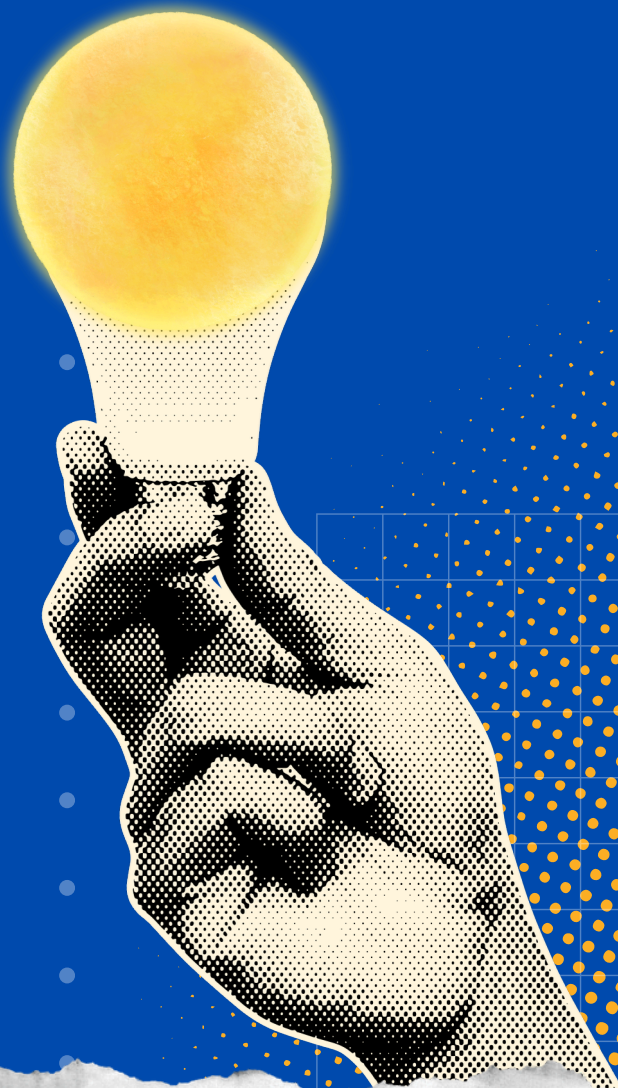


# STANDING THE HEAT

**An Analysis of Heatwave Financing in India's  
Union Budget**

**Executive Summary**

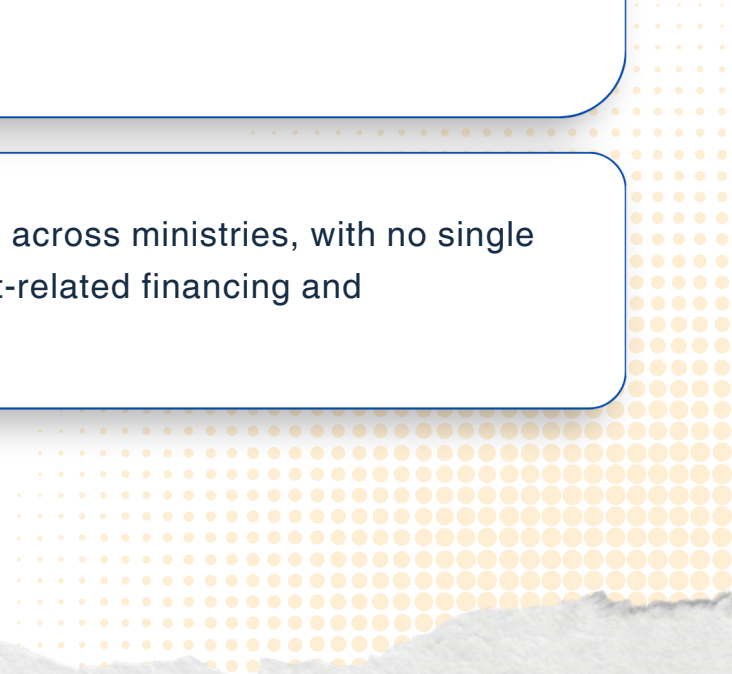



# Key Highlights



- India currently has no dedicated national budget framework or financial scheme exclusively focused on heatwave preparedness, response, adaptation and resilience-building. Across the period FY 2020–21 to FY 2026–27, only 9–11% is allocated to schemes identified as directly relevant or could potentially be used to address heat-related risks and impacts. while 88–93% flows through broader development programmes. The predominance of indirect spending suggests that India continues to rely primarily on broader development schemes rather than dedicated mechanisms for heat risk reduction, preparedness, and response.

