

Sameer Jain- Managing Director, Primus Partners

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## States which declared green budgets have initiated their tagging of expense items, whether each of them contributes to a sustainable future: Sameer Jain of Primus Partners

Authored by Sameer Jain



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### Article Content:

*Fast forward 2025: It is expected to be action-packed, with stakeholders across government, industry and communities coming together, to build a sustainable future.*

If COP29 has taught us anything, it is this – we need to be “Atmanirbhar” to address climate change. We need to work on our own paths, and cannot rely on external funding. As we end 2024, and move onto 2025, we expect 3 key trends to pan out.

### Regulatory frameworks will be strengthened

A green taxonomy is long overdue. The Finance Ministry and Ministry of Environment, Forest and Climate Change (MoEFCC) have been working on this for a long time, and we expect that in the new year, this would be finally launched. It will allow financial institutions to accurately classify, and hence fund, green projects that desperately need financing. Organisations in need of green financing will also find it easy to meet compliance needs once the framework is in place. We will see green financing grow by leaps and bounds once the taxonomy is in place.

### Government will show leadership on Sustainability

There are many small initiatives happening across different government departments.

States which declared green budgets have initiated their tagging of expense items, whether each of them contributes to a sustainable future. For instance, if a solar power project was

supported with subsidies or initial capital expenditures, such government spend would be tagged as “green” item. Eventually, such detailed reporting would clarify on what the current status is, versus what is needed at the state level, and hence what new budgets are required.

India’s steel ministry has proposed a green steel procurement policy, mandating up to 37% of government purchases to be low-carbon steel. We will see more government departments bringing out such green mandates.

In the Maha Kumbh event , the government undertook massive efforts to make it a sustainable event – ranging from setting up renewable energy sources, to engaging the community for maintaining cleanliness and plastic free zones, to zero-waste-management, and so on. Promoting eco-friendly practices in places of worship is a nascent trend, which we expect to increase its pace.

Agriculture and Forest departments are actively engaging with farmers to follow sustainable practices, and thereby earn income through carbon credits. Bamboo plantations and mangroves could play a large role, going forth.

Overall, we will see almost all Government departments take up new initiatives around sustainability. One thing we are personally keen to see is ESG reporting from the Government. So far, the mandate has been only for the top listed companies. We should see government departments and state machinery start reporting on similar lines.

### **Corporate donation will be directed toward Sustainable Agriculture**

So far, primarily the companies operating in the “Food and Beverages” business have engaged with farmers, helping them be more sustainable in their farming practices. With climate change, food security is becoming a major concern. Supporting farmers approach food production in a more climate-resilient and sustainable manner will be critical. We will see many more corporates directing their CSR funds beyond education and healthcare, towards supporting farmers.

2025 is expected to be action-packed, with stakeholders across government, industry and communities coming together, to build a sustainable future.