



Potentially Environmentally Damaging Subsidies (PEDS)

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Overview

- PEDS data collection:
 - Main features of the data collection
 - Eurostat questionnaire
- Links to UNEP methodology for SDG indicator 12.c.1.
- Next steps

PEDS data collection: Main features (1/2)

- PEDS data collection is built upon:
 - International work: OECD Effective Carbon Rates and Fossil Fuel Subsidies inventory; IMF Working Paper 21/236 + Data Gap Initiative, recommendation 6; UNEP SDG indicator 12.c.1. methodology and questionnaire; IEA energy subsidies; LG Task Force; European Commission (DG ENER, DG ENV); Country projects (Ireland, Sweden, Norway, Italy)
 - Guiding principles: Relevance, accuracy, coherence, comparability, sound methodology, cost effectiveness, non-excessive burden, flexibility for reporting and usability of the data and provision of value added.

PEDS data collection: Main features (2/2)

- List of characteristics:
 - Focus on fossil fuels.
 - Introduction of the variable Average Effective Carbon Rates.
 - Transfers for reporting: ESA transfers D3, D7 and D9; Taxes as covered in ESA 2010 and ETEA, for AECR estimation; Exclusion of tax abatement and any other implicit transfer.
 - CO₂ emissions from fossil fuel combustion as covered by AEA (or derivable from PEFA), used for AECR estimation and emissions range.
 - Proposed use of SEEA-CF accounts as data sources: ETEA, AEA (or PEFA).
- NACE breakdown, as a distinctive characteristic .



Eurostat questionnaire (1/4)

Figure 1. PEDS-ESA transfers

ESA TRANSFERS - Explicit transfers																									
COUNTRY:		UNIT: MIO_NAC																							
Fossil Fuel							Other PEDS							TOTAL PEDS ESA TRANSFERS											
ESA TRANSFERS	2016 (and more?)	footnotes	2017	footnotes	2018	footnotes	2019	footnotes	2016 (and more?)	footnotes	2017	footnotes	2018	footnotes	2019	footnotes	2016 (and more?)	footnotes	2017	footnotes	2018	footnotes	2019	footnotes	
To HH (Institutional sector as ESA-2010)																									
Corporations (Sum of NACE)																									
Transfers paid to NACE A Agriculture, forestry and fishing																									
Transfers paid to NACE B Mining and quarrying:																									
Transfers paid to NACE C Manufacturing																									
Transfers paid to NACE D Electricity, gas, steam and air conditioning supply																									
Transfers paid to NACE E Water supply, sewerage, waste management and remediation activities																									
Transfers paid to NACE F Construction																									
Transfers paid to NACE G Wholesale and retail trade; repair of motor vehicles and motorcycles																									
Transfers paid to NACE H Transportation and storage																									
Transfers paid to NACE I-U Services (except wholesale and retail trade, transportation and storage)																									
Transfers not elsewhere classified																									

Eurostat questionnaire (2/4)

Figure 2. Data for AECR and range of emissions

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	
1	Taxes for Average Effective Carbon Rates												CO ₂ emissions												
2	COUNTRY:	UNIT:	MIO_NAC										COUNTRY 0	UNIT:	tonne CO ₂										
3	Taxes for Average Effective Carbon Rates												AEA CO ₂ data												
4	Sector				2016 (and more?)	footnotes	2017	footnotes	2018	footnotes	2019	footnotes	Sector				2016 (and more?)	footnotes	2017	footnotes	2018	footnotes	2019	footnotes	
5	HH (as final consumers)												HH (as final consumers)												
6	Corporations												Corporations (Sum of NACE)												
7	NACE A Agriculture, forestry and fishing												NACE A Agriculture, forestry and fishing												
8	NACE B Mining and quarrying;												NACE B Mining and quarrying;												
9	NACE C Manufacturing												NACE C Manufacturing												
10	NACE D Electricity, gas, steam and air conditioning supply												NACE D Electricity, gas, steam and air conditioning supply												
11	NACE E Water supply, sewerage, waste management and remediation activities												NACE E Water supply, sewerage, waste management and remediation activities												
12	NACE F Construction												NACE F Construction												
13	NACE G Wholesale and retail trade; repair of motor vehicles and motorcycles												NACE G Wholesale and retail trade; repair of motor vehicles and motorcycles												
14	NACE H Transportation and storage												NACE H Transportation and storage												
15	NACE I-U Services (except wholesale and retail trade, transportation and storage)												NACE I-U Services (except wholesale and retail trade, transportation and storage)												
16	not elsewhere classified												not elsewhere classified												
17	TOTAL taxes paid (Corporations + HH)												TOTAL emissions = (Corporations + HH)												
18																									
19																									
20																									

Eurostat questionnaire (3/4)

Figure 3. AECR and emissions range

Average EFFECTIVE CARBON RATES (Automatically calculated)											Emissions Range (automatically calculated)									
COUNTRY:		UNIT: MIO_NAC/tonne CO ₂									COUNTRY:		UNIT: % of CO ₂ emissions							
Average Effective Carbon Rates											AEA CO2 data (%)									
Sector	2016 (and more?)	footnotes	2017	footnotes	2018	footnotes	2019	footnotes	Sector	2016 (and more?)	footnotes	2017	footnotes	2018	footnotes	2019	footnotes			
HH (as final consumers)									HH (as final consumers)											
Corporations									Corporations											
NACE A Agriculture, forestry and fishing									NACE A Agriculture, forestry and fishing											
NACE B Mining and quarrying;									NACE B Mining and quarrying;											
NACE C Manufacturing									NACE C Manufacturing											
NACE D Electricity, gas, steam and air conditioning supply									NACE D Electricity, gas, steam and air conditioning supply											
NACE E Water supply, sewerage, waste management and remediation activities									NACE E Water supply, sewerage, waste management and remediation activities											
NACE F Construction									NACE F Construction											
NACE G Wholesale and retail trade; repair of motor vehicles and motorcycles									NACE G Wholesale and retail trade; repair of motor vehicles and motorcycles											
NACE H Transportation and storage									NACE H Transportation and storage											
NACE I-U Services (except wholesale and retail trade, transportation and storage)									NACE I-U Services (except wholesale and retail trade, transportation and storage)											
not elsewhere classified									not elsewhere classified											
Average ECR whole economy									TOTAL emissions = (Corporations + HH)											

Eurostat questionnaire (4/4)

- Catalogue of measures:
 - ESA transfers: A table for reporting the individual transfers covered under fossil fuel subsidies, value, allocation to institutional sectors and NACE breakdown, data sources, etc.
 - Taxes for AECR: A table for reporting the value of each tax and the allocation to institutional sectors and NACE breakdown + the possibility of including information of other taxes for which compilers have information and could be included in the future.
 - Other implicit measures: A table for informing and describing implicit measures that not being part of the PEDS data collection, compilers cover (or are in a position to do it) at national level.

Links to SDG 12.c.1

- UNEP methodology and set of characteristics selected for PEDS are compatible, although some differences exist as a result of different objectives, user needs and countries interest.
- Similarities: Treatment of tax abatement + Catalogue of measures
- Differences: Other PEDS + focus on NACE
- The special case of induced transfers (see UNEP methodology)

Next steps

- Communication of the final decisions on methodological aspects to stakeholders and inclusion of changes, if needed
- Guidance material for the compilation
- Preparation of the internal processing to start in parallel with the work on the guidance.
- Launching voluntary data collection expected in the end of 2022
- First results sent by the countries during the first part of 2023.
- Depending on the quality and coverage of the results, publication time will be decided.

Questions

Thank you

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