

Ujjwala and PAHAL: Key Components Of India's Integrated Social Protection Strategy

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To be presented at LPG: Transforming Lives "WLPGA 2017 ASIA LPG SUMMIT" February 7, 2017 New Delhi

Components of Household Welfare over a Life-cycle

**Market Activities(including household Production)
(income earning)**

The aim is to enable purchases of bundle of goods, services and assets on a life-cycle basis

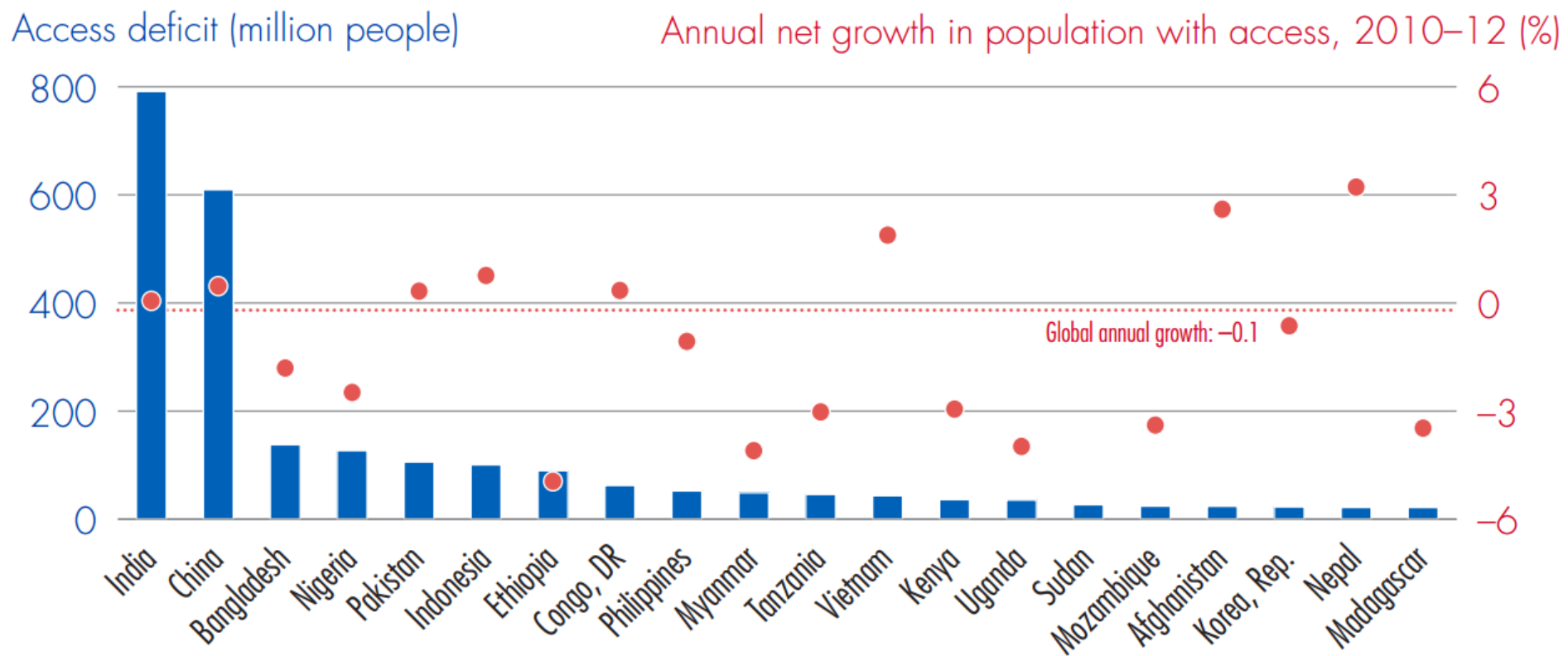
Non- Market Activities: These involve healthy and productive lifestyle management to reduce expenditure needs at different phases of life, including retirement.

In retirement, it involves provisioning of tangible & intangible services for which market and public sector provisions are very imperfect substitutes

Adverse Effects of Solid Cooking Fuels

- Woman and child health: indoor air pollution second largest contributor to burden of disease in India (MOHFW 2015)
- “Clean stoves” also harmful for health (Smith and Sagar 2014)
- 88% of working age rural women engaged in fuel-wood collection; spend an average of four hours every week on it (Desai 2011)

Scale of the Challenge for India



Source: SE4All 2015. Global Tracking Framework Report

Pradhan Mantri Ujjwala Yojana (PMUY)

- Aims to provide LPG connection to 5 crore BPL households by 2019
- Launched on 1st May 2016 in Uttar Pradesh
- INR 8000 crore allocated for three years; INR 2000 crore in 2016-17
- Cash assistance of INR 1600 per connection
 - Security deposit for cylinder, regulator, safety hose, etc.
 - Approximately 50% of total cost

'Give it Up' and 'Give Back'

- Inefficiencies in targeting LPG subsidies reduced by PAHAL (DBTL)
- Over 1 crore households voluntarily gave up LPG subsidies
- Fiscal space to 'give back' LPG connection to a household in need
- However, also a caution against poor design of subsidies

Progress thus far...

Target of 15 million LPG connections under PMUY for 2016-17 achieved: Pradhan

The government had set a target of five crore connections for three years, ending 2018-19 under the Prime Minister Ujjwala Yojana (PMUY) scheme, with 1.5 crore each during this and next fiscal, and two crore in 2018-19

PTI | January 11, 2017, 07:50 IST

Source: Economic Times

Petroleum ministry says refilling rate of LPG cylinders under Ujjwala scheme at 80%

Source: Infracircle

Evaluating the Scheme

- Direct and indirect impact evaluation(s)
 - Short-term vs. Long-term
 - Need empirical data to assess
- Cost-benefit analysis for the household and society
 - Opportunity cost of collecting fuelwood
 - Estimation of health benefit
- Cost-effectiveness analysis
 - Willingness to pay for LPG
- Economic reasoning can inform the design of the scheme

Long-term Success: Systemic Perspective

Financing

Inclusion and Exclusion

Behavioural change

Energy security
(Diversification)

Government

Household

Safety

Sustained use

Import bill

Affordability

R&D

OMC

Distributors

Fuel availability

Supply chain

Under recoveries

Environmental impact

Market viability

Design Principles for Sustainability

	Affordability - LCOE	Health impacts	Assurance of fuel supply	Convenience of cooking	Resilience of the technology	Environmental Impacts/ GHG emissions
Biogas	Good	Good	Neutral	Good	Worst in class	Neutral
Improved Cookstoves	Neutral	Worst in class	Good	Worst in class	Bad	Good
Electric stove	Bad	Good	Bad	Neutral	Neutral	Worst in class
Induction stove	Bad	Good	Bad	Bad	Good	Worst in class
LPG	Worst in class	Good	Neutral	Good	Good	Neutral
PNG	Good	Good	Good	Good	Good	Good

Legend:

Best in class	Good	Neutral	Bad	Worst in class
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Source: CEEW Analysis

- Research alternate technologies
- Experiment: one size may not fit all!
- Collect empirical data for evaluation
- Use a dashboard of various metrics