

CLIMATE LITIGATION

Climate litigation refers to legal actions or lawsuits that address issues related to climate change, including its causes, impacts, and responses. These lawsuits can involve various parties, including governments, corporations, environmental organizations, communities, and individuals, and they may seek remedies such as compensation, injunctions, or changes in policy or behavior.

Climate litigation has been on the rise in recent years due to several factors:

1. **Urgency of Climate Action:** With the increasing recognition of the severity and urgency of climate change impacts, there is growing pressure on governments and corporations to take meaningful action to mitigate greenhouse gas emissions, adapt to climate impacts, and transition to sustainable practices. When these entities fail to act or take insufficient action, litigation may be pursued as a means of holding them accountable and compelling change.
2. **Legal Precedents and Strategies:** Successful climate-related lawsuits in various jurisdictions have established legal precedents and strategies that inspire and embolden others to pursue similar actions. As the body of climate law grows and legal strategies evolve, it becomes easier for plaintiffs to navigate the legal system and achieve favorable outcomes.
3. **Increased Awareness and Advocacy:** Heightened awareness of climate change issues, fueled by scientific research, media coverage, and advocacy efforts, has led to greater public engagement and mobilization around climate action. This increased awareness has also translated into greater support for climate litigation as a tool for addressing environmental concerns and promoting accountability.
4. **Role of Civil Society and NGOs:** Civil society organizations and non-governmental organizations (NGOs) play a crucial role in driving climate litigation by providing legal expertise, funding, and advocacy support to affected communities and individuals. These organizations often act as catalysts for litigation efforts and help amplify the voices of marginalized groups and communities impacted by climate change.

Instances of Climate Litigation:

World:

1. **Urgenda Foundation v. Kingdom of the Netherlands (2015):**
 - The Urgenda Foundation, a Dutch environmental organization, successfully sued the Dutch government for its inadequate efforts to mitigate greenhouse gas emissions. The court ruled that the government had a legal obligation to take more ambitious action to reduce emissions in line with its duty to protect the rights to life and well-being of its citizens.

2. **Juliana v. United States (ongoing):**

- A group of young plaintiffs, represented by the organization Our Children's Trust, filed a lawsuit against the U.S. government alleging that its actions and policies related to fossil fuel production and consumption violate their constitutional rights to life, liberty, and property, as well as the public trust doctrine. The case has been ongoing for several years and has garnered significant attention as a landmark climate litigation.

India:

1. **V. Aruna Roy & Ors. v. Union of India & Ors. (2012):**

- The Supreme Court of India directed the government to link environmental clearances for industrial projects with compliance to environmental laws and regulations, including those related to climate change. The ruling emphasized the importance of considering environmental impacts, including climate change, in decision-making processes.

2. **Greta Thunberg and Others v. Union of India & Ors. (ongoing):**

- A group of Indian youth, inspired by climate activist Greta Thunberg, filed a petition in the National Green Tribunal seeking action to address climate change and protect their right to a healthy environment. The case highlights the growing activism among young people in India and their demand for stronger climate action from the government.

These examples illustrate the diverse range of climate-related lawsuits taking place around the world, highlighting the role of the legal system in advancing climate action, promoting environmental justice, and holding governments and corporations accountable for their contributions to climate change.

DISINVESTMENT

Disinvestment, also known as divestment, refers to the process of selling off or reducing the ownership stake of the government in public sector enterprises (PSEs) or state-owned companies.

In the context of India, disinvestment typically involves the sale of equity shares of government-owned companies to private investors, including institutional investors, retail investors, and strategic investors, both domestic and international. Disinvestment is often pursued by governments for several reasons:

1. **Fiscal Management:** Governments may undertake disinvestment to raise funds and bridge fiscal deficits. The proceeds from the sale of government shares can be used to finance development projects, infrastructure investments, or social welfare programs, reducing the need for borrowing and fiscal borrowing.
2. **Promoting Efficiency and Competition:** Disinvestment can promote efficiency, competitiveness, and innovation in state-owned enterprises by subjecting them to market discipline and private

sector scrutiny. Private ownership often incentivizes companies to improve performance, streamline operations, and adopt best practices to enhance shareholder value.

3. **Unlocking Value:** State-owned enterprises may possess significant assets, resources, and market potential that remain underutilized or undervalued under government ownership. Disinvestment allows for the unlocking of this value and enables private investors to capitalize on growth opportunities, leading to improved shareholder returns and economic growth.
4. **Reducing Government Intervention:** Government ownership of companies can sometimes lead to inefficiencies, bureaucratic interference, and political considerations influencing business decisions. Disinvestment reduces the government's direct involvement in the management and operations of enterprises, allowing them to operate more autonomously and competitively.
5. **Capital Market Development:** Disinvestment initiatives can contribute to the development and deepening of capital markets by increasing the number of publicly traded companies, enhancing liquidity, and attracting domestic and foreign investment. A vibrant capital market fosters economic growth, job creation, and wealth creation.

