

POLICY BRIEF

Indo–German Co-operation for India’s People-centred Transition

Conclusions from RE-INVEST 2024 and the 7th Intergovernmental Consultations

In this policy brief, we explore emerging opportunities for enhanced Indo-German co-operation in climate action, renewable energy, and sustainable development. India and Germany have reached a new level of bilateral relations at India’s RE-INVEST conference in September 2024 and the Intergovernmental Consultations (IGCs) of October 2024. These events underscore the commitment of India and Germany to advance the implementation of the Paris Agreement and the Sustainable Development Goals (SDGs). There is untapped potential for joint projects that align with both nations’ sustainability goals with shared priorities in renewable energy expansion, innovative technology, and climate-resilient agriculture.

Germany and India have been co-operating in the Green and Sustainable Development Partnership (GSDP) since Narendra Modi and Olaf Scholz agreed it in 2022. Germany’s role as partner at RE-INVEST 2024 fell under this umbrella (16–18 September in Gandhinagar, Gujarat). As a result of the co-operation around RE-INVEST, the German Ministry for Economic Cooperation and Development (BMZ) and India’s Ministry of New and Renewable Energy (MNRE) launched the ‘India–Germany Platform for Investments in Renewable Energy Worldwide’.¹ The platform aims to fast-track renewable energy by fostering business collaborations and expanding global supply chains, generating investment for the Indian and global energy transformation. The details of this new platform are now being developed.

Shortly after RE-INVEST, the seventh Intergovernmental Consultations took place in Delhi on 25 October 2024. The German Foreign Office had previously prepared its comprehensive ‘Focus on India’ strategy for the consultations,² affirming that India is a crucial partner for Germany in addressing global challenges such as complex geopolitics, (in)security, and climate change. The strategy covers bilateral co-operation in the fields of foreign and security policy, development co-operation, climate and environmental protection, and resilience. It also aims to expand economic and trade relations, intensify research and scientific co-operation, and help recruit skilled labour. With this central document, Germany’s demonstrates its intention to lift its relations with India to a new level through the recent government consultations.

Germany had developed a ‘Skilled Labour Strategy: India’ in October 2024, just before the consultations, to address skills shortage.³ At the consultations, the partners renewed the ‘Memorandum of Understanding on Skill Development and Vocational Education and Training’.⁴ Aiming to develop the Indian workforce, it could also address skills shortage in Germany, including for its energy transition.

Overall, RE-INVEST 2024 and the seventh government consultations gave concrete new impulses for Indo-German co-operation on climate, energy, and development. The next German government should build on this momentum. In our policy brief, we offer inputs for the next steps, especially on how cross-department

¹ German Ministry for Economic Cooperation and Development (BMZ), 2024, [Press Release](#) (accessed 22 November 2024).

² German Foreign Office, 2024, [Focus on India](#) (accessed 22 November 2024).

³ German Ministry of Labour and Social Affairs, 2024, [Skilled Labour Strategy: India](#) (accessed 18 November 2024).

⁴ Indian Ministry of External Affairs, 2015, [MoU on Skill Development and Vocational Training](#) (accessed 20 November 2024).

strategies such as 'Focus on India' and 'Skilled Labour Strategy: India' can drive a people-centred transition in India and breathe life into the 'India-Germany Platform for Investments in Renewable Energy Worldwide'.

1. The scope of Indo-German climate, energy, and development co-operation: from expanding renewables to the people-centred transition

The core objective of a truly transformational Indo-German co-operation on climate, energy, and development must be a people-centred and just transition. Conceptually, the just transition is already guiding German development policy,⁵ and Indian policy makers have been giving serious thought to the 'people-centred' transition as operating principle for their various energy ministries.^{6, 7}

Germany has been criticised for its narrow focus on phasing out coal in India. It is time for a much broader approach to drive a people-centred transition in the subcontinent. The German approach should include a general commitment to phasing out fossil fuels across the board (coal, oil, and gas) and thus help reduce Indian (and German) dependence on imports. This will require intensifying engagement with a wider range of sectors, from mobility to heavy industries. Each come with specific challenges for a sustainable and people-centred transition. In any case, transformation must go beyond a mere switch to renewables and enable fair distribution of opportunities and risks of the (energy) transition as part of a fundamental transformation towards just and resilient societies.

The German approach should reflect that the just and people-centred transition is more than climate mitigation: it delivers broad social benefits, particularly in terms of energy equity, equitable economic opportunities, social inclusion, resilience, and sustainable livelihoods for communities. In India and Germany alike, a people-centred transition can create green jobs, develop skills, and diversify the economy. This transition can shore up security for communities who are most affected by changes in the energy landscape, notably for the workforce in traditional energy sectors, communities in remote or underserved areas, and generally for everyone affected by climate impacts.

A people-centred transition responds to critical issues of energy access and affordability, ensuring that renewable energy reaches marginalised and rural populations, who rarely benefit from economic growth. Decentralised, community-led renewable projects are crucial elements of people-centred transition programmes. They catalyse deep-seated equitable, socio-economic development and democratise energy systems. Indo-German co-operation can alleviate energy poverty by prioritising initiatives in these areas and by bringing modern, sustainable energy to all. This would be in line with both countries' values of social equity and sustainable development, creating a framework for co-operation that resonates with their domestic and international commitments such as the SDGs.

