

# Environmentally motivated subsidies and related transactions – a methodological overview

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Joint OECD/UNECE seminar on  
Implementation of SEEA



# Environmental economic instruments



# Environmentally motivated Subsidies



## What are governments investing our money in?

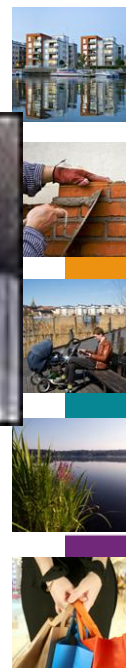
Current or capital transfer that is intended to support activities which protect the environment or reduce the use and extraction of natural resources' (SEEA 2012, §4.138)



# Examples – subsidies for..



**They are current unrequited payments from the government to resident producers**



# Questions....

How much money?

Which country spends the most? On what?

Relation between "good" and "bad"?

Efficiency compared to other policy tools (taxes, permits)

**→ WE NEED STATISTICS/DATA**



# Many different types of transactions....

SEEA can measure those transactions that are recorded

## **Current transfers in the SNA**

Subsidies (SNA D3)

Social contributions and benefits (D6)

Other current transfers (D7)

## **Capital transfers in the SNA**

Investment grants (D92)

Other capital transfers (D99)







# The thing about tax abatements

- Not part of the "Sum of .."
- Nothing that is recorded in accounts (nothing flows in, nothing flows out of government pockets)
- Could be of interest to analyse as an implicit subsidy
- Could be added as a separate row in any table
- Careful of method used to calculate the abatement!



# Basic 5 steps of data compilation

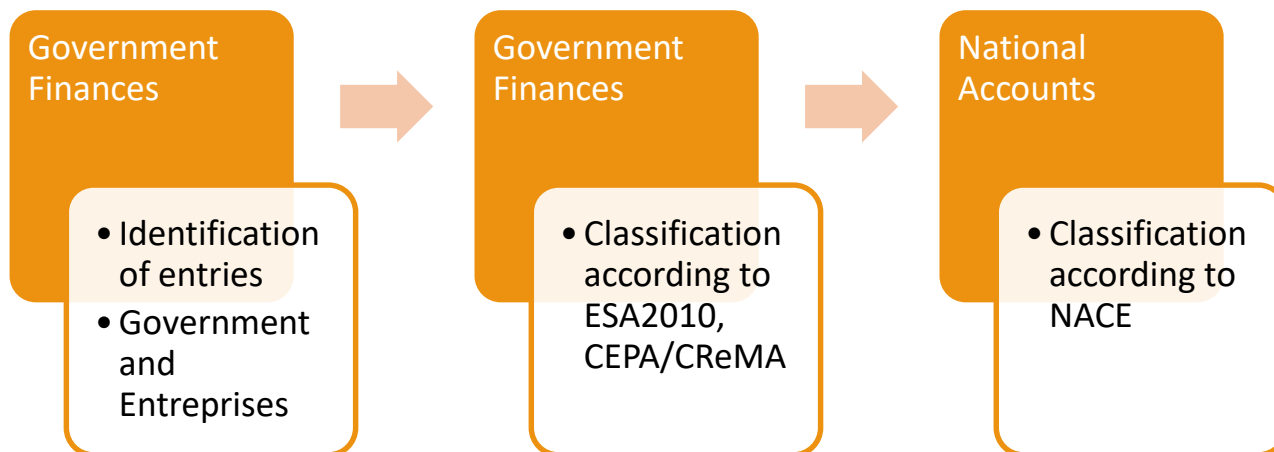
1. Data from the central state budget (appropriations), municipalities and regions,  

2. Find relevant support (current, capital transfers)  

3. Tease out the environmentally motivated "subsidies"  

4. Classify in environmental domains  

5. Distribution on industries





# Work together!

As they do in Denmark!



Source: Statistics Denmark for the Eurostat Working group meeting on Environmental expenditure statistics 16.04.2016

# Challenges!

- Classify as environmental motivated
  - Env support in agriculture. How calculate share?
  - Energy research. All or part of? Examples.
  - Env aid. How calculate share?
- Classify by domain
  - How distribute env aid, env research? Examples.
- By industries
  - How much detail? (on budget line to one sector or more in detail?)



# The recap

- Is there any interest by data users in this topic? → find them!
- Find data! Detective work might be required
- Questions to ask to the data:
  - Can I be sure of what this transfer means? → Who can I ask what this transfer actually does?
  - Can I classify according to environmental domains? All, parts or none? → what methodology do I need to develop to do this classification?
  - Can I distribute this data to receiver? All, parts or none? → what methodology do I need to develop to do this classification?
- Or DO I NEED TO LOOK FOR OTHER DATA SOURCES??



# Where can I go to find more information? Some examples:

- Eurostat (2015) *Environmental subsidies and similar transfers — Guidelines*
- Eurostat (2015) *Excel questionnaire*
- OECD database *on instruments used for environmental policy and natural resources management*
- European Environment Agency *publishes analytical research*