Benefits of disinvestment policy:

1. **Benefit of government:**
 - It will reduce government's debt.
 - It will save resources by spending less on PSUs which can be used by government for welfare purposes.
 - It will help in reducing fiscal deficit.
 - It enable government to raise funds that can be used to strengthen physical and social infrastructure.
2. **Benefit of society:**
 - It will increase government's focus on society welfare.
 - It will ensure resources in the hands of public.
 - Consumers will get better services.
 - Companies will expand that will lead to more jobs.
3. **Benefit of market:**
 - It would bring more competition into various sectors thus improving the quality of services.
 - It will increase market profitability and hence companies' profits.
4. **Benefit of PSUs:**
 - It will ensure modernisation of PSUs with changing times.
 - It distribute loss and failure risks of PSUs to the private sector.

Challenges and concerns related to Disinvestment?

1. the Sale of profit-making and dividend-paying PSUs would result in the **loss of regular income** to the Government. Disinvestment has become just a resource raising exercise by the government. There is **no emphasize on reforming the PSUs**.

2. the valuation of shares has been affected by the Government's decision not to reduce government holdings below 51%. With the continuing majority ownership of the Government, the public enterprises would continue to operate with the earlier culture of inefficiency.
3. Government is not willing to give up its control even after strategic disinvestment. In the Budget (2019-20) Speech the Union Finance Minister stated that government will change the policy of 'directly' holding 51% or above in a CPSU to one whereby **Government's total holding, 'direct' plus 'indirect', is maintained at 51%**. It means government will still exercise its control over PSUs. This will **reduce the interests of buyers**.
4. The process of disinvestment is suffering from **bureaucratic control**. Almost all processes starting from conception to the selection of bidders are suffering due to it. Moreover, bureaucrats are reluctant to take timely decisions in the **fear of prosecution** after retirement.
5. Strategic Disinvestment of **Oil PSUs** is seen by some experts as a **threat to National Security**. Oil is a strategic natural resource and possible ownership in the foreign hand is not consistent with strategic goals.
6. Loss-making units don't attract investment. It depends upon the perception of investors about the PSU being offered. This perception becomes more important in the case of strategic sales, where the amount of investment is very high.
7. Complete Privatization may result in public monopolies becoming **private monopolies**, Private monopoly has a tendency to exploit their position to **increase costs** of various services and earn higher profits.
8. using funds from disinvestment to bridge the fiscal deficit is an unhealthy and short-term practice. This is not sustainable in the long term. Government should focus on increasing its revenue from more reliable resources and cut down **Fiscal Deficit**.

What are the NITI Aayog's suggestions on the process of disinvestment?

1. it is recommended that the Aayog's disinvestment proposals be immediately submitted to the Cabinet Committee on Economic Affairs (CCEA) rather than the corresponding Ministry. This would expedite the procedure.
2. the government should contemplate the recruitment of advisors and asset valuers in order to expedite the disinvestment process.
3. it is imperative to establish an autonomous and proficient agency in order to expedite the Asset Monetisation Programme.

What strategy should be adopted moving forward?

1. it is imperative for the Government to enhance the operational autonomy of Public Sector Enterprises (PSEs). Strong governance mechanisms, such as listing on public exchanges, can be used to supplement it. It will enhance the clarity of their performance.
2. it is imperative for the government to ensure that the bidders are given an equitable assessment of the value of the government organisations. It will enhance their confidence in the process of divestment.
3. it is imperative for the Government to decrease its level of participation in the administration and daily functioning of the PSEs. The Government ought to undertake a comprehensive

overhaul of their boards and restructure the existing organisational frameworks. This will enhance the appeal to potential buyers and result in more favourable appraisals.

The process of disinvestment in India is overseen by the Department of Investment and Public Asset Management (DIPAM), which formulates disinvestment policies, manages stake sales, and coordinates with relevant stakeholders, including ministries, regulators, and financial institutions. Disinvestment in India has taken various forms, including initial public offerings (IPOs), strategic sales, exchange-traded funds (ETFs), and minority stake sales through stock exchanges.

Over the years, successive Indian governments have pursued disinvestment as part of their economic reform agenda to liberalize markets, stimulate investment, and improve fiscal management. While disinvestment has garnered both support and criticism, it remains a significant policy tool for the Indian government to achieve its economic objectives and foster sustainable growth.

KEY CHALLENGES TO RENEWABLE ENERGY IN INDIA

India has made significant strides in promoting renewable energy in recent years, but the sector still faces several challenges that hinder its growth and adoption.

key challenges to renewable energy in India:

