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INDIA'S LEGAL TURNING POINTS IN 2021

A Photo Feature on
Judgments, Laws &
Bills



Synopsis: COP26 Glasgow A Win for ESG Goals!

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1. INTRODUCTION

The Conference of Parties, more commonly known as COP, is the apex decision-making body that undertakes the monitoring and reviewing of effective implementation of the United Nations Framework Convention on Climate Change (UNFCCC). It is a collaboration of 197 nations that have come together to address the global climate crisis. Constituted in 1994, the apex body organized its first event in 1995, COP1, in Berlin, Germany. It has since conducted 25 of such annual events, with COP25 held in December 2019 under the Presidency of the Government of Chile in Madrid, Spain. The end of October this year embarked upon the COP26 journey, in Glasgow, Scotland, from 1st to 12th November, 2021. While many considered COP26 to be yet another international summit on addressing the climate change crisis, however, pursuant to the Summit, there has been a change of perception, with the Summit being considered as a pivotal movement focused on climate change/ finance. Though the Final climate agreement got watered down on some aspects such as coal – Phase down instead of Phase out; financial commitments for developing nations by developed nations still in a grey zone; phasing out of inefficient

fossil fuel subsidies, etc. The overall outcome of the Summit looks positive and likely to yield the required efforts to safeguard the climate and transition to more sustainable living.

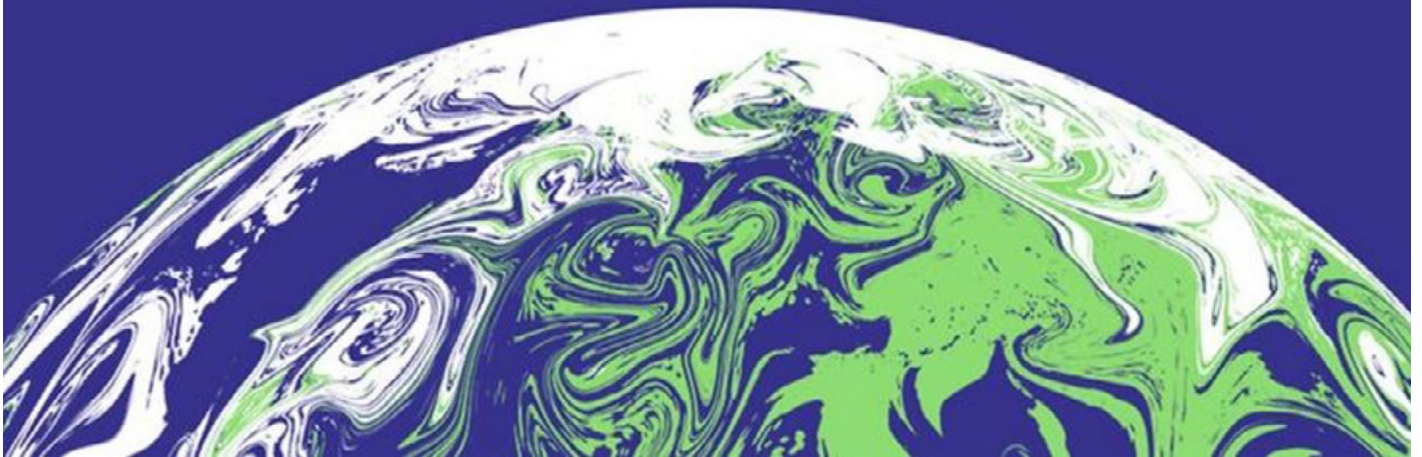
2. KEY NOTE BY GLOBAL LEADERS INDIA

Prime Minister of India, Narendra Modi addressed the COP26 event by reiterating the nation's commitment to net-zero carbon emissions and achieving the desired target by 2070. He highlighted that India is the only major economy to deliver on its commitments undertaken as part of the Paris Agreements in both, letter and spirit. He further affirmed that India will reach its non-fossil energy capacity to 500 GW and also meet 50 per cent of its energy requirements from renewable energy by 2030. As part of his speech, PM Modi suggested a new mantra for sustainable development, 'LIFE' i.e. Lifestyle for Environment. With lifestyle patterns and activities playing a major role in climate change, there is an urgent need for us to come together and stride towards LIFE as a movement for achieving sustainable development. Thereafter, observing climate finance to be parallel with climate mitigation, PM Modi urged developed nations to expedite the pledged climate finance of one trillion dollars. Speaking at the global event on day 3, Prime Minister