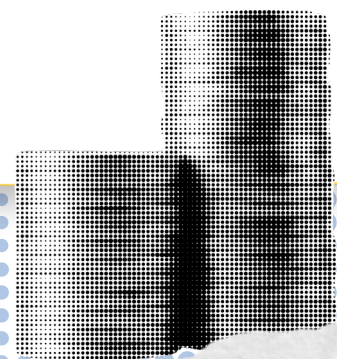
- Of the Rs 8.57 lakh crore tracked across 130 schemes in FY 2026–27, around 10% is allocated to schemes identified as directly relevant or could potentially be used to address heat-related risks and impacts, while the remaining expenditure is channeled through broader sectoral programmes that contribute to heat resilience indirectly. This reflects the current financing architecture in which heat-related interventions are largely embedded within wider development programmes rather than delivered through dedicated heat-focused schemes.

- Heatwave response remains fragmented across ministries, with no single institutional framework coordinating heat-related financing and interventions.
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- Across FY 2020–21 to FY 2026–27 only 27 out of 130 were classified as directly relevant to heat-related risks and impacts because they explicitly address, or have the potential to address, heat-related vulnerabilities through interventions such as labour protection, health services, crop insurance, and social protection. While these schemes provide the most direct pathways for addressing heat-related impacts, several have received little or no funding over multiple years, limiting their potential contribution to heat preparedness, response, and adaptation.

- The Ministry of Environment, Forests and Climate Change (MoEFCC), the nodal ministry responsible for addressing climate-related challenges, has no scheme explicitly designed to address heat-related risks and impacts. Under the study's classification framework, all heat-relevant MoEFCC schemes contribute to heat resilience only indirectly through broader environmental and adaptation objectives. This highlights a disconnect between the ministry's climate mandate and the absence of dedicated instruments for addressing one of India's fastest-growing climate risks.

- While several labour welfare schemes were identified as having potential relevance to heat-related risks, the Ministry of Labour has no dedicated occupational heat protection scheme or heat stress compensation framework. This leaves workers in heat-exposed occupations reliant on broader welfare programmes that are not specifically designed to address heat-related health and livelihood impacts.



- Since 2022–23, social insurance schemes have received increasing priority within the Ministry of Agriculture, reflecting a growing emphasis on protecting farmers' incomes and livelihoods from climate and weather-related shocks. While it is difficult to comment on their current impact, this shift has potential to strengthen financial resilience among vulnerable farming households exposed to heat-related crop and productivity losses.

- The Ministry of Agriculture manages 40 schemes with potential relevance to heat resilience. However, only three were classified as directly relevant to heat-related risks and impacts, while the remaining schemes contribute indirectly through broader interventions such as social protection, nature-based solutions, infrastructure, and livelihood support. This suggests that the Ministry's response to heat risks is embedded largely within wider agricultural and rural development programmes rather than through dedicated heat-focused interventions.

