

SEEA CF Research agenda Identifying fossil fuel transactions for SDG reporting

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The 17 SDG goals and SEEA

1.	Poverty	Basic human needs
2.	Agriculture , food security	
3.	Health	
4.	Education	
5.	Gender	
6.	Water	
7.	Energy	
8.	Growth and employment	Economy
9.	Infrastructure and innovation	
10.	Inequality	
11.	Cities	Environment
12.	Sustainable production and consumption	
13.	Climate change	
14.	Marine areas	
15.	Land degradation and biodiversity loss	Society
16.	Peace, justice	
17.	Governance – including statistical capacity	



Agenda 2030 Goal 12

Indicator 12.c.1: “Amount of fossil fuel subsidies per unit of GDP”. UN Environment is custodian for the indicator. International subsidy data available from collections of IEA, OECD, World Bank, IMF

An expert group has now suggested a method for the indicator. The UNCEEA and the IAEG-SDG has accepted the method.

Statistics Sweden and Statistics New Zealand have done a first test on the methodology teasing out the particularities of the indicator and assessing whether such data may be able to be compiled via SEEA.



First results

- The indicator is possible to extract using existing statistics.
- We need to test the methods, produce the statistics and analyze the results to make sure the outcome is harmonized and described in enough detail for the users.
- SEEA can broaden the analysis by including other climate gases than CO₂ and other economic instruments.
- A proposal is to make use of table 4.8 in the SEEA CF and adapt it to include implicit subsidies.



SEEA fossil fuel transfers

1. On-budget transfers: from the state to industry (as SNA subsidy definition), but also including transfers to international beneficiaries, households as well as capital transfers (investment grants)
2. Preferential tax treatment transfers: can be estimated with extra data on energy taxes paid by industry, combined with energy use or carbon dioxide emissions by industry. Or with national or international price reference.
3. Undertaxed external effects: Emissions by industry from SEEA can be a first step.



Table 4.8 in Central Framework

Table 4.8

Selected payments to and from government and similar transactions

		Payments received by				
		Government	Corporations	Households	NPISH ^a	Rest of the world
Payments made by	Government	Transfers between levels of government	Subsidies and investment grants	Current and capital transfers	Subsidies; current and capital transfers	Current and capital transfers
	Corporations	Taxes, fines, fees, charges and rent	Rent	Rent	Donations	Donations to NPISH in rest of the world
	Households	Taxes, fees, charges and fines			Donations	Donations
	NPISH ^a	Taxes	Current and capital transfers	Current and capital transfers		Current and capital transfers
	Rest of the world	Taxes and current transfers			Donations	

^a Non-profit institutions serving households.

Tax exemptions in Sweden

– what is in and what is out?

Name	2016	2017	2018	2019*
Reduced energy tax on electricity within industry and computer storage	12,28	13,5	14,5	15,34
Reduced Energy Tax Rate for Diesel used in Motor Vehicles	7,97	8,24	8,7	9,2
Energy tax relief for biofuels	6,21	7,2	7,98	8,76
Energy tax releif for biofuel, peat for heating	5,21	5,47	5,59	5,71
Energy-Tax Exemption for electricity used for runway operations	1,3	1,37	1,45	1,53
Energy Tax Exemption for Domestic Aviation	0,82	0,86	0,9	0,94

2019* - planned tax costs, SEK Billion

Source: Swedish government budget – accounts for tax costs

What comes next?

- The London group is involved and will intensify the discussions during 2019 for inclusion in the SEEA CF – for 2018 discussion paper see: https://seea.un.org/sites/seea.un.org/files/lg_24_b_6.pdf
- Statistics Sweden and the Swedish Environmental Protection Agency is planning to start up a specific project looking into new statistics on fossil fuel subsidies
- What can you do?



Pilot steps for country assessments

1. Find the taxation rules and the direct transfers to fossil fuels (from tax authorities or finance ministry).
2. Apply those rules on the energy statistics to obtain an estimate of the direct and indirect transactions to fossil fuels. (Check if OECD or IEA already have them reported.)
3. See if you can provide the statistics by industry (NACE/ISIC). (The relevant fuels are part of the energy accounts, so if you have those it should be possible to use them to allocate the direct and indirect transfers by industry).
4. To broaden the analysis, look at what other greenhouse gas emissions the accounts can provide and add other economic instruments.
5. Analyze the data and the lessons learned and communicate them.



Question to the participants

- Would you like to participate and search your data systems for these transactions to make some pilot analyses?
- Can you see that there would be good practices that we can follow from your country?

Peanuts by Charles Schulz