1. **Intermittency and Grid Integration:** Renewable energy sources such as solar and wind are intermittent in nature, meaning their generation fluctuates based on weather conditions. Integrating variable renewable energy into the grid poses technical challenges related to grid stability, balancing supply and demand, and managing variability and unpredictability.
2. **Lack of Grid Infrastructure:** Inadequate grid infrastructure, especially in remote or rural areas, poses a barrier to the expansion of renewable energy deployment. Limited transmission capacity, voltage fluctuations, and grid congestion can hinder the integration of renewable energy projects and lead to curtailment of generation.
3. **Policy and Regulatory Uncertainty:** Uncertain policy and regulatory frameworks, including changes in subsidies, tariffs, and incentives, can create uncertainty for renewable energy developers and investors. Inconsistent enforcement of regulations, delays in approvals, and ambiguous land acquisition processes can further impede project development and financing.
4. **Access to Financing:** Limited access to affordable financing, especially for small and medium-sized renewable energy projects, can hinder their development and deployment. High capital costs, long payback periods, and perceived risks associated with renewable energy investments may deter lenders and investors from providing adequate financing.
5. **Land Acquisition and Permitting:** Securing land for renewable energy projects, especially large-scale solar and wind farms, can be challenging due to competing land uses, land tenure issues,

and regulatory requirements. Lengthy and complex permitting processes, including environmental clearances and approvals from multiple authorities, can delay project implementation and increase costs.

6. **Technological Constraints:** Despite advancements in renewable energy technologies, certain technical challenges remain, particularly related to energy storage, grid stability, and reliability. Limited availability of cost-effective energy storage solutions to address intermittency and variability of renewable energy sources can constrain their integration and deployment.
7. **Market Barriers and Competition:** Conventional energy sources such as coal and natural gas continue to dominate India's energy mix, posing market barriers and competition for renewable energy. Subsidies and policy support for fossil fuels, along with entrenched interests and vested stakeholders in the conventional energy sector, can hinder the growth of renewables.
8. **Skill Development and Capacity Building:** The rapid expansion of the renewable energy sector requires a skilled workforce capable of designing, installing, operating, and maintaining renewable energy systems. Shortages of trained personnel, technicians, and engineers in renewable energy technologies pose challenges for project development and implementation.
9. **Environmental and Social Impacts:** Renewable energy projects, particularly large-scale installations, can have environmental and social impacts such as habitat disruption, land degradation, and displacement of communities. Ensuring sustainable development and addressing environmental and social concerns through effective planning, consultation, and mitigation measures is essential for gaining public acceptance and minimizing conflicts.
10. **Energy Transition Challenges:** Transitioning from conventional energy sources to renewables requires systemic changes in energy infrastructure, policy frameworks, and market mechanisms. Balancing the need for energy security, affordability, and sustainability while phasing out fossil fuels and scaling up renewables poses complex challenges for policymakers and stakeholders.

To overcome the challenges facing renewable energy in India and accelerate its adoption, several strategies and actions can be pursued:

1. **Clear and Stable Policy Framework:** Ensure a clear and stable policy and regulatory framework for renewable energy, including long-term targets, incentives, subsidies, and supportive measures. Consistent policies can provide certainty to investors and developers, encourage long-term planning, and attract investment.
2. **Grid Modernization and Integration:** Invest in grid modernization and expansion to accommodate higher shares of renewable energy and improve grid stability, flexibility, and reliability. Enhance grid infrastructure, smart grid technologies, energy storage systems, and demand-side management to integrate variable renewable energy sources effectively.
3. **Financial Incentives and Support:** Provide financial incentives, subsidies, and tax breaks to promote renewable energy investment and deployment. Introduce innovative financing

mechanisms, such as green bonds, venture capital, and public-private partnerships, to mobilize capital and reduce the cost of financing.

4. **Capacity Building and Skill Development:** Invest in capacity building, training, and skill development programs to develop a skilled workforce for the renewable energy sector. Collaborate with educational institutions, industry associations, and vocational training centers to offer specialized training in renewable energy technologies and practices.
5. **Streamlined Permitting and Approval Processes:** Simplify and expedite permitting, approvals, and clearance processes for renewable energy projects to reduce bureaucratic delays and transaction costs. Establish single-window clearance mechanisms, online portals, and standardized procedures to facilitate project development and implementation.
6. **Public Awareness and Stakeholder Engagement:** Raise public awareness about the benefits of renewable energy and the urgency of transitioning to clean energy sources. Engage with stakeholders, including communities, civil society organizations, and local authorities, to address concerns, build consensus, and foster support for renewable energy projects.
7. **Technology Innovation and Research: Promote research, development, and innovation in renewable energy technologies** to improve efficiency, reduce costs, and address technical challenges. Invest in research institutions, technology incubators, and public-private partnerships to drive innovation and commercialization of clean energy solutions.
8. **Decentralized and Off-Grid Solutions:** Encourage decentralized and off-grid renewable energy solutions, particularly in rural and remote areas with limited access to electricity. Support the deployment of mini-grids, standalone solar systems, and community-owned renewable energy projects to improve energy access, resilience, and sustainability.
9. **Collaboration and Partnerships:** Foster collaboration and partnerships among government agencies, private sector entities, academic institutions, and international organizations to share knowledge, best practices, and resources. Engage in technology transfer, joint research initiatives, and collaborative projects to leverage expertise and accelerate renewable energy deployment.
10. **Inclusive and Equitable Development:** Ensure inclusive and equitable development of renewable energy projects by engaging with local communities, addressing social and environmental concerns, and promoting participatory decision-making processes. Prioritize projects that benefit marginalized and vulnerable populations and contribute to local economic development and livelihoods.