

Sansad TV perspective: Green Budget

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: '**Green Budget**'.

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Guests:

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Context: The government of India announced a slew of measures for Green Growth while presenting the Union Budget 2023-24.

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Introduction:

- Aiming to reduce the carbon intensity of the Indian economy, meet clean energy targets, and provide large-scale green job opportunities, Finance Minister Nirmala Sitharaman announced a slew of measures for Green Growth while presenting the [Union Budget 2023-24](#).
- 'Green Growth' is one among the listed seven key priorities which would complement each other and act as the "Saptarishi" guiding the government through the Amrit Kaal.
- Measures included initiatives related to green fuel, green farming, green mobility, green buildings, and green equipment.
- Policies for the efficient use of energy across various sectors of the economy are also being implemented.

Key measures announced:

- The Finance Minister announced an outlay of 19,700 crore rupees for the recently launched [National Green Hydrogen Mission](#).
 - This will facilitate the transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports, and make the country assume technology and market leadership in this sunrise sector.
 - India aims to reach a target of an annual production of 5 MMT of green hydrogen by 2030.
- To steer the economy on the sustainable development path, Battery Energy Storage Systems with a capacity of 4,000 MWH will be supported with Viability Gap Funding.
 - A detailed framework for Pumped Storage Projects will also be formulated.
- Allocation of Rs. 35,000 crores for priority capital investment toward energy transition, net zero objectives, and energy security by the Union Ministry of Petroleum and Natural Gas.
- An Inter-state transmission system for evacuation and grid integration of 13 GW renewable energy from Ladakh will be developed with an investment of ₹20,700 crores (central support of ₹8,300 crores).
- A Green Credit Programme will be introduced under the [Environment \(Protection\) Act](#) to incentivize environmentally sustainable actions by individuals, local bodies and companies.
- The PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth ([PM-PRANAM](#)) will be introduced to encourage States and UTs to promote alternative fertilisers and balanced use of chemical fertilisers.
- 500 new Waste-to-Wealth plants will be set up under the Galvanizing Organic Bio-Agro Resources Dhan (GOBARdhan) scheme for promoting a circular economy.
 - These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at a total investment of Rs 10,000 crore.
- To promote natural farming, 10,000 Bhartiya Prakritik Kheti Bio-Input Resource Centres will be established to develop a national-level distributed micro-fertilizer and pesticide manufacturing network.
- Building on India's success in afforestation, 'Mangrove Initiative for Shoreline Habitats & Tangible Incomes'(MISHTI) will be taken up for mangrove plantation along the coastline and on salt pan lands, wherever feasible, through convergence between [MGNREGS](#), CAMPA Fund and other sources.
- Amrit Dharohar scheme will be taken up over the next three years to encourage optimal use of wetlands, and improve bio-diversity.
- Allocation of adequate funds to phase out old vehicles.

Read more on [Vehicle Scrappage Policy](#)

Analysis of Green Growth in the Budget:

- The Economic Survey highlighted that India is one of the most vulnerable countries as far as climate change is concerned, despite contributing only 4% to the entire carbon emissions of the world.
- In 2021, at [COP26](#) held in Glasgow, India pledged to go net zero by 2070. PM Narendra Modi has also said, “what is needed today is mindful and deliberate utilisation, instead of mindless and destructive consumption.” Hence, this budget has laid out multiple schemes and policies aiming to fast-track India’s commitment to net zero carbon emissions and the need for a greener and cleaner economy.
- The Budget of 2023 has emphasised the Government's commitment to move towards net-zero carbon emission by 2070.
- An article presented at the [World Economic Forum’s](#) Annual Meeting in Davos highlighted that India holds the key to hitting global climate change targets because of its sizable and increasing energy needs.
- As India’s population is set to overtake China, India’s energy needs to propel the economy would surge exponentially. Therefore, it is essential to transition to green energy.
- Moreover, it will provide an opportunity to catalyse new industries, generate employment, and add to overall economic output.
- Circular Economy simply means to gradually decouple economic activity from the consumption of finite resources and designing waste out of the energy sources, the circular model builds economic, natural, and social capital. Meant for productivity enhancement, it is estimated to create large opportunities for businesses and jobs.
- While the viability gap funding (VGF) for battery energy storage systems (BESS) with a 4GWh capacity could prove to be quite a boost, the 4GWh cap could be an impediment and needs a relook.
- It is suggested that with the take-off of the [electric vehicle \(EV\)](#) revolution, the availability of indigenously produced lithium-ion batteries has become a necessity. Considerably, the Budget 2023-24 has proposed to exempt customs duty on the import of capital goods and machinery required to manufacture lithium-ion cells. This would give a fillip to local companies to establish EV battery plants.

Approach towards achieving Green Growth:

- **Mainstreaming in decision-making processes:** Climate-resilient green growth strategies require policy coherence and interdepartmental coordination. For further mainstreaming of environmental sustainability in decision-making processes, the government can adopt green budgeting for India wherein all departments can prepare environmental budget statements highlighting key ‘green’ activities undertaken in their respective departments.

- **Addressing data gaps:** Collecting and synthesising existing and new data is needed to facilitate the preparation of strategies as well as the evaluation of existing policy initiatives.
- **Mobilising finance:** Financing is critical to the implementation of climate-resilient green growth interventions. In addition to public finance, the private sector, banking institutions, and development agencies are also crucial.
- **Commissioning pilots and technology demonstration:** Technology demonstration should be encouraged in areas of renewable energy (RE), waste management, RE for cold storage applications, and natural resource management. This will help in the up-scaling of technologies.
- **Capacity building:** Enhancing financial, technical, and institutional capacities of government as well as the voluntary sector is essential for the implementation of climate-resilient green growth strategies. A greater engagement between government, research and academia, nonprofit organisations, and the private sector is needed to support implementation.

Understanding emerging issues: There is also a need to better understand and plan for impending socio-economic transitions, such as urbanisation and changes in the structure of the economy. Skill development and vocational education need priority action to create opportunities in key green growth-related sectors, especially RE, buildings, and industry.