementation by States/ UTs
- Align government programmes with Goals and Targets
- Resource mapping
- Strong monitoring systems
- Regular periodicity of data collection

SDG Emerging Challenges: Need to modernize the statistical system

- Use of latest Information and Communication Technology in data collection, data management and data dissemination for improving efficiency of statistical operations and activities.
- E-collection of data:
 - industrial data
 - price data.
- E-dissemination of various data including e-publications
- Government e-data portal
 - data.gov.in
 - Censusindia.gov.in
 - mospi.nic.in/mospi.gov.in
 - Various statistics and statistical publication available on Websites of respective Central Ministries and State Departments
- e-governance: engagement of citizens' directly in the process of data sector reforms.

Conclusion and Way forward

- MoSPI has been organizing data producers and users conference as a regular feature.
- Accordingly, the official statistical system is gearing up to meet growing aspirations of different stakeholders and SDGs by providing requisite data as reliably and timely as possible.

Way Forward

- Use of ICT Technologies for data collection in household surveys conducted by MoSPI and other Government agencies
- Use of latest technologies for improving data storage retrieval and dissemination of official statistics.
- To establish National Data warehouse.
- Bridging data gaps as far as possible and searching of new data sources for meeting growing data demands emanated from SDGs
- Engaging Policy makers through enhancing communication and advocacy for appropriation of financial and human resources and technology for modernization of statistical system.
- Skill development of Statistical personnel particularly for State statistical functionaries

THANK YOU