

As India moves to its aim of cleaner, greener \$5 trillion economy, a roadmap for attracting green finance is essential. Do you agree with this view? Explain (200 words)

As India is moving towards \$5 trillion dollar economy it is expected that economy should be built cleaner and greener. For this greener economy India needs to address issues in financing to travel smoother through the roadmap laid.

India having many fast growing sectors mostly energy intensive in nature. Eg: Iron and Steel, Textiles, pulp, cement etc. They have been making the arena more energy efficient. But lack of finance still make them below par in energy efficiency in national and international standards. Though transforming greener still they are below par to international standards.

Next the greener growth is not uniform all over the country. There is an increased spatial disparity in energy efficiency. The states with better GDP growth like Maharashtra, Gujarat, Tamilnadu perform better. Even here intra state disparity prevails making enterprises more vulnerable in rural areas.

Eg: Energy usage per unit output level is 5-10 times larger in rural areas.

This energy inefficiency slows down the pace of economic growth.

Next the funding in these sectors is becoming a ~~popular~~ problem. Main issue around funding is that technology to be adopted is either new (or) novel or the technology is patented. This makes medium scale enterprises and small scale industries reluctant to adopt those as they are costly.

Next the energy ~~with~~ efficiency will accompany with decreased carbon emissions. This will be useful across sectors where sustainable transformation towards energy sustainability is happening. Eg: automobile sector. Moreover carbon emissions reduction have ability to achieve around 70% of climate change agenda.

### Government's Move

- In automobile sector through FAME initiatives, government is working towards emission reduced electric vehicle adoption
- Municipal Corporations have started to raise money through Green bonds for environmentally sustainable projects  
Eg: Ghaziabad.
- Government offices and PSUs are trying to shift to green energy like solar.

Thus the above steps taken by government will attract finance inflows. Soon India will achieve \$5 trillion dollar economy at this pace.