In conclusion, the 'India-Germany Platform for Investments in Renewable Energy Worldwide' should explore how expanding renewable energy can increase social benefits by setting appropriate guidelines for the people-centred transition.

⁵ German Bundestag, 2021, [Just Transition: Den Übergang zu einer klimagerechten Wirtschafts- und Lebensweise gestalten](#) (accessed 20 November 2024).

⁶ iFOREST, 2024, [JUST TRANSITION WORK PROGRAMME](#) (accessed 20 November 2024).

⁷ Jaspal, M. (ORF), 2023, [Powering India's Future: Towards a People-positive Energy Transition](#) (accessed 20 November 2024).

2. The geography of Indo-German co-operation: state-level engagement for implementation

Achieving the ambitious goals of Indo-German co-operation on renewable energy and people-centred transitions will require focused, state-level implementation across India's diverse regions. Certain Indian states, such as Gujarat and Andhra Pradesh, are well positioned to drive rapid renewables expansion. Existing infrastructure, favourable business environments, and high renewable energy potential support Gujarat's target of a renewable energy capacity of 100 GW by 2030. With Gujarat already emerging as a leader in solar and wind energy generation, the state is a key landing zone for international co-operation and Indo-German B2B initiatives.

A more effective renewable energy transition in India requires greater state-level engagement, particularly in regions with untapped potential. States like Bihar, Jharkhand, Kerala, and Odisha face challenges such as heavy fossil fuel dependence, inadequate infrastructure, financial constraints, and lower industrial development, despite significant renewable resources. To address this, stronger Indo-German collaboration could focus on targeted investments in these states. This might include upgrading energy infrastructure, providing technical support for local capacity building, and funding community-driven renewable energy projects. Such engagement would ensure that the benefits of the renewable energy transition are more equitably distributed across India, promoting regional economic development, reducing disparities, and supporting a people-centred energy transition. By concentrating efforts at the state level, Indo-German co-operation can advance inclusive and sustainable growth nationwide, setting an example for global climate equity.

The BMZ has a key role to play in leveraging new opportunities of the 'India-Germany Platform for Investments in Renewable Energy Worldwide'. For example, the BMZ could enable state-tailored B2B initiatives, research exchange, and pilot projects in several states through the platform. And there are other promising Indo-German initiatives that could expand co-operation and networks at sub-national level and spread renewables investments and people-centred transition projects across various Indian states, in particular those that have featured little in Indo-German co-operation so far.

3. An additional thematic focus: skilling for the people-centred transition

Indo-German co-operation should further prioritise skilling and workforce development as integral components of transition projects. Economic growth of sustainable sectors opens up vast employment opportunities. In other words, the demand for skilled workers who bring the technical expertise for new and emerging renewable energy technologies will rise. However, the transition should not exacerbate workers' vulnerabilities. To bridge this gap and address this risk, bilateral co-operation can build on but must go beyond the 'Indo-German Green Skills Program', notably the only skilling project as of now, to address this.⁸ Co-operation should embed skilling programmes within renewable energy initiatives, ensuring that local communities, especially women, gain access to training in areas such as solar panel installation, wind turbine maintenance, energy-efficient construction, and related infrastructure. Moreover, skilling programmes for informal coal workers should be developed to equip them for alternative livelihoods. Both approaches support economic inclusion while strengthening India's long-term resilience through building robust technical expertise across diverse regions and sectors.

A practical approach to embedding skilling in the 'India-Germany Platform for Investments in Renewable Energy Worldwide' could involve setting a standard for private German investment in renewable energy

⁸ Indo-German Cooperation, 2024, [Indo-German Cooperation Dashboard](#) (accessed 22 November 2024).

projects in India: a designated percentage of each project's investment could be allocated to skilling initiatives. This funding would support on-the-job training, apprenticeships, and certifications for local workers, with a focus on women and marginalised groups, reaping India's demographic dividend. This would ensure that German investment benefits extend beyond energy infrastructure and directly contribute to human capital development, fostering sustainable job creation and social mobility within communities. Indo-German co-operation can set a model for inclusive, workforce-oriented growth that maximises the socioeconomic impact of the energy transition by prioritising skilling as part of renewables uptake and people-centred transition investments.

Germany's 'Skilled Labour Strategy: India' highlights the strategic importance of skilling in Indo-German renewable energy co-operation and addresses both India's and Germany's workforce needs. While Germany faces a shortage of skilled labour, the focus remains on preparing workers for India's job market, particularly in renewable energy and green technologies. By aligning skilling initiatives with German industry standards, Germany can help create a talent pool that not only supports India's energy transition but could eventually contribute to meet skills shortage in Germany. This approach benefits both countries by equipping Indian workers with globally relevant skills and know-how while addressing Germany's labour needs in specialised industries.

