

Examine the need of climate sensitive budgeting in India.

Climate sensitive budgeting is a tool to look into the allocations under the national/state budget that are being influenced by climate change for mitigation & adaption purposes.

The need of climate sensitive budgeting has picked up traction for the following reasons —

a) Rural Economy: It is highly over-dependent on ~~monsoon~~ monsoonal rainfall which in turn is variable with respect to climate change.

It is through climate budgeting that agricultural extension services can be improved & rural infrastructure scheme like Gram Sadak Yojana boost rural economy.

b) Food Inflation: Supply-side inflation in the event of adverse climate change is highly probable.

It is through climate budgeting that the government can control food inflation by factoring in climate change through RBI.

c) Disaster Management: Increased instances of floods, cloudbursts, landslides in cities have caused a great loss to life & property.

It is through climate budgeting that proposals like calamity tax be given for financing disaster management.

d) Safeguarding Vulnerable sections: With increasing feminization of agriculture coupled with climate change has left women the most vulnerable. Also, climate change has resulted in climate refugees, destruction of habitats of tribals.

It is through climate budgeting that government can look to improve the situations of vulnerable.

e) Over-employment: Agriculture accounts for 19% of employment with contribution of only 16% to India's GDP. With climate change, human capital in India is in danger.

It is through climate budgeting that the government can arrange alternate sources of employment.

While climate budgeting is essential for developing countries like India to utilize its own resources to fight against climate change, India must not forget to make the developed countries realize the principle of Common But Differentiated Responsibilities & hasten the process of mobilizing promised funds from developed to developing countries to fight climate change.