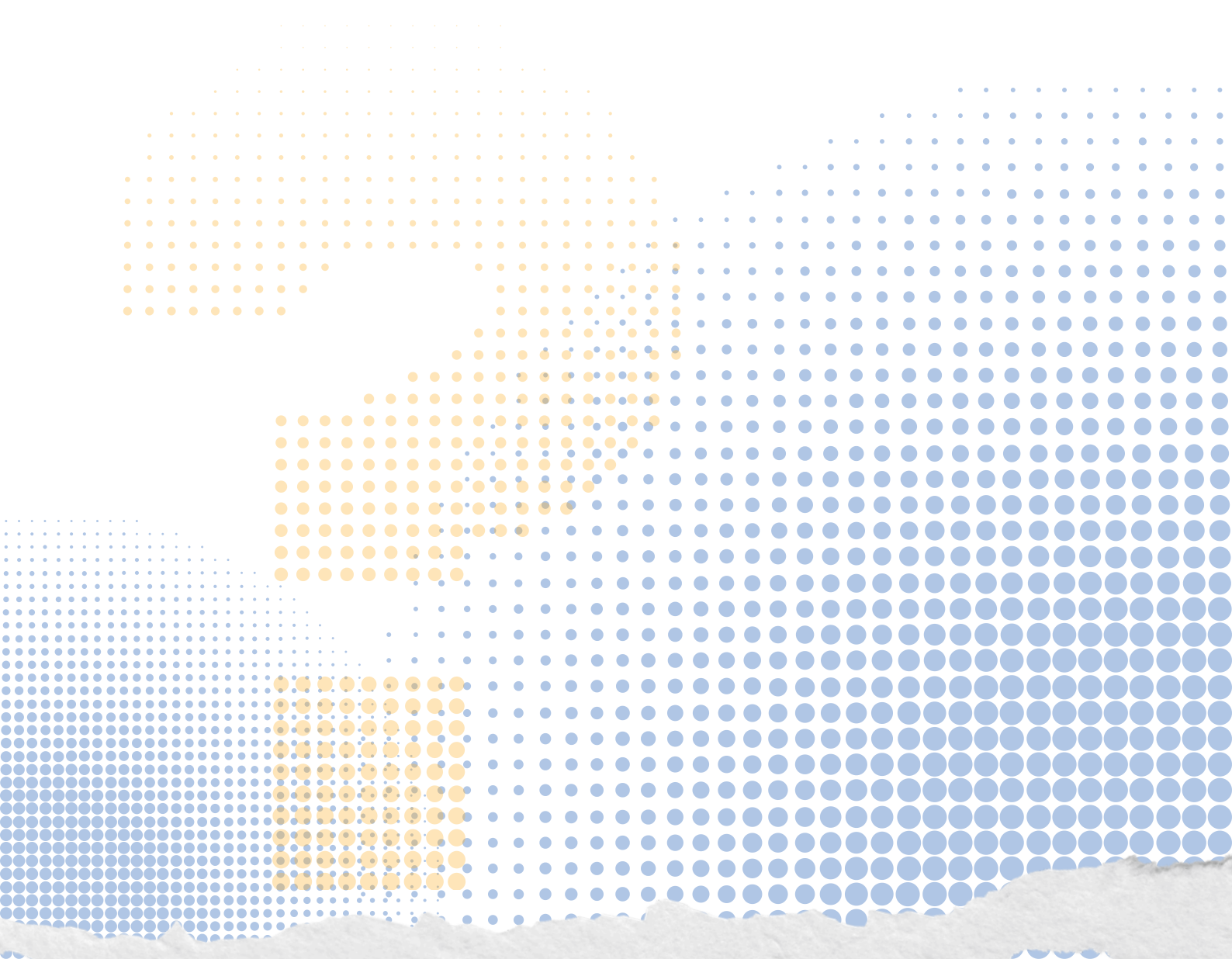
- The Ministry of Health has no dedicated budgetary scheme focused on heat emergency preparedness or mitigation. While heat-related activities are embedded within broader health programmes, expenditure under the Health Sector Disaster Preparedness and Response scheme remained low, with only Rs 14.92 crore spent against a budget allocation of Rs 94 crore in 2024–25 (15.9% utilisation). This suggests potential gaps in the financing and implementation of health-system preparedness for heat-related risks.

- The water sector plays a critical role in reducing heat-related vulnerabilities through access to drinking water and water security. However, the analysis found limited emphasis on capacity building, emergency preparedness, and disaster resilience within the identified water-sector interventions, with spending concentrated largely on infrastructure-related investments.

- Deen Dayal Antyodaya Yojana – National Urban Livelihood Mission (DAY-NULM), which provided support to urban informal workers such as street vendors, waste pickers, and homeless populations, has been discontinued, with allocations declining from Rs 816 crore in 2020–21 to zero by 2025–26. Given the high exposure of these groups to extreme heat, the discontinuation of the scheme may reduce institutional support available to some of the urban populations most vulnerable to heat-related risks.

- The Ministry of Science and Technology, which plays an important role in scientific research, technological innovation, and knowledge generation relevant to heat resilience, received zero allocation for both of its heat-relevant schemes from 2025–26 onwards. This may constrain investments in research, innovation, and evidence generation needed to strengthen long-term responses to increasing heat risks.

- Although heat-related risks are increasing, financing for heatwave preparedness and response remains limited and uneven across states. While some states have recognised heatwaves as a local disaster and can access disaster-response funds under existing provisions, India currently lacks a dedicated and predictable financing mechanism for heatwaves. To address this gap, the report recommends formally recognising heatwaves as a standalone disaster and establishing a dedicated financing mechanism within the existing disaster management architecture. This would improve the availability, predictability, and coordination of resources for heat preparedness, response, adaptation, and resilience-building.



# Ministry-Wise Analysis

## 1 Ministry of Environment, Forests and Climate Change (MoEFCC)

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MoEFCC, the nodal ministry for climate action, has zero dedicated heat-targeted schemes. All eight heat-relevant schemes identified under the Ministry contribute indirectly through broader environmental and adaptation programmes. In 2024–25, actual expenditure on heat-relevant schemes was Rs 788.99 crore against a budget allocation of Rs 1,737.74 crore, a utilisation rate of 45% largely due to low spending under the Control of Pollution scheme.

