

Green National Accounting- India

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Environmental Accounting in India

- Even Before SEEA, the Statistical Organizations in India have discussed the possibilities of introducing environmental data into national accounts.
- Following the Stockholm Conference on the Environment in 1972, environmental accounting was discussed at annual conferences of Central and State Statistical Organizations.

- The CSO has been regularly publishing the Compendium of Environmental Statistics since 1997 which provides in turn a general introduction to the state of the environment and their changing character. The Compendium also focuses on biodiversity, the atmosphere, land and soil, water, and human settlements and the impact of health owing to their deterioration.

- One of the CSO's early attempts to incorporate the use of environmental resources in national statistics was the establishment of a Technical Working Group on Natural Resource Accounting in the 1990s.
- Based on the inputs, Ministry of Statistics and Programme Implementation (MOSPI) commissioned a set of studies on land, forests, air, water, and sub-soil resources in eight Indian states. These studies provided some methodological help in further developing the Environmental Accounting.

- In order to provide a conceptual frame work for the Green National Accounting for India, Government of India in August 2011 constituted a high level Expert Group Chaired by Prof Partha Dasgupta, eminent Economist .
- The Expert Group submitted its report to the Government in March 2013.

- The Report was formally released by the Prime Minister of India on 5 th April 2013 during the International Workshop on Green national accounting for India.
- Report is available in www.mospi.nic.in
- Report also provides a suggested action plan on the implementation.

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- The transition from the existing SNA to a comprehensive set of national accounts that was identified in the Expert Group report and its Appendices can only occur in a step-by-step manner.
- 1. As the first step to prepare Physical Supply and Use Tables (PSUT) and Asset Accounts for: (i) land, (ii) forest and timber, and (iii) minerals. This can be completed in short term.

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- Step 2. To Develop a medium-term plan (extending to a period of, say, 5 years) that would include (i) the preparation of Monetary Supply and Use Table (MSUT) for land, forest and timber, and minerals for implementing the SEEA in those sectors; (ii) the development of PSUTs and Asset Accounts for soil, water, carbon, and energy; and (iii) planning and collecting data for the purposes of valuing changes in water, carbon, and energy sectors.
- MSUTs for minerals can probably be prepared more quickly than those for the other sub-sectors because of the availability of market prices for minerals and data on extraction costs.

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- Step 3. Develop a medium-term plan for estimating NDP. In addition to adjusting for depletion of reproducible and the types of natural capital that were identified 2 above, the move would require subtracting defensive expenditure on the environment from GDP and identifying better ways to account for human capital as investment.
- Step 4. Initiate exploratory research in two areas: (i) the development of a more complete set of national accounts, including a balance sheet for the nation; and (ii) the identification of principles for valuing and periodically collecting and compiling data on environmental assets and flows. This would culminate in a valuation-and data manual that can be used for making adjustments to the SNA.

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- Step 5. Develop a long-term plan (extending, say, to a period of ten years) for (i) institutionalizing mechanisms for periodic collection of data and for organizing periodic studies and surveys for environmental accounts; (ii) collecting and compiling data for valuation and preparation of MSUTs for aquatic resources, air, and biodiversity.

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- Thank you.