

Transition Chronicles

Uncovering people-centric approach



Unlocking Green Growth through MSMEs

India's 66.8 million MSMEs are central to the country's net-zero ambitions. They employ 134 million people, contribute more than a third of manufacturing output and consume a quarter of industrial energy. But emissions from textiles, food processing and brick kilns are projected to more than double by 2030, making low-carbon pathways both urgent and unavoidable.

The challenge is steep. Only 16% of MSMEs access formal credit, leaving a ₹25 trillion financing gap. Many remain tied to outdated, coal-based technologies. Their informal structure, weak bargaining power and limited market access make them especially vulnerable to the green transition.

Regular vulnerability assessments can identify high-risk clusters and workers for targeted support. At the same time, training and technical assistance can accelerate the adoption of efficiency upgrades, bio-based materials, cleaner fuels, electrification and circular practices. With the right policy incentives, scattered pilots



can scale into industry-wide standards.

Stronger ecosystems for technology and skilling are also essential. Schemes such as ADEETIE and PM Vishwakarma already provide support for energy efficiency, training and credit. Embedding climate goals into these programmes can prepare enterprises and workers for a low-carbon future.

Finally, finance must flow. Concessional loans, blended finance, risk-sharing facilities and digital platforms can expand credit, while tailored

products for women-led and informal enterprises ensure inclusion. India cannot achieve net-zero without MSMEs, and MSMEs cannot thrive without dedicated support. At Vasudha Foundation, we are working with textile MSMEs to close knowledge gaps and electrify process heat, boosting productivity, cutting emissions and improving workplace conditions. With the right ecosystem of data, finance, technology and inclusive policies, MSMEs can turn climate risk into India's greatest opportunity.

Financing People and Planet-centric Energy Transitions

\$10 trillion – that is the investment India will need to reach net-zero by 2070. While much of this may come from savings, foreign capital and bank lending, \$3–4 trillion will have to be raised differently. These are investments whose value is long-term and systemic: reskilling workers, creating safety nets for families, and diversifying local economies. Without them, the transition risks being measured only in carbon terms, not in human terms.

This is where climate finance becomes critical. By blending concessional loans, philanthropic funds and private capital, it can reduce risk and channel resources into both hard infrastructure like renewable power and softer but equally vital areas like livelihoods and skilling. Done right, climate finance ensures the transition is not just about cutting emissions, but about enabling workers, entrepreneurs and communities to thrive in the low-carbon economy.

Partnerships between public authorities and financiers are key. Governments can use concessional funds to underwrite social investments that markets often neglect, while private and civic actors bring innovation and on-the-ground knowledge.

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India's EV Shift Faces a Skills Crunch

Can the workforce keep up?



E-mobility transition is often framed as a technology story - new batteries, charging stations, cleaner engines. However, beneath the headlines lies a quieter challenge: preparing the workforce for the largest shift the automobile sector has seen. 32 million people, from factory workers to roadside mechanics, are employed in the sector. As EVs replace ICE vehicles, at least 66 jobs are expected to disappear, while 93 new ones emerge. This is not simply about swapping one machine for another; it's about retooling an entire workforce for new skills, new systems, and new ways of work.

The numbers speak. By 2030, India needs more than 2 lakh workers trained in EV-related skills, yet only about 15,000 are trained each year. The gap is already visible in other countries. In the United Kingdom and Australia, a shortage of EV mechanics has led to rising repair costs and, in some cases,

vehicles being scrapped after minor accidents. Without a serious course correction, India could face similar bottlenecks that undermine consumer confidence and stall adoption. Addressing this requires industry, government, and civil society to come together to build a coordinated skilling strategy. Vasudha Foundation's paper titled 'Skilling the Workforce for EV Transition' suggests moving away from traditional apprenticeship models toward certification-based training to keep pace with fast-changing technologies. It calls for state-level task forces that bring together automakers, training institutions, and local governments

to plan skilling programmes aligned with regional industry clusters. Philanthropic and CSR funding could be tapped to train informal workers, especially roadside mechanics.

There are signs of what is possible. Partnerships like Hero Electric's collaboration with ReadyAssist to train 20,000 mechanics point to how the industry can take the lead. With the right support, similar models can be replicated for both reskilling and new employment.

Unless investment in skilling matches investment in hardware, India risks falling behind on its promise to offer jobs, resilience and opportunities in the EV ecosystem.



Decoding the Role of Civil Society

The shift away from fossil fuels is affecting workers and communities in terms of income, employment, and access. From coal regions needing alternate livelihoods to farmer interest in renewable energy projects, many risks arise in transition. Small businesses and artisans face higher costs as industries modernise. While governments and companies focus on technology and finance, the social side - fairness, livelihoods, and justice - gets less attention.

CSOs, with grassroots linkages, can bridge this gap. They bring local voices into climate discussions, building awareness and ensuring

inclusive policymaking.

Our framework highlights four CSO roles - as market enablers helping communities and small businesses adopt RE; as drivers of social change, building climate support and bridging information gaps; as institutions shaping climate governance and policies; and as watchdogs of justice and vulnerable groups.

The paper calls on CSOs to scale across regions, link grassroots with think tanks, and co-create projects with communities as partners. Longer grants for capacity building and creative outreach can deepen impact. Without CSOs, transition risks are technocratic; with them, it can be people-centred, advancing clean energy with dignity and justice.



CSR: The Missing Link in India's Just Transition

At COP28, governments agreed that moving away from fossil fuels must be "just and orderly." For India, the stakes are high: coal-rich states like Jharkhand and Chhattisgarh face revenue losses, auto hubs must retool for electric vehicles, and agrarian communities may lose land to renewable projects. The transition can create new industries and jobs, but if unplanned, it can also deepen inequality and trigger unrest.

