



Fact Sheet

Green budgeting can strengthen Jharkhand's path to sustainable growth

It can improve public spending, mobilise investment, and accelerate sustainable development

Why green budgeting, and why now?

Jharkhand is uniquely positioned to emerge as India's leading green budgeting state. Its development priorities already align closely with green investments.



INR1.58 lakh crore

Jharkhand's INR1.58 lakh crore (USD16.7 billion) State Budget for 2026-2027 provides public investment across infrastructure, agriculture, forests, water resources, urban development and energy.



36 departments

A total of 36 departments prepare and implement annual budgets, many of which finance activities that contribute directly to climate resilience, natural resource management and sustainable development.



Yet, there is **no consolidated estimate of the state's green expenditure**, making it difficult to measure impact or leverage external finance.

Jharkhand is estimated to require **INR24.16 lakh crore** (USD256 billion) in investments by 2070 to meet its climate and development goals.

Green budgeting addresses this gap and unlocks new financing opportunities.

Green budgeting delivers more than finance



Better planning

- Aligns budgets with sustainable development goals (SDGs) and state priorities
- Improves interdepartmental coordination
- Supports evidence-based decision making



Better governance

- Tracks green expenditure
- Strengthens transparency and accountability
- Measures environmental and development outcomes



Better investment readiness

- Identifies financing gaps
- Builds an investment-ready project pipeline
- Demonstrates government commitment and domestic co-financing



Greater access to green finance

- Multilateral development banks
- Global climate funds such as Global Environment Facility (GEF)
- Bilateral sources
- Philanthropies
- Green bonds

Green budgeting is becoming the global norm

- Over 60 countries worldwide, including 12 European Union (EU) members states, have implemented the practice.
- Of the Organisation for Economic Co-operation and Development (OECD) countries, two-thirds (24 of 36) had implemented green budgeting by 2022.
- In Asia, Indonesia, the Philippines, Singapore and Thailand have adopted green budgeting.
- Cambodia, Malaysia, Brunei and Lao People's Democratic Republic are preparing similar reforms.
- Seven Indian states including Assam, Odisha, Meghalaya, Kerala, Rajasthan, Uttar Pradesh and Bihar have introduced climate/green budgeting.

Green budgeting in practice around the world and within India

Indonesia

Climate budget tagging since 2014

- Strengthened climate finance governance
- Helped identify financing gaps
- Supported discussions with development partners
- Underpinned sovereign green sukuk issuances, which are Shariah-compliant finance instruments for green projects

>USD3.9 billion

(IDR69.72 trillion) through green sukuk since 2018

The Philippines

Climate change expenditure tagging implemented for over a decade

- Links fiscal decisions with environmental objectives
- Supports investment prioritisation
- Used extensively in budget planning and policymaking

USD18.90 billion

(PHP1.16 trillion) in 2025 from USD7.45 billion (PhP457.4 billion) in 2024 — climate change expenditures more than doubled

Rwanda

Climate budget tagging supports Rwanda's Green Fund (FONERWA)

- Coordinates domestic and international climate finance
- Demonstrates government commitment
- Attracts donor resources

>USD200 Million

(RWF294.72 billion) mobilised for climate actions through FONERWA

Kerala

Climate-resilient public financial management supported the Rebuild Kerala Development Programme

- Integrated climate resilience into state planning and public financial management
- Strengthened institutional capacity for resilient infrastructure investment
- Leveraged financing from multiple development partners

USD1.13 billion

(INR10,735 crore) mobilised from the World Bank, Asian Infrastructure Investment Bank (AIIB), KfW Development Bank and Agence Française De Développement (AFD) for Kerala's resilience agenda (2019–2023)

Bihar

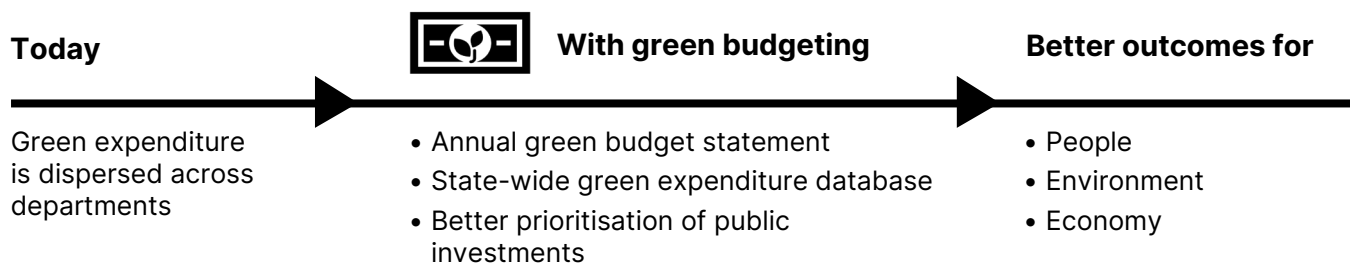
Green budget institutionalises environmental priorities in the state budget