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of India, Narendra Modi referring to the benefits associated with solar power, enunciated the 'One Sun, One World, One Grid' solution. It is aimed at addressing the concern regarding availability of the energy source during daytime and dependence on weather. The solution will help provide a worldwide grid via which clean energy can be transmitted anywhere and anytime. PM Modi's discussions included bilateral talks with his Nepalese and Israeli counterparts and he also connected with Microsoft co-founder and billionaire philanthropist Bill Gates to discuss ways to further achieve sustainable development and adapt mitigation of climate action plans. Ensuing are the 5 major commitments that Mr. Modi made at COP26, aimed at remodelling India's environmental and

economic strategies in future:

- India will achieve net zero by 2070.
- India will reduce carbon intensity by 45% by 2030.
- India will reduce projected carbon emission from now till 2030 by 1 billion tonnes.
- India's renewable energy component will be 50% by 2030.
- India will aim at 500 GW non-fossil energy capacity by 2030.

UNITED KINGDOM

Prime Minister of UK, Boris Johnson,

interestingly linked the ever-warming Earth's global temperature crisis to that of fictional character, James Bond - 007, who is strapped to a ticking bomb that has the ability to destroy the entire planet and the secret agent, who in this case may be referred to as the global community trying to figure out a way to defuse it. PM Boris Johnson, as part of the UK's Clean Green Initiative, announced a funding package, aimed at supporting the rollout of sustainable infrastructure and revolutionary green technology in developing countries. Sending out a loud and clear signal, almost two in three FTSE100 firms signed up to the UN's Race to Zero campaign to eliminate their contribution to carbon emissions by 2050. The United Kingdom announced a new £85,000 research grant

to support the Internal Displacement Monitoring Centre for facilitating better information on the education needs of refugee children and enabling a more effective international response. The United Kingdom pledged to shift to clean trucks by committing to end the sale of most new diesel trucks between 2035 and 2040.

USA

US President, Joe Biden while addressing the forum emphasized on making this decade one that is packed with substantial collaborative ambition and innovation, which is the need of the hour, required to sustain in the near future. With the climate crisis posing an existential threat to humans and other living beings on the planet, it is imperative that world leaders embark on the transformational journey towards clean and green energy. Every passing day, the risks associated with global climate change continue to rise and every day we delay, the cost of inaction increases. President Biden further affirmed that it is the responsibility of wealthy nations, who are also the leading sources of polluters/ emitters, including the US, to provide adequate support and aid smaller countries that are struggling to cope with catastrophic effects associated with the global rise in temperatures. During his speech, Joe Biden reaffirmed the audience on building an environment that raises standards of living across the globe and committed to reduce U.S. greenhouse gas emissions well over a gigaton by 2030. Furthermore, the President also stated that efforts were required to be undertaken for consumers to save on their own energy bills and tax credits for installing solar panels, weatherizing their homes, lowering energy prices and the like. He also spoke about a number



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of initiatives such as Build Back Better World, Global Methane Pledge, etc. which the US has undertaken in collaboration with other global partners, focused on transformative actions, reduced emissions rate and so on. Sending out a loud and clear signal, almost two in three FTSE100 firms signed up to the UN’s Race to Zero campaign to eliminate their contribution to carbon emissions by 2050.

EUROPEAN COMMISSION

The European Commission President, Ursula von der Leyen announced a £1 billion contribution to the Global Forests Finance Pledge. It is expected to provide a 5-year support package to help countries with mitigation action to protect, restore and sustainably manage forests worldwide, and thereby align with the commitment of the Paris Agreement.

