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### Climate action awaits fiscal push

Budget envisions improved resilience but concerns demand greater fiscal priority, unified framework.

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With sabka vikas as its theme, the [Union Budget 2025-26](#) aims at stimulating balanced growth of all regions. Accelerating economic growth and securing inclusive development are, indeed, appropriate goals for a developing country like India.

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However, in an era marked by climate change and environmental degradation, they may not be sufficient. The global climate emergency mandates that climate change mitigation and adaptation be made central to India's economic and social policy frameworks – and in this aspect, the Budget is found wanting.

That said, the Budget does put forth some distinct measures for building India's climate resilience. A highlight is its emphasis on climate-resilient agriculture. The National Mission on High Yielding Seeds and the six-year Mission for Aatmanirbharta in Pulses aim at developing and propagating high-yield, pest-resistant, and climate-resilient seeds for improving productivity and attaining self-sufficiency.

Another notable measure is the announcement of a Nuclear Energy Mission for research and development initiatives regarding small modular reactors (SMR) with an outlay of Rs 20,000 crore. The mission embodies a major push for India's clean energy transition efforts, aiming to enhance its nuclear energy capabilities and diversify its energy portfolio, eventually making it resilient.

Next, under the National Manufacturing Mission launched for furthering Make in India, clean tech manufacturing has been given a prominent place to build the country's ecosystem for solar photovoltaic (solar PV) cells, electric vehicle (EV) batteries, motors and controllers, electrolysers, wind turbines, etc. for climate-friendly development.

However, climate adaptation measures in agriculture cannot be limited to seeds. Focus and investment are also needed for decentralised irrigation systems, soil conservation, and local weather forecasting tools to ensure that small and marginal farmers can withstand the increasingly erratic weather patterns.

While the Prime Minister Dhan-Dhaanya Krishi Yojana aims to enhance agricultural productivity and promote sustainable farming practices, the systemic challenges faced by farmers remain unaddressed.

Similarly, in the energy transition space, adaptation needs to extend beyond clean energy generation, and measures such as strengthening power grids to withstand extreme weather, investing in decentralised renewable energy, and ensuring energy access to vulnerable communities need to be prioritised.

Nonetheless, the above initiatives make a clear reference to climate resilience. Lamentably, this is missing from some key announcements in the Budget. This holds true, particularly for the Urban Challenge Fund, which, with an allocation of Rs 1 lakh crore, looks at fostering 'cities as growth hubs'.

The Fund aims to boost urban development projects through financial support and encourage infrastructure upgrades but misses out on prioritising investments for protecting the urban population from the escalating risks of climate change.

An essential prerequisite for sustainable urban development is the explicit integration of climate mitigation and adaptation strategies into urban development frameworks. This includes incorporating nature-based solutions into urban planning and supporting climate-resilient housing for the urban poor.

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### Integrated, informed strategy

It may be noted here that the Economic Survey 2024-25 highlights 'bringing adaptation to the forefront' with the preparation of India's National Adaptation Plan (NAP). It also talks about vertical gardens for transforming urban spaces and enhancements in the Energy Conservation and Sustainable Building Code (ECSBC) for improving urban air quality and mitigating heat islands. Providing a clear way forward in the Budget in this regard would have been timely.

Similarly, while the expansion of PM SVANidhi and the welfare programmes for gig workers on online platforms indicate the Budget's focus on social justice and economic resilience, they miss considering the high vulnerability of a large workforce segment to climate-related job losses, particularly in the construction and agriculture sectors.

Stronger measures to help workers adapt to climate-driven disruptions are needed, such as bringing in a National Climate Risk Employment Guarantee Scheme.

True urban sustainability demands a holistic, climate-adaptive infrastructure strategy that goes beyond current efforts. Therefore, climate resilience needs to be the running theme in all initiatives to ensure that cities are not only economically vibrant but also future-ready in the face of the challenges posed by a changing climate.

Budget 2025-26 represents a significant stride towards advancing resilience, yet stops short of embracing a comprehensive, whole-of-government approach to climate resilience. To truly secure India's development trajectory, every critical sector – agriculture, urban development, energy, and employment – must be anchored in a strategy innately informed by climate action. Without such a unified framework, progress remains susceptible to increasingly frequent and severe climate shocks.

By making climate action a fiscal priority, India can safeguard its hard-earned economic gains and pave the way to a Viksit Bharat that symbolises a developed economy as well as a society resilient enough to take on future climate risks.

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