- Integrates environmental and climate considerations into the annual budget process
- Improves transparency and tracking of environmentally relevant expenditure
- Supports evidence-based planning and prioritisation of green investments

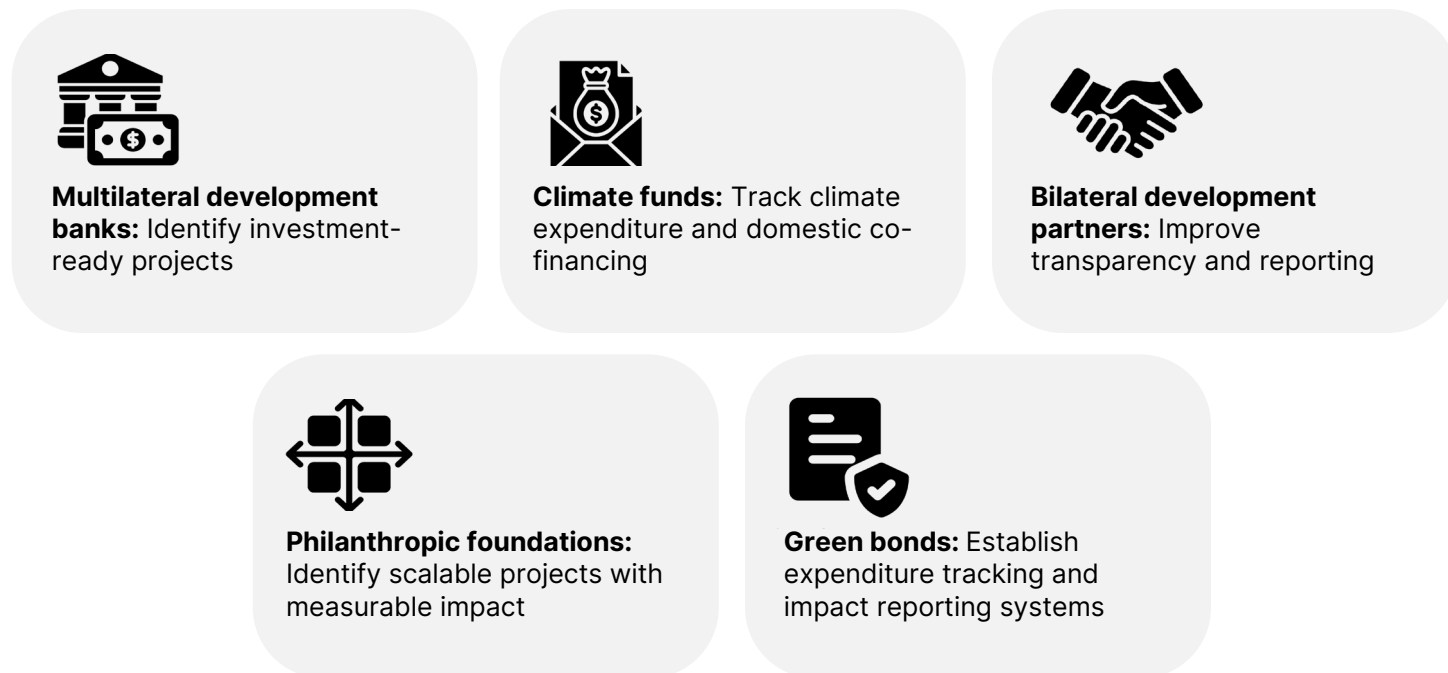
USD1.68 billion

(INR15,837 crore) earmarked as green budget, represents around 4.56% of the overall state budget

What could green budgeting deliver for Jharkhand?



Financing sources green budgeting can help unlock



What success could look like in five years



Green budgeting is not an additional budget. It is a smarter way of planning, tracking and leveraging existing public expenditure to unlock new investments and build a sustainable, resilient and prosperous Jharkhand.