

Empowering India: Analysing the Evolution of Union Budget Allocations for Sustainable Growth

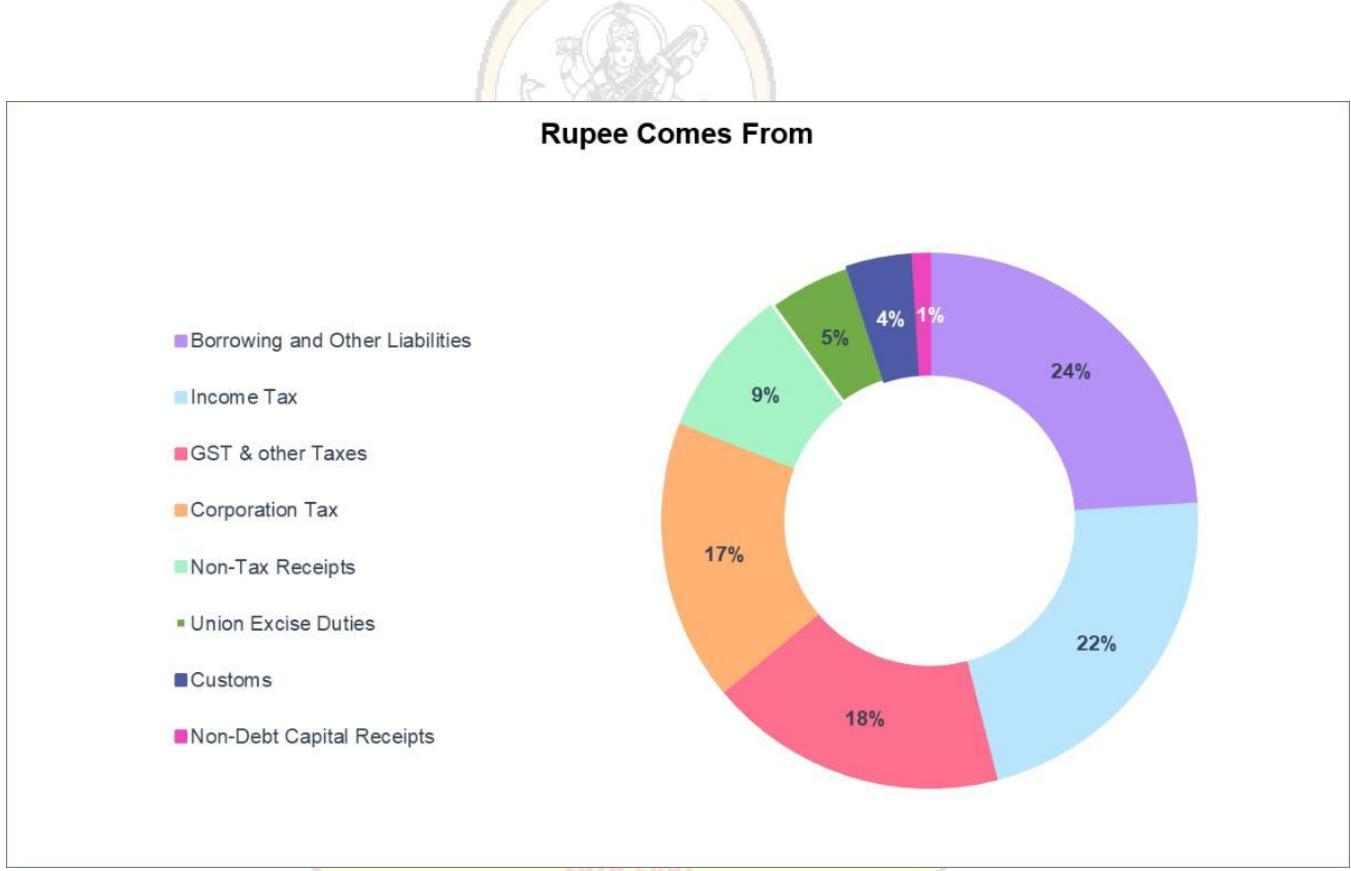
Chapter-11

Future Scope

11.1-Future Scope:

1. Historical Context (Pre-2023)

- **Green Growth Emergence (2023–24):** The government began emphasising *green growth* — green energy, green farming, green mobility — with substantive allocations and policy mechanisms like a **Green Credit Programme** to incentivise sustainability actions.
- Earlier budgets started focusing on **urban infrastructure, health, skills & inclusion**, but sustainability wasn't yet embedded as a core theme.