3. REPORTS

1. The International Energy Agency (IEA) in its recent report revealed that the electricity demand is expected to increase by 4.5% in 2021, supported by rebounding economic activity and rapid growth in major emerging economies

such as China. Moreover it disclosed that the 4.4% drop in generation from coal was the largest ever absolute decline and the largest relative decline in the past fifty years. As per the report, the United States alone accounted for almost half of the global net decline. The European Union was responsible for an additional 23% of the decline. According to IEA, the decline is largely offset by increases in generation from renewable sources.

2. A new report published by the United Nations Environment Programme (UNEP), labelled as the “Adaptation Gap Report 2021”, disclosed the need to increase the financing and implementation of actions to successfully mitigate the growing impacts of climate change. It recommends the leaders to adapt fiscal recovery from the pandemic to prioritize interventions for achieving both economic growth and climate change resilience. Moreover, it elaborated that Governments should set up integrated risk management approaches and establish flexible disaster finance frameworks. The report encourages advanced economies to support



developing countries to free up fiscal space for green and resilient COVID-19 recovery efforts through concessional finance and substantive debt relief.

3. Climate Action Tracker in its recent report suggests that implementation of policies finalised at COP26 are advancing at ‘a snail’s pace’. Moreover, the report also criticized the momentum, stating it as insufficient from global leaders and Governments towards 2030 climate action targets.

4. RECOGNITION

1. As a significant outcome for India, the state of Maharashtra managed to secure the Inspiring Regional Leadership Award from Under2 Coalition Leadership Awards (focused on climate action) by the U2 in Scotland. The other two awards were received by Columbia (Canada) for their creative climate solutions and Quebec (Canada) for their climate partnerships.

2. The award of the “Colossal Fossil”, was awarded to Australia for turning up with low targets, aligning with international pledges to phase out coal and reducing gas emissions.

5. SOME MAJOR DEVELOPMENTS

- As the first major deal at the event, a pledge of almost £14 billion (\$19.2 billion) of public and private funds has been undertaken to put an end to deforestation by the end of the decade. The global leaders agreed to join forces to combat deforestation by 2030, while ensuring the following key points as part of the declaration:

- Conservation of forests, other terrestrial ecosystems and accelerate their restoration.

- Facilitation of trade and development policies.

- Building resilience and enhancing rural livelihoods, in accordance with relevant national legislation and international instruments.

- Implementation and redesigning of agricultural policies and programmes.

- Reaffirmation of international financial commitments.

- Increase in investments from public and private sources for forest management and local communities.

- Aligning financial flows in line with international goals to preserve forest land and avoid degradation.

A series of agreements between groups of countries have been announced so far:

- The US and China agreed to collectively work this decade to limit global temperature rise to 1.5C

- An incredible number of over 100 world leaders promised to reverse and consequently end deforestation by 2030

- The US and EU announced a global partnership to cut emissions of the greenhouse gas methane by 2030

- Excluding two of the world’s largest users of coal i.e. China and US, over 40 countries committed to move away from coal

- A new alliance was launched focussing on setting a date to ending oil & gas use and halting grant of new licences for exploration. [W](#)



Sonal Verma leads the ESG Practice in the firm as a Partner and Global Leader – Markets & Strategy. With his crossroad working with business & laws – he brings advice & technology for effective change management in the journey of ESG. Sonal is well acclaimed for his work in regulatory & compliance programs over the last decade. He had in the past worked with 1800 plus clients in India and 61 other countries globally. He has worked with the top 3 unicorns and many Fortune 500 companies. His clients have been across different industries, viz. Automotive and OEMs, Pharma and Life Sciences, Manufacturing, Chemical Industry, BFSI, Infrastructure and Utilities (including stateowned PSUs), e-Commerce and Fintech Companies, Diversified Conglomerates etc.



Fauzia Khan is an Associate with the firm working in the ESG domain. With the emerging change in the business landscape and awareness around sustainability, she contributes her expertise to help clients understand and adapt responsible and sustainable strategies with respect to compliance and ethics in the ESG realm.