## 2 Ministry of Agriculture

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The study identified 40 heat-relevant schemes, the highest among all ministries analysed. However, only three were classified as directly relevant or could potentially be used to address heat-related risks and impacts, with most support delivered through crop insurance, livelihoods, infrastructure, and nature-based interventions.

Recent expenditure patterns indicate a growing emphasis on social insurance schemes, while capacity-building interventions have received comparatively lower priority. This suggests that agricultural heat resilience is being pursued primarily through risk-transfer and livelihood support measures rather than preparedness and adaptive capacity-building.

### **3 Ministry of Health and Family Welfare**

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The Ministry of Health and Family Welfare has five schemes with relevance to heat-related risks and impacts, of which only two were classified as directly relevant or could potentially be used to address heat-related risks and impacts under the study framework. While all identified schemes contribute to adaptation, none specifically focus on heat emergency preparedness, mitigation, or heat-health research. This suggests that heat-related health risks continue to be addressed primarily through broader health programmes rather than dedicated interventions for preparedness, response, and evidence generation.

### **4 Ministry of Labour and Employment**

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The Ministry of Labour and Employment has 13 schemes that were classified as directly relevant to heat, reflecting their role in protecting worker welfare, livelihoods, and income security during periods of extreme heat. However, none of these schemes is specifically designed to address heat-related risks and impacts, and there is currently no dedicated occupational heat protection scheme, heat-stress compensation framework, or financing mechanism for heat-related workplace interventions.

## **5 Ministry of Earth Sciences and Ministry of Science and Technology**

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The Ministry of Earth Sciences accounts for 15 heat-relevant schemes, all related to forecasting, monitoring, and early warning systems. While these schemes contribute to preparedness for extreme heat events, all were classified as indirectly relevant under the study framework, reflecting the absence of programmes specifically designed to address heat-related risks and impacts.

The Ministry of Science and Technology has only two heat-relevant schemes, both classified as indirectly relevant due to their contribution to research, forecasting, and early warning systems. While scientific research and innovation are critical for understanding and responding to heat risks, the Ministry's contribution to heat resilience remains limited and is not supported through dedicated heat-focused interventions.

## **6 Ministry of Rural Development**

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The Ministry of Rural Development manages key rural livelihoods and employment programmes, including MGNREGA (now VBGRAMG), which play an important role in supporting communities vulnerable to extreme heat. Of the 11 schemes identified as relevant to heat resilience, six were classified as directly relevant or could potentially be used to address heat-related risks and impacts, while five contribute indirectly through broader rural development objectives.

## 7 Ministry of Housing and Urban Affairs

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The Ministry of Housing and Urban Affairs manages programmes related to urban development, housing, livelihoods, and urban infrastructure, all of which influence resilience to extreme heat. Of the nine schemes identified as relevant to heat-related risks and impacts, most contribute indirectly through broader urban development objectives. While Urban Local Bodies may support heat-related interventions in some states and cities, the analysis did not identify any centrally sponsored scheme explicitly designed to address urban heat risks, suggesting that urban heat resilience is currently pursued through broader urban development and service delivery programmes. However, recent allocations under the AMRUT 2.0 programme have begun supporting heat response, adaptation, and resilience-building measures in selected cities, indicating emerging policy attention to urban heat risks.

