

# Financing an equitable energy transition in Jharkhand: From planning to implementation

*Round table summary report*

**Date:** 22 May 2026

**Time:** 2:30 PM – 5:00 PM IST

**Venue:** Hibiscus Conference Hall, Radisson Blu, Ranchi

**Organised by:** Task force on Sustainable Just Transition Jharkhand, Institute for Energy Economics and Financial Analysis (IEEFA), and Centre for Environment and Energy Development (CEED)

Stakeholders from government, financial institutions, industry, academia and civil society organisations convened in Ranchi for a round table on financing an equitable energy transition in Jharkhand and to deliberate on a green budgeting framework to support the state's transition. The round table event, titled 'Financing an equitable energy transition in Jharkhand: From planning to implementation', was co-hosted by the Task Force on Sustainable Just Transition (Government of Jharkhand), the Institute for Energy Economics and Financial Analysis (IEEFA) and the Centre for Environment and Energy Development (CEED). Discussions focused on implementation challenges, financing needs, institutional readiness and inclusive transition pathways for the state.

The discussion was attended by Mr Mukesh Kumar, IAS, Secretary, Planning and Development Department, Government of Jharkhand; Mr Ajay Kumar Rastogi, IFS (Retd.), Chairman, Task Force on Sustainable Just Transition; and Mr Ravi Ranjan, IFS, Principal Chief Conservator of Forests (Wildlife) and Chief Wildlife Warden, among others.

The round table highlighted that Jharkhand's transition challenges extend beyond the energy sector, encompassing complex issues related to economic restructuring, financing, livelihoods, institutional readiness, and community resilience. Participants emphasised the need for transition pathways that balance development priorities, fiscal sustainability and climate objectives while ensuring an inclusive and resilient transition process.

## **Jharkhand's economic dependence on fossil fuels**

A central theme of the discussion was Jharkhand's continued economic dependence on fossil fuel-linked industries, particularly coal. Participants acknowledged that nearly one-third of the state's own revenue remains linked directly to coal and petroleum sectors, creating significant challenges for transition planning. Any structural shift away from fossil fuels will have implications for revenues, employment, and regional economies.

The discussion emphasised that while fossil fuels are likely to remain part of Jharkhand's economy in the near term, reducing long-term dependence and diversifying economic activity will become increasingly important for building economic resilience. Hence, energy transition strategies should not be viewed only through an environmental lens but must also account for fiscal sustainability, employment generation and regional development needs.

## **Large-scale financing requirements and capital mobilisation**

The scale of financing required for Jharkhand's transition emerged as another major discussion point. According to estimates presented by IEEFA during the round table, the state may require approximately USD256 billion (INR23.04 lakh crore) between 2026 and 2070 to support an equitable energy transition.

Participants agreed that public financing alone will not be sufficient to meet these requirements. Mobilising private capital, blended finance, concessional finance, green bonds, corporate social responsibility (CSR) funding and innovative financing structures will, therefore, become essential. Representatives of financial institutions highlighted the need for flexible financing products that can accommodate the unique risk profiles associated with low-carbon sectors and emerging technologies.

The discussion also highlighted that transition finance should not be viewed solely as a challenge but also as an opportunity to attract future investments, create new industries and unlock alternative economic pathways for the state.

## **Green budgeting as a starting point**

Green budgeting emerged as an important institutional mechanism for strengthening climate governance and expenditure tracking. Participants discussed how green budgeting can help governments identify, classify and monitor climate-related expenditures, and align public spending with sustainability objectives.

Several potential benefits of green budgeting were highlighted:

- Improved transparency and accountability
- Better expenditure tracking
- Stronger alignment between development and climate goals
- Improved signalling to investors
- Enhanced long-term planning capabilities

At the same time, participants acknowledged that successful implementation would require stronger institutional ownership, awareness-building and coordination across government departments. Institutional strengthening was repeatedly identified as necessary for moving green budgeting frameworks from conceptual discussions to operational implementation.

## **Importance of investable project pipelines**

A recurring theme throughout the discussion was that availability of finance alone may not automatically lead to investment flows; creating a strong pipeline of investable and bankable projects will be equally important.

Investors increasingly seek projects that are commercially viable, scalable and supported by strong institutional frameworks. The round table highlighted the need for:

- Investment-ready projects
- De-risking mechanisms
- Strong implementation frameworks
- Policy clarity
- Long-term regulatory support

It was suggested that developing high-quality demonstration projects and scalable transition models may help improve investor confidence and attract larger future capital flows into the state.