2. Recent Shifts in Budget Priorities (2025-26 → 2026-27)

2025-26 Budget Highlights

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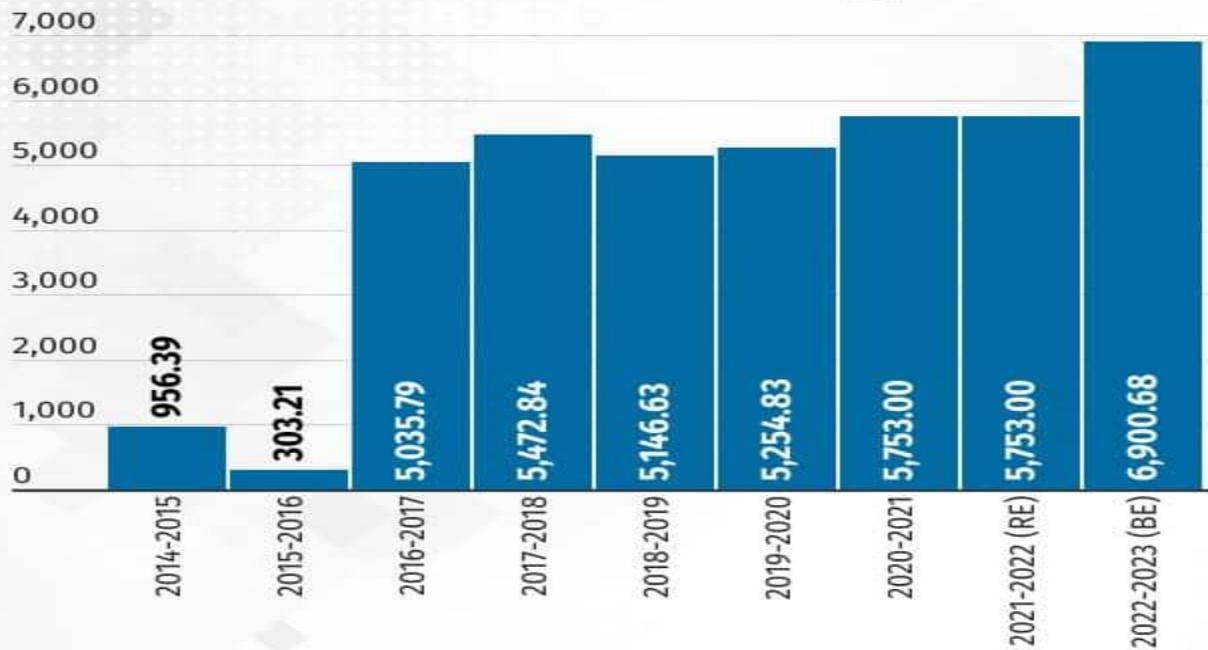
- Increased **capital expenditure** — aimed to modernise infrastructure, urban systems, and digital platforms.
- Steady growth in **social sectors** (health, education, rural development).
- Focus remained on economic resilience plus inclusion, with limited direct climate spending.

2026–27 Budget Highlights

- **Capital expenditure raised to ₹12.2 lakh crore** — supporting sustainable infrastructure like high-speed rails and waterways.
- Stronger emphasis on *green and resource-efficient growth* — including infrastructure that supports low-carbon mobility and water transport.
- Renewables & clean energy support expanded, though some shortfall in grid/storage systems persists.

Financial sector reforms (stronger banking & NBFCs) provide durable groundwork for sustained economic growth.