## 8 Highlights of Remaining Ministries

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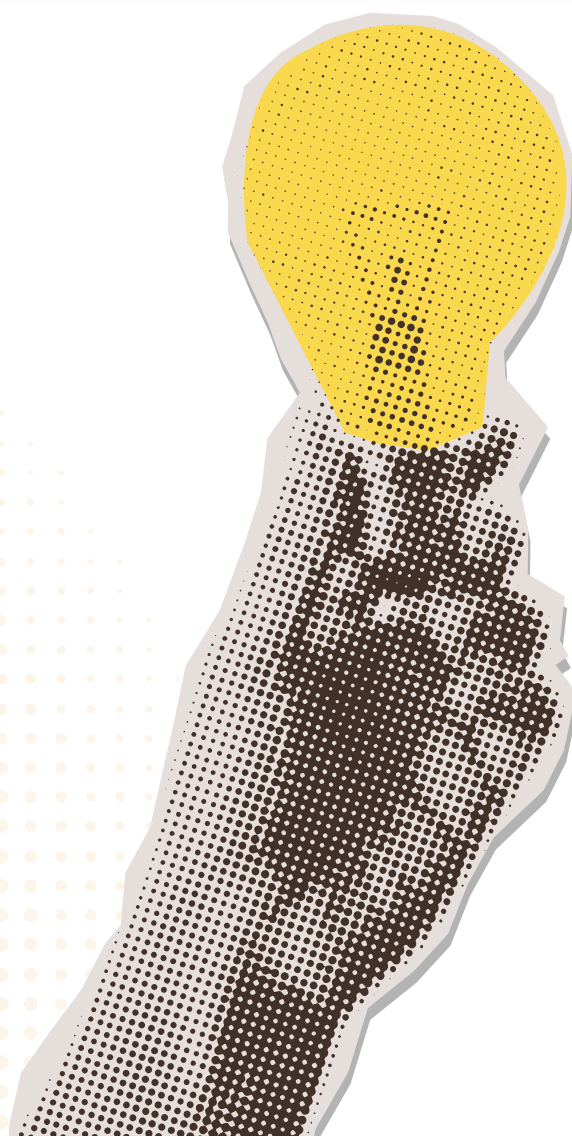
The allocations under the Disaster Management scheme of the Ministry of Home Affairs have seen a major decline from Rs. 535 crores in 2021-22 to Rs. 288 crores in 2024-25 to Rs. 100 crores in the year 2026-27.

The Ministry of Jal Shakti plays a critical role in reducing heat-related vulnerabilities through programmes such as the Jal Jeevan Mission, which aims to provide universal access to safe drinking water. While the Ministry accounts for some of the largest investments in heat resilience, allocations to the Jal Jeevan Mission have declined from ₹80,190 crore in 2024-25 to ₹74,807 crore in 2026-27. Budget utilisation also remains a concern, with actual expenditure reaching only 37% of allocated funds in 2024-25. Given the importance of water security during extreme heat events, both adequate financing and effective implementation remain critical.

## 9 Heat Financing and Gender

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Heat vulnerability in India is deeply gendered and intertwined with structural inequalities, but current heat-related financing and gender responsive budget statements largely overlook this reality, delivering only incidental benefits through broad welfare schemes rather than targeted, gender-responsive heat measures. Women's and other gender-vulnerable groups' specific experiences and risks are not translated into measurable heat-resilience provisions or explicit protection strategies in official budgets and policies, even though civil society initiatives show that focused gender-sensitive programming and finance directly reduce income loss and vulnerability during extreme heat situations



# Policy Recommendations



- Recognise heatwaves as a standalone disaster under the Disaster Management Act and operationalise the 16th Finance Commission's guidelines to formally unlock State Disaster Response Funds (SDRF) for heatwave relief nationwide and moving past the current limit where only 11 states recognize it as a state-specific disaster.
- Strengthen inter-ministerial coordination for heat action and establish clear roles, financing arrangements, accountability mechanisms, and institutional structures across the departments involved in heat resilience.
- Improve targeting of programmes that directly address heat-related risks, particularly for vulnerable populations and high-exposure sectors.
- Expand livelihood protection and social security measures like insurances for workers, farmers, and other heat-vulnerable groups, while evaluating the effectiveness of existing schemes before discontinuation or restructuring.
- Scale up cooling and heat-resilient infrastructure. Align the India Cooling Action Plan with Heat Action Plans and invest in community cooling centres, shaded public spaces, drinking water stations, and energy-efficient cooling solutions.
- Empower local governments to implement Heat Action Plans and improve their access to Centrally Sponsored Scheme financing, simplify procedures, and provide dedicated funding and guidance for local heat-resilience measures.
- Strengthen social protection for heat-exposed workers. Integrate heat risks into labour welfare programmes through income support, insurance, compensation, and expanded access to health and social security benefits.
- India should adopt gender-responsive heat financing with dedicated budget allocations and tracking mechanisms to ensure that women and other gender-vulnerable groups are adequately covered in heat adaptation, social protection, and livelihood support measures, recognising their disproportionate exposure and vulnerability to extreme heat.

# STOP

- Stop treating heatwaves as episodic emergencies and move from reactive crisis response to long-term, predictable financing and planning.

# STRENGTHEN

- Improve utilisation of allocated climate, preparedness, and resilience funds.
- Ensure programmes that directly address heat-related risks receive adequate attention and funding.
- Assess the impacts of scheme closures or restructuring on heat-vulnerable populations before discontinuing them

# CONTINUE

- Strengthening early warning and forecasting systems to improve preparedness and last-mile communication.
- Expanding social protection and climate-risk insurance for workers, farmers, and households.
- Investing in water security, urban resilience, and climate adaptation through existing development and infrastructure programmes.



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