



# Action Plan for Green Budgeting in Bihar

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### Contents

- What is green budgeting?
- Objectives of green budgeting
- Similar issue-based budgeting
- Domains of green budgeting
- Pro-forma for green budgeting exercise
- Ways forward and next steps

#### Working definition of "green budgeting"

Every year, government agencies (Departments/ Directorates/ Boards/ Councils/ Commissions) through the Annual Budget Circular, and by preparing Green Budget Statements, will highlight the quantum of public expenditure earmarked in the state budget for environmental sustainability initiatives and eventually reduce expenditure in unsustainable sectors.

Can start with gross budgeting

#### **Objectives of green budgeting**



Approach can transform budgeting exercises into an effective <u>coordination mechanism</u> of sustainable development so that economic, social and environmental aspects are duly considered.

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Green budgeting can play an important role in **encouraging active mind-sets**, leading to green and inclusive growth

Encourage **innovations and green products** by giving policy signals to markets.

Mainstream environmental sustainability within existing development processes towards activities with **positive environmental outcomes** in terms of air, water, forest cover and climate

#### Similar issue-based budgeting

Gender Budget Statement was first introduced in Budget 2005-06. In order to make further refinement to the Statement, every year the Ministries/Departments are requested through the Annual Budget Circular to highlight the quantum of public expenditure earmarked in budget for women.

Child Budget. Seen as a more efficient, effective, and accountable planning and budgeting system, expressly geared towards mapping and utilising resources targeting children.





Creating Innovative Solutions for a Sustainable Future On the basis of the information thus furnished by the Ministries/Departments, the Gender Budget Statement is prepared.

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This Statement indicates, in two parts, the budget provisions for schemes that are substantially meant for the benefit of women.

- Part A details schemes in which 100% provision is for women (plan, non-plan)
- Part B reflects schemes where the allocations for women constitute at least 30% of the provision (plan, non-plan)

Impact: Independent studies have shown that gender budgeting has resulted in increased resources available for gender related activities.

## **Domains of green budgeting**

 Environmental management

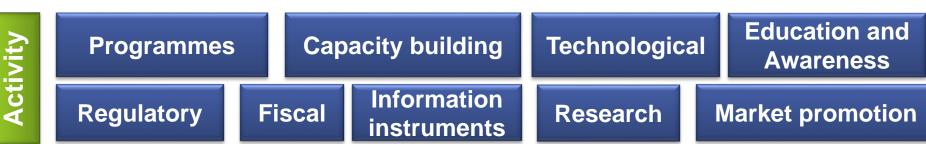
- Air quality
- Water quality
- Water quantity
- Waste and chemicals
  - Municipal waste management
  - Industrial waste management
  - Agricultural waste management
  - Chemical management- eg; Ozone/ mercury

- Ecosystems and NRM
  - Forests
  - Biodiversity
  - Land
  - Water
  - Indigenous knowledge
- Climate
  - Mitigation
  - Adaptation
  - Infrastructure
    - Transportation
    - Buildings
    - Energy
    - DRR
    - Sanitation

- Green economy
  - Agriculture
  - Industry
  - Mining
  - Fishery and animal husbandry

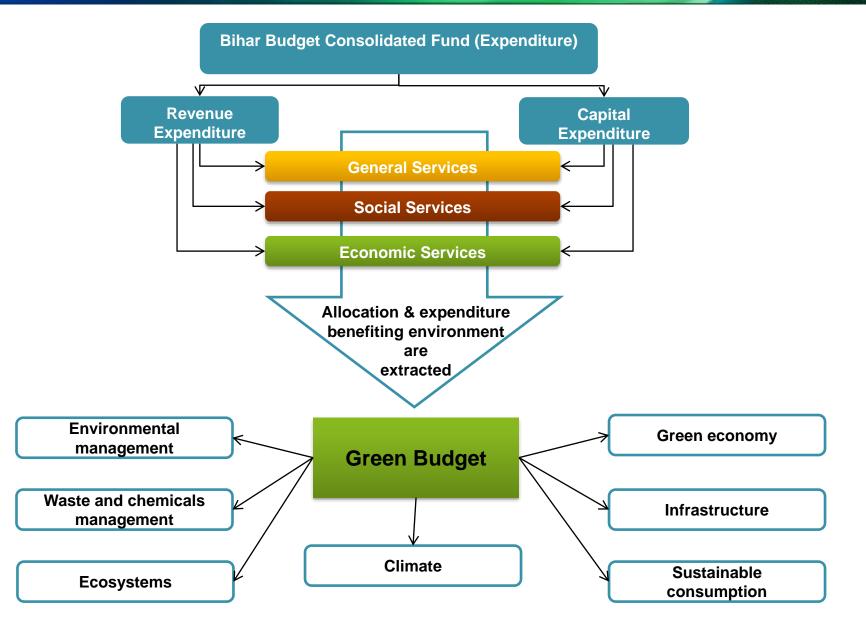
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- Eco-tourism
- Sustainable tourism
- Sustainable consumption
  - Awareness
  - Lifestyles
  - Green products
  - Procurement
  - Operations



#### **Representation of Green Budget**

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## **Pro-forma**

#### Pro-forma Green Budget Statement

Identification of Department-wise Relevant Schemes for Green Budget Statement in Bihar

#### Example

- Department Name:
- Scheme:
- Detailed Head:
- Environmental Sustainability Relevance:
- Budget Detail (BE/ RE) for 2019/20 and 2020/21
- Relevance Level: 100%; 30%; Neutral
- Tagging: Domain; Sub-domain; Type of Activity; SDG Indicator

Sr. No.	Scheme	Detailed Head	Environmental Sustainability Relevance	Budget Detail				Relevance Level			Tagging			
				EY 2019-20		FY 2020-21		Part A	Part B Part C		Domai	Sub-		SDG Indicato
				BE	RE	BE	RE	100%	30%	Neutral	n		Activity	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Agriculture Advanceme nt (Naveenta) Encourage ment		Shifting to green and efficient technology						✓		IE CONO	Agricult ure	Progra mme; technol ogical	2.4.1 2.a.1 12.2.2
2	Organic Farming Up- gradation		Promoting environment friendly farming practices					~			IECONO	Agricult ure	Progra mmatic	2.4.1 2.a.1

### **Ways forward**

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State Finance Department coordinates the process with technical assistance from environmental department and experts

Step 1: Stocktake of environmental issues in Bihar and identification of schemes and measures. Understand trends in expenditure and subsidies. Map departments/ agencies/ PSUs to environmental activities. Identify international best practices.

Review process of budget by a group comprising government officials and experts

Step 2: Based on environmental issues, identify examples to assist departments for preparing – PART A and PART B – for the Green Budget Statement. Part A reflects schemes where allocations for environmental sustainability constitute 100% of the provision and for Part B constitute at least 30% of the provisions

Step 3: Guidelines and pro-forma to be developed by department of Finance

Step 4: Department of Finance issues a circular to departments for submitting a separate Green Budget Statement in accordance with guidelines and pro-forma

Step 5: Departments/ agencies/ PSUs prepare Green Budget Statement in accordance with guidelines and pro-forma

#### What else can finance departments do?

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- Green budgeting for policy coordination and coherence (SDG 17)
- Greening state economic surveys (SDG 17)
- Sustainable public procurement (SDG 12)

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## Thank you