

Roundtable discussion

State Initiatives for transformation towards Green Economic Growth

November 22, 2022, 11:00am -02:00 pm
1st Floor, Seminar Hall, ADRI Office

Green Economic Recovery Relevance for Bihar

The looming climate crisis facing India, coupled with the COVID-19 pandemic which has resulted to increased vulnerability and inequality in India, made the need for adopting Green Economy Recovery, imperative. The COVID-19 pandemic has also offered an opportunity to rethink on economy recovery which is based on the pillars of inclusiveness, sustainability and green actions.

According to the Bihar's Economic Survey, a shift towards more sustainable development is imperative for the state's continued economic growth. The state bore the brunt of the Covid-19 pandemic with a negative economic growth rate (-18.2 per cent) in the first quarter of the pandemic. With an over-stressed economy, state government budgets declined across sectors including financing of those sectors with high contribution towards Greenhouse Gases (GHG) Emissions. For greening the economic recovery of Bihar, a transition towards clean energy should be a major area of intervention, considering that it has the highest potential as climate change mitigation strategy, providing employment opportunities through industrial development and offering sustainable development. Amongst all sectors, the energy sector has been key contributor to GHG emissions in Bihar with a contribution of 65 per cent of its total emissions (in 2018). Despite this, the state is facing challenges in public financing for the sector. Bihar achieved 11 per cent of stipulated renewable energy target as per its RE policy, however some of its climate friendly policies could not be realized due to a lack of state finances.

However, to set the economic growth trajectory towards a green economy the government not only needs to priorities state financing for key sectors such as energy, but also needs to build a climate budgetary framework. As Green budget is a tool to efficiently coordinate its actions across the sectors, by incorporating climate finance into the larger public finance management system. Bihar already delved into this exercise by initiating the process of "Green Budget or *Harit* Budget" since 2020-21 which provides information about the state's future development plans with climate oriented outcomes.

In this context, **Bihar's Policy and Budgetary Priorities for Transitioning towards Green Economic Recovery** were analyzed, with purpose of providing policy inputs to facilitate the greening the recovery of the State economy in Bihar, following the sharp economic downturn due to the COVID-19 pandemic. Through a Roundtable discussion on the theme, we wish to understand the starting points of this novel mission of "Green Economy Recovery" in Bihar and at the same instance; we intend to highlight as a potential it holds for bringing developmental and economic benefits for the state.

Objective of the Roundtable

The Roundtable discussion would aim to disseminate the findings from budget and policy priority analysis in financing of climate change mitigation actions- that is, clean energy financing in Bihar. Through the analysis, several existing climate financing channels have been tracked, options of up-skilling local populace for job employability in the Renewable Energy industry have been suggested and policy inputs for availing the climate financing opportunities have been made for Bihar's green economic recovery. The Roundtable would also be a platform to discuss on the deliberations made in Bihar's Green Budget with respect to its alignment in delivering a Green Economic Recovery.

Some Key Questions for the Discussion

Under this context, the Roundtable discussion is an effort to initiate a dialogue on –

1. How can climate financing are mainstreamed in the public financing planning in Bihar for delivering a Green Economic Recovery through budgetary processes?
2. What are the challenges in leveraging financing for clean energy in Bihar and possible climate financing opportunities/ mechanisms which can be harnessed by the state?
3. How can climate financing bring co-benefits for the social sector in Bihar in terms of employment generation, reducing inequality etc. and what could be the possible framework for up-skilling for green jobs in Bihar?