Funds for Renewable and New Energy



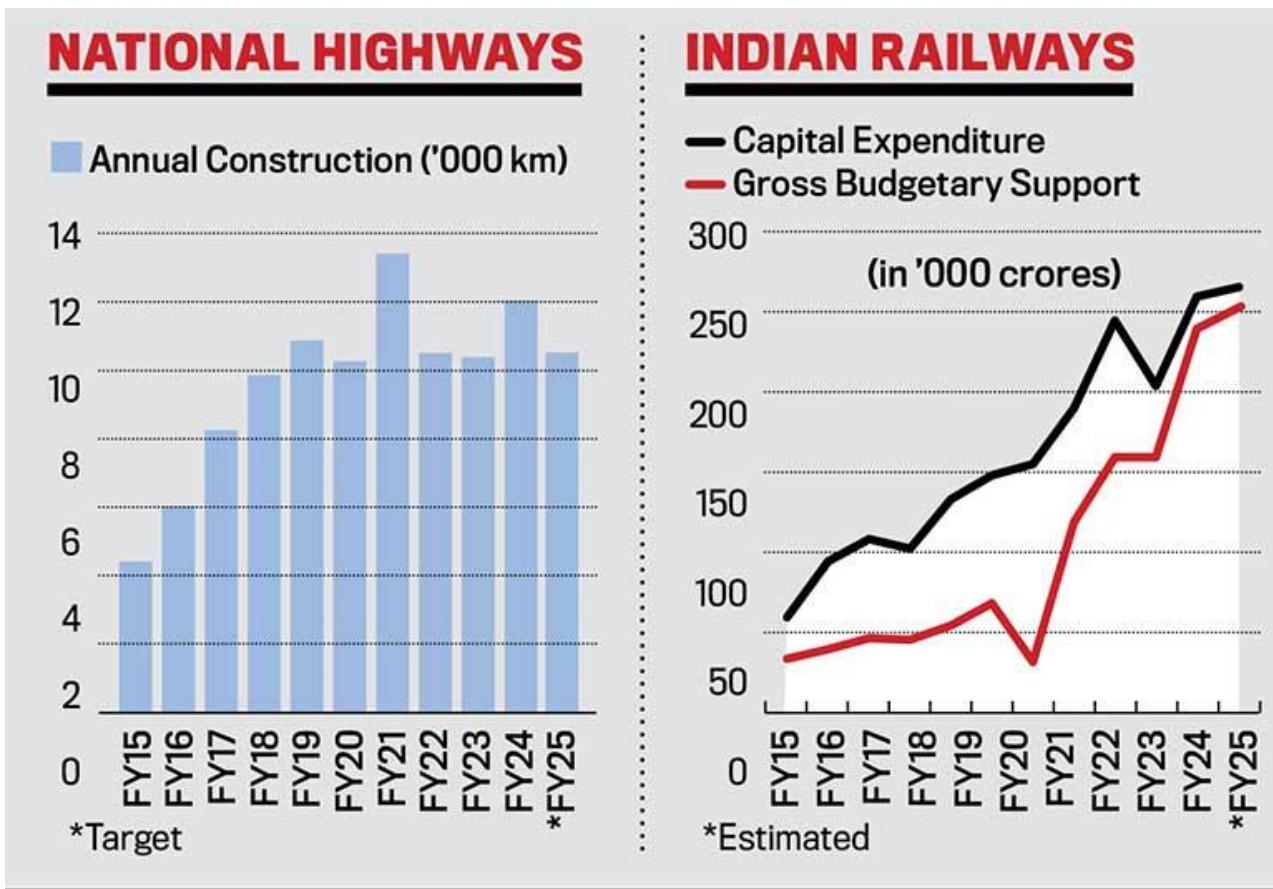
in crore; RE - Revised Estimate; BE - Budget Estimate

Source: Budget documents



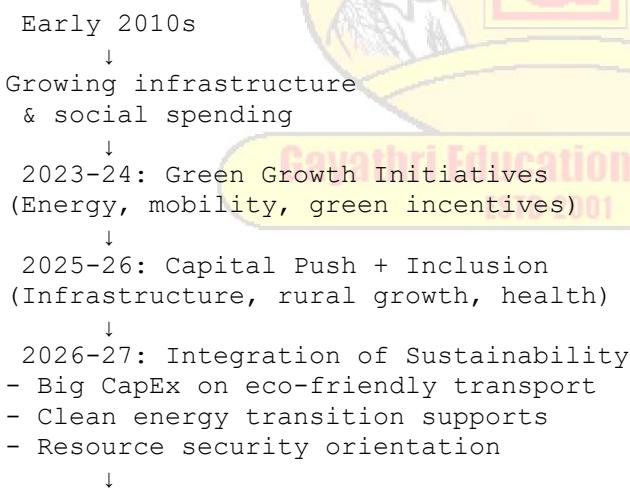
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Evolution of Budget Allocation: Key Themes Over Time

Below is a flowchart showing how allocations have evolved into a sustainability-focused strategy:



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Future Outlook → Integrated ESG and Climate

- Green industries & EV transition
- Climate-resilient infrastructure
- Circular economy & decarbonisation



Future Outlook: India's Sustainability Roadmap

What can we expect in future budgets beyond 2026-27?



1. Climate-Aligned Infrastructure

→ **More funding for renewable grids, storage, and electrification** — to close current gaps in transmission & energy storage.



2. Decarbonisation & Circular Economy

→ Policies & funds to promote recycling, clean manufacturing, and low-emission industries.



3. Sustainable Mobility

→ Bigger investments in EVs, public transit, smart cities, and non-motorised transport.



4. Just & Inclusive Growth

→ Support for green jobs, skill development, agriculture resilience, and rural green enterprise.



Summary: Budget Evolution at a Glance

Period	Key Focus	Contribution to Sustainable Growth
Pre-2023	Infrastructure & inclusion	Foundation building
2023-24	Green Growth Initiatives	First systemic sustainability push
2025-26	Capital expansion, social resilience	Broadened economic sustainability
2026-27	Integrated sustainability	Embedded ESG & low-carbon focus
Future	Climate resilience, circular economy	Strong sustainable growth architecture