

## Concept Note

This paper suggests measures for a green stimulus. Recognizing fiscal constraints and the many urgent claims which would exist for limited fiscal resources, the paper explores policy and regulatory interventions which would encourage private investment. The paper focuses on six key areas in the context of the economic recovery package which the Government has announced. The measures suggested would ensure that the growth is green, apart from creating jobs and sustainable livelihoods. The demand side interventions suggested are aimed at supporting productive enterprises and increasing energy access and efficiency. They intend to encourage virtuous cycles of investment and employment while simultaneously accelerating India's transition towards cleaner air and a lower carbon economy.

The proposals suggested focus on:

1. Incentivizing public transport
  - Introduction of a 50% rebate on vehicle taxes (including GST) on purchase of new BSVI vehicles in exchange for scrapping of older vehicles
  - Expansion of inner-city bus fleets to meet the shortfall in public transport through purchase of electric buses
  - Use of electric vehicles by government for inner city travel
2. Renewable Energy from Agricultural Waste
  - Announcement of a commercially viable procurement price for briquettes made from crop waste, which can then be used for co-firing in thermal power plants, brick kilns and other enterprises
3. Renewable Energy from Animal Husbandry Waste
  - Introduction of a commercially viable feed-in tariff for purchase of electricity generated from animal husbandry waste by Distribution Companies, with slurry waste additionally processed and sold as organic manure
4. Promoting Solar Generation in Rural India
  - Announcement of a commercially viable feed-in tariff for purchase of electricity generated from rural areas by Distribution Companies, which would increase farmer incomes, reducing electricity transmission (and consequently DISCOM) losses, and increase electricity access in rural areas.
5. Green and More Competitive MSMEs
  - Extension of credit guarantee to MSMEs for investments in energy efficiency technologies and best practices in energy intensive units.
6. Creation of Domestic Manufacturing Capacity for Solar Power and Energy Storage
  - Invitation of bids for solar power with-storage with the condition that manufacturing with full value addition would be done in India.