

# Climate: A Missed Opportunity

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The Union Budget 2021–22 is a clear plan to bring the economy back on track. But, the current pandemic should have paved the way for a new approach to economic development — one that prioritised environment, ecosystems, and green infrastructure.

With growing loss to life and infrastructure as a result of natural disasters, and India being ranked 7th by the Global Climate Risk Index 2021 — a reflection on the poor preparedness to deal with climate reality, focussed budget to climate adaptation was expected. But the opportunity to promote adaptation is missed in this year's budget.

***Climate-resilient infrastructure and nature-based solutions:*** While a series of announcements on increased outlay to power, road, and rural infrastructure have been made, there is no reference to climate risks to these infrastructures — providing no policy intent or direction to building climate-resilient infrastructure. Dedicated budget outlay for climate-resilient infrastructure, and nature-based solutions (NbS) could have generated jobs and business opportunities, while at the same time providing climate adaptation benefits.

***Climate information services:*** The Government of India, with an agenda to double farmer's income, and [plans to realign agriculture](#) with changing climate and rainfall patterns, missed an

opportunity to build resilience of farming systems and other climate-sensitive sectors by making no provisions to create improved climate information services.

***Coastal climate insurance:*** The Budget could have been the pivotal platform to launch coastal climate insurance to buffer losses incurred by about 250 million people (14% of India's population) residing on the coast as a result of increasing cyclones and floods. Insurance for coastal areas is promoted in Florida; in the UK, and in France and Spain. India could have been one of the first emerging economies with dedicated coastal insurance funded by a federal budget encompassing coastal homes, lives as well as infrastructure — an opportunity lost.

India, aiming to grow into a US\$5 trillion economy by 2024, should have considered climate risks while developing a blueprint for its economy and development, by judiciously allocating budget for resilient, and regenerative economy. Promoting NbS — a benefit multiplier providing social and health benefits, employment, and poverty alleviation — all at the core of development and contributing to several Sustainable Development Goals; incentivising climate-resilient infrastructure, budgeting for coastal insurance could have helped India grow into an economy that is resilient, even in the face of climate change. The only silver lining is the tabling of the 15th Finance Commission recommendation to enhance states' share to 41%, which with clear directive could increase climate finance for adaptation in states.

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