Utilizing National Clean Energy Fund

What is the Green Quotient?

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- GQ is the **degree of environment consciousness.**
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- GQ determines how much we care, understand and are determined to do something favourable for the environment we live in.
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- A recent analysis showed that it has **done well when it comes to allocations** to ministries that are engaged directly in the management of environment and natural resources.
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- Compared to the last Budget, allocations are up by about 6.6%.
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What is the major issue?

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- The allocations for the MoEF is increased by about 10%, but this **increase is much lower than last fiscal year** and hence does not reflect any stepping up of efforts towards meeting our Nationally Determined Contributions.
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- It is estimated that Rs 100,000 crore would be required annually for conservation and afforestation measures to achieve the 3 billion tons of additional carbon sequestration.
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How to increase the investment?

- Large a scale of investments cannot be met from the central Budget alone.
- The **National Clean Energy Fund** (NCEF), funded by cess levied (Rs 400 per tonne) on produced and imported coal can be used.
- It can be used for the purposes of financing and promoting clean energy initiatives, funding research in the area of clean energy, etc.,
- Of the aggregate amount collected between 2010 & 2017, only about 35% has been transferred to the NCEF, which itself remained underutilised.
- About 70% of NCEF fund has went to the ministry of new and renewable energy (MNRE) and it has been used inefficiently till now.
- It is essential that the **NCEF be more efficiently and strategically employed** as an enabler of large-scale change in the renewable sector.
- The fund can also be deployed in **applied research and development** of viable technologies and business models for clean energy services in India.

Source: Business Standard