



## Press Release

# **Oxfam India and the Centre for Budget and Governance Accountability demand increase in budgetary allocations for adaptation to climate change**

## ***Study highlights key areas that are completely neglected in the Union Budget allocations***

**New Delhi, 23 February:** The Union Government's expenditure on adaptation to climate change in 2006-07 was a measly 1.7 percent of GDP, contrary to the National Action Plan on Climate Change (NAPCC)'s claim that the Union Government's expenditure on adaptation to climate change in 2006-07 was more than 2.6 percent of GDP. In fact over the years, the Union Government's expenditure on adaptation to climate change shows a paltry increase from 1.7 percent to 2.7 percent of GDP in 2009-10.

This is one of the major finding of a study undertaken by Oxfam India and the Centre for Budget and Governance Accountability (CBGA) which evaluated the parameters set for government budgets in the country from the lens of climate change. The study which analysed the spending over the past four years also measured the responsiveness of Union Budgets over the years to the adaptation needs emerging from climate change.

"Sectors that are crucial to any adaptation interventions such as food security, health, rural and urban housing for the poor, and infrastructure for education have received inadequate attention from policymakers in India. These sectors need to be integrated into the country's adaptation policy network and the policies and budgets for adaptation need to be embedded as an intrinsic part of the policies and budgets for poverty reduction programs", said Ms.Nisha Agrawal, CEO, Oxfam India.

The CBGA – Oxfam India study classifies Union Government's expenditure on adaptation to climate change into two broad areas: the first is expenditure towards enhancing human capabilities (which comprises programmes / schemes relating to poverty alleviation, health improvement and disease control, and risk management), while the second category is expenditure towards conservation and management of natural resource and human dependence on these (this second category comprises programmes / schemes relating to agriculture and allied services, land development, drought proofing and flood control, water resources, forestry and biodiversity conservation, coastal, and marine resources management, and disaster management).

The study revealed that, the budgetary provisions by Union Government, which can be considered relevant for adaptation, have paid a lot more attention to poverty alleviation (than other sectors within the adaptation framework) and the policy statements on adaptation with

no mention of how poverty alleviation can be integrated into the overall adaptation framework and linked with the other relevant sectors.

The national missions, proposed in NAPCC, focusing on adaptation are directed mainly towards improvement in sustainability of ecosystem services without clarifying whether the missions will subsume existing interventions or there will be additional measures supported by additional budgetary provisions.

The study also pointed out the lacunae on the framework on adaptation put forth by the NAPCC and adopted by India. While the budgetary measures on adaptation have a skewed focus on poverty alleviation, the policy statements on recent initiatives on adaptation and the national missions are silent on how poverty alleviation should be integrated into the adaptation framework and its linkages with other sectors can be established. The study also suggested that some of the major sectors crucial to any adaptation intervention have received inadequate attention in the policy response on adaptation and these are food security, rural and urban housing, educational infrastructure and species conservation.

Moreover, this insignificant rise in allocation has been largely due to the increase in expenditure on some specific programmes relating mainly to poverty alleviation, such as, the National Rural Employment Guarantee Scheme (NREGS) in which the Union Government's budget allocation has been more than doubled during 2006-07 to 2009-10.

“There is a need for greater transparency in the process of formulation of public policies towards adaptation to climate change and the Union Government should include civil society organisations in these processes. A comprehensive policy framework on adaptation to climate change, based on the assessment of differential vulnerabilities across the sectors, needs to be formulated with clearly establishing the linkages between the interventions for enhancing human capabilities and those for improving the sustainability of ecosystem services in the country,” said Ms. Yamini Mishra, Executive Director, Centre for Budget and Governance Accountability.

The study argued that a National Adaptation Fund should also be set up by the Union Government to provide dedicated financial resources to sectors that are vulnerable to climate change; which should be in addition to the resources for the existing developmental measures in these sectors. This Fund could be under the oversight and guidance of the Prime Minister's Council on Climate Change.