

PRESS RELEASE
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Just Transition policy and plans crucial to achieve an inclusive trillion-dollar economy target of Maharashtra, says iFOREST

- Maharashtra, which accounts for 10% of the country's GHG emissions, is crucial in achieving India's climate targets including the Net Zero target by 2070.
- The state's economy is vulnerable to energy transition as it has largest coal-based thermal power fleet and automobile manufacturing, and third largest number of factories directly dependent on fossil fuels.
- Over 40% of factories will be highly or moderately impacted due to the energy transition.
- The top three sectors that will face challenges within the next 10 years are coal mining, coal-based power, and automobile. These sectors require just transition plans soon.
- Overall, about 1.0 million formal workers employed in coal mining, thermal power, refineries, and fossil-fuel dependent factories will be impacted over the next two decades. They will require skilling/reskilling and other transition support. The number of informal workers are much higher.
- 14 districts, including the Chandrapur-Nagpur-Yavatmal region, and Pune region, are transition hotspots. These districts need plans for economic diversification, workforce transition, and investments in green energy, industry and infrastructure.
- The state needs a comprehensive Just Energy Transition Policy and regional plans to ensure an inclusive green growth.

Mumbai, February 2, 2024: The International Forum for Environment, Sustainability and Technology (iFOREST), a prominent environmental thinktank, in partnership with the Department of Environment and Climate Change, Government of Maharashtra organized a multistakeholder meeting on 'Just Energy Transition in Maharashtra' with the agenda to support green growth and green jobs in the state as the state aims to achieve a \$1 trillion economy in the next five years. The event brought together a diverse group of stakeholders – state government officials, industry leaders, researchers, think tank experts, and influential figures in civil society, among others.

At the event, iFOREST released the first comprehensive assessment report on challenges and opportunities of a just energy transition in the state. The report -- **Just Energy Transition in Maharashtra: An Opportunity for Green Growth and Green Jobs** -- covers all major sectors that will be highly or moderately impacted by the green energy transition. Sectors such as coal mining, thermal power, automobile, steel, cement, brick etc. are assessed in detail in the report to support the state government in developing a comprehensive strategy for the transition. The report highlights the opportunities for the green growth and jobs which can be catalysed through the right policy levers and private and public investments.

Inaugurating the event **Mr. Pravin C. Darade, Principal Secretary of the Department of Environment and Climate Change, Government of Maharashtra** said that “Maharashtra has a target of achieving a trillion-dollar economy. It is certainly a challenge to achieving a net zero target along with economic growth. Therefore, we need to start transition to green energy.”

Mr. Jamshyd Godrej, Chairman & Managing Director of Godrej & Boyce in his inaugural address said that “Maharashtra provides an important opportunity for the green transition. The coming together of the industry and Mumbai’s financial power will be extremely important”.

Speaking at inaugural function, Mr. Chandra Bhushan, CEO iFOREST, said “Maharashtra is vulnerable to energy transition because it’s economy is fossil fuel-intensive. But this vulnerability can be turned into an opportunity for green growth and jobs in the state through appropriate state policies, sectoral and regional plans, and public and private investments in just transition. A just transition will be crucial to achieve an inclusive development as Maharashtra embarks on a rapid growth to become a trillion-dollar economy. This will ensure that instead of job losses, millions of new green jobs can be created”.

Elaborating the immediate challenges, **Srestha Banerjee, Director – Just Transition at iFOREST** informed the gathering that “coal mining, coal-based power, and automobile will witness transition challenges within next 10 years. The growth renewables and EVs and the unprofitability of coal mines in the states will trigger major changes in these sectors”.

Mr. Avinash Dhakne, Member Secretary of the State Pollution Control Board said that “identifying sustainable solutions is vital for the green transition as well as for environment. Resource availability and costs remain crucial constraints at the moment. However, it is also an opportunity for innovation and entrepreneurship”.

Key findings and recommendations of the report

1. The green energy transition will affect coal mining, thermal power, refineries, and 41% of all factories operating in Maharashtra. The transition of these sectors and industries will impact over 1.0 million formal workers. Besides, a large number of low-paid informal workers will be impacted, including about 0.25 million in the brick-making sector.
2. There are 14 district that are the transition hotspots, These include, Nagpur, Chandrapur, Yavatmal, Pune, Nashik, Aurangabad, Ahmednagar, Kolhapur, Sangli, Solapur, Palghar, Raigad, Thane and Mumbai Suburban (including Mumbai city). These districts account for 100% of the coal mines, oil refineries, and fertilizer plants. Besides, they account for 65% of the coal-based TPP units, 75% of the automobile and auto-component enterprises, 77% of the steel units, over 60% of the cement units, and about 78% of the boilers. These districts also cover all five brick-making clusters.
3. The top three sectors that will face challenges within the next 10 years are coal mining, coal-based power, and automobile. These sectors require just transition plans soon.
4. An important aspect of the just energy transition will be the support to micro, small and medium enterprises (MSMEs), which dominate the auto component segment, foundries, and industrial units using boilers, among others. These enterprises employ a large number of formal and informal workers.
5. For the State Government it will be important to develop a comprehensive State Just Transition Policy. The policy should focus on economic diversification, workforce skilling and development, and investments in social and physical infrastructure to build social capital and attract investments.

6. The State Government should develop Regional Just Transition Plans to prioritise investments and interventions for the hotspot regions. The priority regions for developing such plans are the Chandrapur-Nagpur-Yavatmal cluster and Pune cluster.
7. A key issue for just energy transition will be reskilling the workers who will be impacted by the transition and also preparing the future workforce. Both the government and the industry will need to massively scale-up skilling and re-skilling programmes and allocations to retain local employment. Some of the key areas of skilling will be for green construction and green infrastructure development, green energy, green mobility, and technical training for repurposing and decommissioning activities.
8. Overall, the green transition will require big investments in the coming years. The industry and capital market will have a key role to play. Besides, public funds will be important for building green infrastructure, reskilling of workers, planning and capacity building, among others. The District Mineral Foundation (DMF) funds available with coal districts provide an immediate opportunity. There is over 1,600 crore of unspent DMF funds with the 3 coal districts that can be used to kick-start transition measures.

“With 10% of the country’s GHG emissions, Maharashtra is crucial in achieving India’s climate targets including the Net Zero target by 2070. The state government has already taken proactive initiatives such as state climate action plan, net zero carbon emissions in 43 cities by 2040 and Majhi Vasundhara. The state can lead the way in just energy transition in India by implementing actionable plans in hotspot districts and states” said Chandra Bhushan.

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