

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:83  
ANSWERED ON:15.11.2007  
JAN KEROSENE PARIYOJANA  
Verma Shri Ravi Prakash

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the objectives of Jan Kerosene Pariyojana (JKP) have been fully achieved;
- (b) if not, the reasons therefor and the present status of JKP;
- (c) whether the Government is aware of the study conducted by the National Council of Applied Economic Research (NCAER) regarding diversion of kerosene from household to commercial utilization;
- (d) if so, the details thereof; and
- (e) the remedial steps taken/being taken by the Union Government to revamp the scheme?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a) to (e): Government launched, effective 2nd October,2005, an innovative pilot project in 414 blocks in 23 States and one Union Territory under the name of Jan Kerosene Pariyojana for radically revamping the PDS kerosene distribution network with a view to ensuring that this heavily subsidized product is actually made available in the required quantities at subsidized prices to the intended beneficiaries; and, secondly, to thus cap, reverse and eventually eliminate the diversion of PDS SKO for adulteration.

2. It was decided to implement the Scheme, to begin with, in up to 10% of the blocks of the country on pilot basis for a period of six months and thereafter, to assess the working of the Scheme. The blocks chosen for JKP were identified in consultation with the State Governments and Union Territories.

3. The NCAER, who were entrusted by the Government to study on Cost and Impact Analysis of JKP, submitted its report in November,2006 with the observations:-

# The value of estimated reduction in diversion is 21 paise per litre, while the estimated cost incurred is 36 paise per litre.

# There is a need to improve the efficiency of the program as the estimated costs are greater than the benefits.

# There is need to increase the reduction in leakage for better targetting. This is possible with greater involvement of Panchayati Raj institutions in monitoring the delivery of SKO under PDS.

4. The matter was further considered in the Ministry of Petroleum and Natural Gas and it was decided to get another study done through NCAER with the following objectives:-

a) To review the costs and benefits of JKP estimated in the 2006 study and provide a more comprehensive assessment based on fresh data so that some of the longer term impact of JKP could be now captured.

b) To evaluate the involvement of Panchayati Raj Institutions (PRIs) and other agencies in monitoring the JKP including their role in grievances redressal. A quantitative assessment of their effectiveness in terms of their awareness of JKP and the number of meetings held at village panchayat/block/district level for monitoring and redressal of grievances of the SKO cardholders may be made.

c) To undertake comparative analysis of costs and benefits associated with 3 tier distribution system and the 2-tier distribution system, and pros and cons of the two system from the perspective of different states.

d) To assess the improvement in awareness of the JKP scheme and distribution of SKO to the PDS cardholders in terms of availability and entitlement.

5. The Scheme at present stands extended up to 31.12.2007 as a Pilot Project.