## **Institutional readiness and capacity building**

Financing alone cannot drive successful transition outcomes without institutional preparedness. Participants identified several enabling conditions as critical for effective implementation:

- Strong data systems
- Cross-departmental coordination
- Policy coherence
- Capacity building initiatives
- Awareness programmes
- Effective governance structures

Participants agreed that climate governance and green budgeting systems require significant institutional strengthening before large-scale implementation can occur. This would include building administrative capabilities and improving coordination mechanisms across departments.

## **Communities and livelihoods at the centre of transition planning**

Participants strongly emphasised that transition planning must place communities and livelihoods at the centre of policy design. Discussions highlighted concerns related to:

- Coal-dependent districts
- Tribal communities
- Vulnerable populations
- Worker transitions
- Livelihood security
- Migration risks

There was broad consensus that transition strategies should not unintentionally deepen existing social and economic inequalities. Communities should be viewed not merely as beneficiaries of transition programmes but as active participants and stakeholders in shaping future development pathways.

Examples shared during the discussion demonstrated that community-led interventions are already generating positive outcomes across Jharkhand. Initiatives related to watershed development, soil

and moisture conservation, livelihood diversification and community mobilisation were highlighted as examples of locally driven action producing measurable impacts.

Participants noted that such interventions could provide scalable models for future climate resilience and transition programmes.

## **Emerging clean energy opportunities**

Although Jharkhand is at a relatively early stage of renewable energy deployment compared to some other Indian states, the discussion identified substantial untapped opportunities for clean energy expansion:

- Floating solar projects
- Utilisation of degraded land
- Battery energy storage systems
- Electric mobility
- Distributed renewable energy systems

Participants agreed that Jharkhand possesses significant natural resources and geographic advantages that could support future renewable energy growth, but noted that these opportunities will require supportive policy frameworks, investment pipelines and enabling infrastructure.

## **Entrepreneurship, skilling and workforce transition**

The discussion highlighted the growing importance of entrepreneurship, skilling systems and youth engagement in supporting long-term transition pathways. Several examples were shared demonstrating how vocational training, local innovation and entrepreneurship development can create new livelihood opportunities and support green job creation.

Participants stressed that educational institutions, skilling programmes and local innovation ecosystems can play a major role in preparing the workforce for future economic shifts. They also noted that technology adoption alone may not guarantee successful outcomes unless accompanied by entrepreneurship support, ecosystem development and local ownership models.

## **Need for phased and locally tailored transition pathways**

A strong consensus emerged that transition pathways should not rely on a uniform or a one-size-fits-all approach. Designing transition strategies that reflect local economic realities, institutional capacities and regional priorities is crucial. Suggestions included:

- Focusing initially on priority sectors
- Identifying pilot districts
- Developing demonstration projects
- Gradually scaling successful interventions
- Building investor confidence through phased implementation

Participants emphasised that incremental implementation and locally customised approaches may improve long-term sustainability and reduce transition-related risks.

## Public-private collaboration and implementation focus

The round table repeatedly highlighted that governments alone cannot deliver transition goals at the required scale. Stronger collaboration will, therefore, be required among:

- Government departments
- Financial institutions
- Industries
- Development agencies
- Civil society organisations
- Local communities

Participants also spoke of the growing need to move beyond high-level ambition setting and towards implementation-oriented discussions. While net-zero commitments and climate targets provide important long-term direction, implementation at the state level requires practical solutions that account for institutional realities, financing limitations and development priorities.

The discussion underscored the importance of adaptive and forward-looking policy frameworks capable of responding to evolving technologies, changing labour markets and future economic conditions. Future planning frameworks may need to remain flexible and continuously evolve as transition dynamics change over time.

## Conclusion

The round table concluded with the broad agreement that financing and implementing Jharkhand's energy transition will require a balanced and inclusive approach. The transition challenge extends beyond decarbonisation and involves economic restructuring, institutional transformation, financing innovation and community participation.

Participants said that Jharkhand's transition pathway should seek to balance sustainability, affordability and development priorities simultaneously. Building enabling ecosystems, strengthening institutions, mobilising investment and supporting communities will all play critical roles in shaping the state's long-term transition journey.

The discussion ultimately reinforced that a successful and equitable transition for Jharkhand will depend not only on technological change or financing availability but also on collaboration, institutional readiness and inclusive development pathways that place communities at the centre of the transition process.