

## Green Economy

Three years after the launch of the National Clean Air Program (NCAP) in 2019, analysis of pollution levels shows that pollution levels in target cities have decreased slightly. This year's budget announcements underscored the importance the government places on sustainability and decarbonization goals.

### **Green Economy:**

A green economy is defined as low-carbon, resource-efficient, and socially inclusive. In a green economy, job and income growth are driven by public and private investment in economic activities, infrastructure, and assets that reduce carbon emissions and pollution, improve energy, and resource efficiency, and prevent pollution, loss of biodiversity, and ecosystem services.

### **Budget Allocation for Green Economy:**

- In 2022-23 the Ministry of Environment, Forests and Climate Change was allocated Rs 3.03 thousand crores, which is a 5.6% increase from the last budget.
- The Pollution Control Scheme was designed to provide financial support to the Pollution Control Boards/Committees and to fund the National Clean Air Program (NCAP).
- Under the National Coastal Mission, MoEFCC is responsible for ensuring the security of livelihoods of coastal communities, including fishermen, conserving and protecting stretches of coast, and promoting sustainable development based on scientific principles.

### **Policy Backing:**

#### ➤ **Circular Economy:**

- Circular economy refers to using obsolete components or waste material as raw material to manufacture new goods, thereby minimizing waste.
- The Indian government has promoted the promotion of the circular economy by promoting the reuse and recycling of materials.

#### ➤ **FAME Scheme:**

- The e-mobility problem has centered on the fear associated with the lack of charging infrastructure on the country's highways.
- The government has announced initiatives to strengthen charging infrastructure by introducing a battery replacement policy for electric vehicles.

- Electric vehicles are an important part of the Indian government's plans to reduce CO<sub>2</sub> emissions.
- **Ethanol Blending:**
  - The budget encourages ethanol blending by imposing an additional differential excise duty of Rs 2 per liter of neat fuel.
  - It is planned to increase the admixture from the current 8% to 20% by 2025.
  - However, states have complained about the uneven availability of ethanol blends in different regions of the country.
- **Stubble Burning:**
  - The budget also provides for the provision of biomass pellets in thermal power plants to encourage farmers to avoid burning stubble in their fields.
  - This will reduce carbon emissions by 38 MMT each year and would help reduce air pollution in the northern states.

**Energy Conservation (Amendment) Bill-2022:-**The budget session expects to discuss a new draft law, the Energy Conservation (Amendment) Bill, 2022, which aims to create a regulatory framework for:

- Carbon Trading in India,
- Encouraging Renewable Energy Penetration in the Energy Mix,
- Effective Implementation and Enforcement of the Energy Conservation Act, 2001.

**Other Initiatives from the Government:**

- **Sustainable City:**
  - The federal states are supported in building up urban capacities.
  - The modernization of building codes, town planning schemes (TPS), and Transit-Oriented Development (TOD) is being implemented.
- **Battery Swapping Policy:**
  - A battery replacement policy is being developed and interoperability standards formulated.
  - The private sector is encouraged to develop sustainable and innovative business models for "Battery as a Service" (BaaS) or "Power as a Service".
  - This will improve efficiency in the EV ecosystem.

➤ **Sovereign Green Bonds:**

- As part of the overall market borrowings in 2022-23, the government's sovereign green bonds will be issued to mobilize resources for green infrastructure.
- This will help public sector projects to reduce the carbon intensity of the economy.

**Criticism:**

- According to the Center for Science and Environment (CSE), coal gasification produces more carbon dioxide than a conventional coal-fired power plant.
  - In addition, coal gasification plants are more expensive than conventional power plants.
- The closure of coal-fired power plants that do not meet the required standards was previously announced, but the FM in the 2022-2023 budget did not mention anything about the closure of inefficient fossil-fuel power plants.
- According to the Central Electricity Authority (CEA), as of December 31, 2021, non-fossil sources accounted for 40.20% of installed electricity generation capacity.
- The IFSR 2021 report finds that forest cover has increased in India.
  - However, the country has lost more than 1600 square kilometers of natural forests in this period.
- The reported loss of 1,000 square kilometers of natural forest in the northeastern states should be a cause for concern.

**Concerns:**

- India has gone a step further and has drawn up action plans for sectors such as e-waste, end-of-life vehicles, waste oil, and toxic and hazardous industrial waste.
- There is little clarity on how the government intends to address the cross-cutting issues of infrastructure, technological upgrades, and funding through regulation.
- There is no budgetary expenditure for the Energy Service Companies (ESCOs) aimed at facilitating capacity building and awareness of an energy audit for large commercial buildings.

- Too little emphasis is placed on sustainable agriculture, which is essential to food security and livelihoods in India.
- The budget does not appear to outline any concrete policy measures.

**Way Forward:****➤ Areas of Improvement:**

- The National Clean Air Program 2019 needs to be reviewed and amended, which despite being in place for 3 years has not resulted in a significant reduction in pollution levels in the target areas.
- At the same time, states must ensure adequate spending on air pollution interventions.

**➤ Strengthening the Regulation Agencies:**

- There is a need to increase allocations to regulators, in addition to giving them greater powers to strengthen the regulatory system that governs pollution in the country.
- For example, allocations to the Central Pollution Control Board (CPCB) have stagnated at Rs 100 crore for the past four years.

**Conclusion:**

The Union's budget has been criticized by opposition benches as unimaginative. At the same time, the prevailing dispensation spoke of a balanced budget. Both views notwithstanding, the budget has sought to address the post-pandemic world economic slowdown with a range of measures. It is necessary to complement such measures with timely steps throughout the year to support economic recovery.