Businesses already recognise the financial risks like stranded assets, supply chain disruptions, and reputational damage. But far less attention has been paid to the risks borne by people. CSR offers a ready-made vehicle to address these gaps. Unlike conventional business

strategy, CSR is legally mandated in India, has existing institutional mechanisms, and explicitly focuses on social impact. It can channel resources into livelihood security, skills training, community resilience and most importantly, build local context to facilitate a fair transition.

- 1 Local and context-specific planning**
- 2 CSR provides for both - financial availability, and vision for social impact and climate action**
- 3 CSR has pre-existing institutional mechanism, hence businesses don't need separate processes**

The framework for a just transition highlights six elements: diversifying local economies, restoring degraded environments, creating sustainable livelihoods, building resilient communities, supporting labour

through skilling and reskilling, and promoting inclusive dialogue. Many companies' CSR projects already touch these areas. What is missing is alignment with transition-affected regions and industries.

Case study: YES Bank's partnership with MSME clusters helped over 1,000 small units adopt energy efficiency, improve workplace safety, and train workers while boosting competitiveness and cutting emissions. Oil India's Rupantar project in Assam turned local pressure into opportunity by creating new agri-based livelihoods for women and youth, benefiting 5,000+ families. Both show how CSR, when designed with long-term vision and community participation, can turn

potential conflict into resilience.

The financing challenge remains daunting. India needs over \$10 trillion for its net-zero pathway, nearly half for social and environmental costs. CSR, already mobilising billions annually, can bridge part of this gap by supporting place-based, people-centred initiatives and catalyse partnerships linking governments, communities, and financiers.

The path forward is clear. By embedding just transition principles into CSR agendas, organisations can protect communities, strengthen their own supply chains, and align with climate goals. CSR must move beyond philanthropy to become a strategic lever for resilience, equity, and inclusion.



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Take Andhra Pradesh: its State Skill Development Corporation's partnership with Suzlon Energy aims to train 12,000 people and establish five renewable energy skill labs, a bridge for young people into an emerging sector.

Banks and financial institutions, too, have a big role in shaping the transition. They can redesign loan products and risk models to support this transition. RBI can reinforce this by using its Priority Sector Lending (PSL) scheme to direct more credit into climate-vulnerable districts that typically struggle to attract investment. By tying lending criteria to social outcomes such as reskilling workers, creating jobs, or ensuring gender inclusion, banks can ensure finance strengthens the communities most exposed to transition risks.

Multilateral development banks (MDBs) can bring scale, confidence, and structure. The Asian Development Bank's \$160 million Reg-S bond issue and the Asian Infrastructure Investment

Bank's financing of 10 Indian energy projects worth \$1.43 billion show how MDBs can mobilise institutional investors. By designing 'Just Transition Tranches' that lower borrowing costs once measurable social and economic outcomes are achieved, MDBs can directly link finance with inclusive impact.

Meanwhile, India's financial innovation is broadening the landscape. Carbon markets are being designed to tie emissions reductions to local livelihood benefits. Domestic initiatives such as Vivriti Capital's \$25mn climate facility or Udaipur Urja's carbon-linked clean cooking programme illustrate how blended finance and carbon revenues can serve community-centred models.

India's energy transition cannot succeed if finance flows only to megawatts and infrastructure. The harder task is to mobilise capital for people: the workers, small enterprises and communities who stand to lose the most yet hold the key to lasting resilience.

The Human Side of Transition



Vrinda Gupta

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Today's headlines and feeds are filled with terms like net zero, decarbonisation, climate action and tech solutions. These words signal ambition but also risk reducing change to a scoreboard of gigawatts installed, tonnes of CO₂ abated, or jobs tallied. What often slips through are the lives behind these numbers: workers unsure if their skills will remain relevant, small enterprises tied to outdated technologies, and communities already facing climate impacts and economic disruption.

A true shift from fossil fuels to a low-carbon economy requires systems-level change to keep society, environment and economy in balance. Success depends not only on clean energy infrastructure and investment, but on how deeply they are rooted in local realities. The green shift will create new jobs, but not always in the same sectors, regions or with the same skills as those that disappear.

That is why people must be placed at the centre. Progress must be measured not only in carbon terms but in whether it strengthens both communities and ecosystems.

Collection of our *Briefing Papers*



Land Use Change

Explores approaches for minimising social, economic and environmental impacts of expected land-use change for key sectors- renewable energy, agriculture and nature-based solutions.

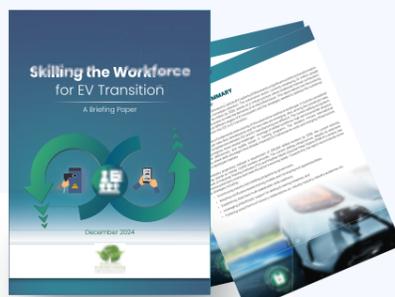
Corporate Social Responsibility (CSR)

Papers explore the synergistic alignment between CSR activities and JT action, identify opportunities for convergence, provide an indicative framework for aligning CSR projects with JT principles and capture practical learnings through selected CSR case studies.



Engagement with Civil Society Organisation

Establishes the relevance of Civil Society Organisations (CSOs) for an inclusive and bottom-up approach to energy transition and suggests integrating climate and energy action in existing CSO 'models' of work.



ICE to EV Transition

Papers identify the people-centric nodes in the transition of the road transport sector from ICE to EVs. Further exploring strategies for facilitating a fair and inclusive transition in the sector, with a focus on the skilling and capacity building needs of workers.



Mobilising Finance

Outlines strategies for a whole-of-ecosystem approach to transition finance that integrates climate, capital, and community for equitable and inclusive decarbonisation outcomes.

To access the report, click on its cover