It would be of utmost importance to strengthen the Indian job market with skilled workers first, before Germany absorbs them in its own job market. Skilled labour is a precondition for a successful people-centred transition in India and should remain the first priority of the bilateral co-operation. This needs to be incorporated when implementing the renewed 'Memorandum of Understanding on Skill Development and Vocational Education and Training' and other agreements, promoting brain-gain instead of brain-drain. Only then will the Indo-German commitment to a people-centred transition set a global benchmark and demonstrate that ambitious climate action not only reduces emissions but also fosters inclusive growth, dignity in labour, and shared prosperity.

4. The diversity of civil society's roles: Participation in people-centred transition

A people-centred Indo-German energy transition must include non-state and civil society actors of all levels to do justice to its name. Inclusion leads to broad-based, sustainable impact, especially in India's decentralised renewable energy sector. Non-state actors and civil society organisations (CSOs) include a wide range of institutions and organisations:

- academic institutions and universities such as IIT Kanpur,
- think tanks and research institutions such as TERI and CEEW,
- non-governmental organisations (NGOs) such as Barefoot College, and Indian NGO networks,
- community-based organisations (CBOs),
- awareness raising and educational institutions,
- philanthropies, social enterprises, and start-ups, including foundations such as SELCO,
- development finance institutions and impact,
- technology providers such as Greenlight Planet (solar lanterns), Envirofit (clean cookstoves),
- Microfinance Institutions (MFIs).

All these different actors can potentially take up critical roles, especially for decentralised renewable energy, including in:

- developing and testing technical, financial, and ownership innovation,
- providing on-the-ground experiences to improve projects further and bridging gaps between policy and practice, ensuring that renewable projects meet local needs and align with community priorities,
- creating broader ownership of transition goals and increasing public understanding of policies, in particular through transparency,
- identifying and mobilising relevant stakeholders for exchange across constituencies,
- developing inclusive and community-focused approaches to renewable energy programmes, including training to enhance energy access for building resilient livelihoods,
- raising awareness for decentralised renewable energy projects and the benefits for micro, small, and medium enterprises, co-operatives, and others through people-centred approaches in concerned communities,
- conducting research that informs policy and technological advancements (research bodies and think tanks),
- bringing local experiences and the analysis of international dynamics (e.g. geopolitical, market developments, (climate) risk assessments) together for long-term, context-specific strategies,
- assessing knowledge gaps and designing knowledge and skill building instruments, or supporting institutions on this.

Non-state actors and CSOs, particularly in rural and underserved regions of India, bring valuable insights into social, economic, and cultural factors that influence successful project adoption in the context of decentralised renewable energy. Their involvement can help tailor renewables initiatives to local contexts and foster greater community buy-in and ownership. Engaging civil society in Indo-German renewable energy projects can ensure that the transition is inclusive and responsive to diverse community needs, further strengthening the social fabric that underpins sustainable development. Non-state actors and CSOs as active partners also provide transparency and accountability in project implementation. This creates a robust blueprint of decentralised, community-driven renewable energy for global implementation.

It is therefore of utmost importance to explore ways of shaping governance structures within the Indo-German co-operation that allows for exchange with and provides space for the various important activities of non-state actors and CSOs – including the new 'India-Germany Platform for Investments in Renewable Energy Worldwide'.

Conclusions

The next level of Indo-German relations presents a powerful opportunity for a people-centred, just transition that benefits both countries and sets global benchmarks beyond a mere fuel switch. This co-operation can drive transformative change that aligns with shared goals and SDGs of climate action and socio-economic development by prioritising people, local implementation, skilling, and the inclusion of non-state and civil society actors. Support for renewable energy expansion in high-potential states like Gujarat or Andhra Pradesh, and for B2B investments in less-developed regions, can foster regional balance in sustainable development and create inclusive growth across India. Embedding skilling in investment flows and fostering non-state actors' participation ensures that transition benefits are widely distributed and sustainable. This will equip communities with opportunities to adapt to and thrive in the renewables-driven economy.

In a complex geopolitical setting, Indo-German collaboration can demonstrate how ambitious climate action can drive fair and equitable development. In this policy brief, we show how the Indo-German alliance can create both a sustainable energy future and resilient communities. German and Indian ministries will need to work across departments to address complex issues such as renewables expansion, investment strategies, inclusive economic growth, gender sensitivity, green skilling, and social development goals.

First, the 'India-Germany Platform for Investments in Renewable Energy Worldwide' should set thematic, governmental, and financial priorities with potential links to relevant topics that cannot be fitted into the scope of the platform itself. In the long run, new instruments such as the platform will need links to other Indo-German or Indian initiatives to unfold their potential for a people-centred transition.

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Edited by: Germanwatch e. V.

Suggested citation: Schwarz, R., Chennamaneni, L., 2024, Indo-German Co-operation for India's People-centred Transition, www.germanwatch.org/en/91835.

Download this document at: www.germanwatch.org/en/91835

November 2024

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This paper was produced with financial support by the German Ministry for Economic Cooperation and Development (BMZ). Responsibility for the contents rests with Germanwatch.



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for Economic Cooperation
and Development