

Civil Nuclear Liability

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Civil Nuclear Liability: India's Legislative Shift Towards Investment and Safety

Context

India is seeking to reform its nuclear legal framework by amending two crucial laws:

- **Civil Liability for Nuclear Damage Act (CLNDA), 2010**
- **Atomic Energy Act, 1962**

This move aims to:

- **Attract foreign investment** in nuclear energy
- **Address industry concerns** over liability clauses
- Align India's framework with **global standards** like the **Convention on Supplementary Compensation (CSC)**

What is Civil Nuclear Liability?

- **Objective:** To ensure **compensation** for victims in case of a nuclear accident.
- **International Framework:** Developed after the **1986 Chernobyl disaster**.
- **CSC (1997):** Set global standards for national liability laws.
- **India's Step:** Enacted **CLNDA in 2010** to align with CSC requirements.

- **Vienna Convention (1963):** Established **minimum standards** for civil nuclear liability across countries.
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Key Features of CLNDA, 2010

- **Purpose:** To provide **prompt and no-fault compensation** to victims of nuclear damage.
 - **No-Fault Liability:** Operators are liable regardless of negligence or intent.
 - **Right of Recourse (Section 17):**
 - Allows the operator to recover damages from suppliers if:
 - It is **mentioned in a contract**
 - Damage was caused by **supplier's fault**
 - Damage was intentional
 - **Operator:** Typically, the **Nuclear Power Corporation of India Ltd (NPCIL)**
 - **Suppliers:** Includes **foreign reactor builders** (e.g., Westinghouse, Framatome) and **domestic firms** (e.g., L&T, Walchandnagar)
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Atomic Energy Act, 1962 - Overview

- **Replaced:** The earlier **1948 Act**
- **Objective:** To control the **development and use of atomic energy** for peaceful purposes
- **Definition:** Covers energy from **fission and fusion** processes
- **Authority:** Lies solely with the **Central Government and NPCIL**
- **2015 Amendment:** Allowed **NPCIL to form joint ventures with PSUs** (but not with

private firms)

Challenges in India's Nuclear Liability Regime

- **Broad Supplier Definition:** Causes fear among **domestic sub-vendors**.
 - **Section 17(b):** Cited by **foreign companies** as a deterrent due to risk of **future liability**.
 - **Lack of Foreign Investment:** Since 2010, **no major foreign company** has invested in Indian nuclear projects.
 - **Exclusion of Private Sector:** Current law **bars private firms** from owning/operating nuclear plants.
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Proposed Amendments to Nuclear Laws

- **Clarify Supplier Definition:** To **include domestic sub-vendors** and reduce ambiguity
 - **Reform Section 17 of CLNDA:** To align with **international liability standards**
 - **Private Sector Entry:** Enable **Indian and foreign private firms** to become nuclear operators
 - **Foreign Investment:** Allow **minority equity participation** by foreign companies in nuclear projects
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Future Prospects and Benefits

- **Alignment with CSC:** Ensures compliance with **global liability norms**
- **Boost Foreign Investment:** Encourages firms from **USA and France** to participate
- **Revive Pending Projects:** Can restart contracts **stalled for over a decade**

- **Support Clean Energy Goals:** Helps reduce **dependence on fossil fuels**
 - **Promote PPP Model:** May bring in **public-private partnerships** in the nuclear sector
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What Lies Ahead?

- Political consensus is required to **pass the amendments** and modernize India's nuclear legal landscape
 - This could help India **meet its energy targets** while ensuring **safety and accountability**
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Quick Facts

Convention on Supplementary Compensation for Nuclear Damage (CSC)

- **Adopted:** 1997
 - **Objective:**
 - Set minimum operator liability
 - Enhance compensation for nuclear damage
 - **Governing Body:** International Atomic Energy Agency (IAEA)
 - **India's Status:** Not a signatory
 - **Membership:** Open to countries under Vienna/Paris Conventions or with compliant national laws
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Vienna Convention on Civil Liability for Nuclear Damage (1963)

- **Framework:** Under IAEA

- **Focus:**

- **Exclusive liability** on operators
- Mandatory **financial security** (e.g., insurance)

- **Signatories: 193+ countries**

- **India: Not a signatory**



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