

## **Much to Gain From Green**

*“Green Growth” is one of the seven priority areas announced in the Union Budget 2023–24 speech, reflecting India’s growing confidence in a strategy that puts sustainability at the core of economic development.*

By Merlin Francis.

We all desire a better quality of life, but if in the bid to get it, we destroy the things that make our planet ‘habitable’, what is better or desirable about it? This is the question at the heart of the climate crisis. The answer? Green growth.

### ***What is green growth?***

The [concept of green growth](#) originated at the Fifth Ministerial Conference on Environment and Development (MCED) held in Seoul in March 2005. With a view to harmonise economic growth with environmental sustainability, while strengthening the synergies between environment and economy, 52 governments and other stakeholders from Asia and the Pacific region adopted a Ministerial declaration (the Seoul Initiative Network on Green Growth) and a regional implementation plan for sustainable development. Pursuing a path of “green growth” was viewed as a key strategy for achieving sustainable development as well as the Millennium Development Goals (particularly, 2 and 7 relating to poverty reduction and environmental sustainability).

*Simply put, green growth refers to a rethinking of traditional development strategies by factoring in how economic growth would impact the environment, and today’s climate crisis prescribes urgent worldwide action on this.*

### **India and Green Growth**

India [has the largest number of poor people in the world](#) and many unmet developmental aspirations. Addressing the climate crisis while meeting its development goals required a radical shift from the carbon-intensive development pathways that developed countries had immensely benefitted from. India recognised early on that adopting green growth as a strategy for economic development was crucial for poverty eradication. The Fourteenth Finance Commission that made recommendations for the period 2015- 20, emphasised that such a strategy would not only enable environmental sustainability, but also ensure that the poor had access to environmental resources.

In 2016, India signed the Paris Agreement, making ambitious commitments to increase the share of renewable energy, reduce the energy intensity of its development (gross domestic product), and create additional carbon sinks. In 2021, higher climate targets were set, as we committed to achieving net-zero emissions by 2070.

Besides the evident role it plays in meeting India’s climate commitments, green growth can aid economic development, taking India sustainably towards becoming a USD 5 trillion economy by 2025–26.

*It can open up new markets through innovation and enhance productivity, thereby expanding economic opportunities. For instance, the transition to renewable energy alone is expected to create at least 20 million jobs in energy generation and distribution.*

Further, green technology can help build basic infrastructure as seen in Goalpara, Assam, where recycled plastic and geogrid technology was used to build a green road. The alternative technology

came to the rescue of the district that had been facing a severe scarcity of road construction material after a bridge that was the lifeline for supply of essentials was washed away by floods.

### Union Budget 2023–24 Paves the way for Climate Action

Economic Survey 2022–23 puts climate change front and centre of our development aspirations and goals, and the Union Budget announcements mirror this line of thought. Steps for clean energy transition, conservation efforts involving local communities, measures introducing more circularity in our economy, and the green credit programme are among the many announced to embed green growth in India’s development strategy.

Hear it from our domain experts:

## Budget 2023-24: Gain with Green

 Bringing together green hydrogen, energy storage (including both battery and pumped-hydro), and investments in energy transition in the budget provides the necessary building blocks for a greener power sector.  
*Abhishek Nath, Sector Head, Energy & Power*

 Bringing the National Green Hydrogen Mission under the ambit of green growth will play a key role in India's net-zero emission (NZE) goals. We need the support of a scalable fuel that can transcend the conventional ways of energy utilisation without spewing tons of carbon dioxide.  
*Murali R. Ananthakumar, Research Scientist, leads Hydrogen Studies*

 Behavioural change is key to climate action, and incentivisation through the Green Credit Programme is commendable.  
*Indu K Murthy, Sector Head, Climate, Environment and Sustainability*

 Priority capital investments towards energy transition and net-zero objectives is a welcome move. India will have to take a multi-sectoral approach to energy transition—from energy system design to urban development & industrial growth. Allocating funding judiciously to states to develop road maps for India's clean energy transition will help India fulfil national targets, spearhead global commitments, and maintain its global leadership position.  
*Rishu Garg, Policy Specialist, Energy & Power sector*

## Budget 2023-24: Gain with Green



To achieve India's net-zero goal, more projects, such as the interstate transmission system to evacuate renewable energy from Ladakh, are required for strengthening the transmission infrastructure for the exchange of renewable energy.

*Harikrishna KV, Research Scientist, Energy and Power sector*



The viability gap funding and changes to custom duty on the import of capital goods for Li-ion battery manufacturing will promote its installation in the grid and aid in green energy transition, in addition to boosting green mobility.

*Ammu Susanna Jacob, Research Scientist working on energy storage systems*



The mention of precision agriculture in the union budget acknowledges that improvements to the current system are needed to help improve yield, increase farmer incomes, and to ensure that the sector does not continue to feed the climate crisis.

*Suresh NS, Research Scientist, Strategic Studies*

Despite all the good things that the 'green growth' budget offers, there is no denying that there would be challenges to balancing our climate goals and development aspirations. Nonetheless, we are on the right track!

More insights on the Union Budget 2023–24 from CSTEP:

[#Budget2023: What is in the budget for #climateaction? — YouTube](#)

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