Environment & Ecology · GS - III

“The polluter pays principle can strengthen climate finance by linking environmental responsibility with the mobilisation of resources for mitigation and adaptation.” Examine its potential and limitations in addressing global climate inequalities.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 11/11/2026	GS - III	Environment & Ecology

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Polluter pays principle, windfall taxation, fossil-fuel externalities, climate finance, CBDR-RC, historical emissions, climate justice, adaptation gap, energy transition, international cooperation.

Model Answer

Introduction

Climate change imposes disproportionate costs on vulnerable countries despite their relatively low contribution to historical emissions. The polluter pays principle offers a framework for linking environmental responsibility with climate financing.

Potential of the Principle

- **Resource mobilisation:** Windfall taxes on extraordinary fossil-fuel profits can generate additional funds for climate action.
- **Environmental accountability:** Internalising environmental costs can discourage pollution-intensive activities.

- **Climate justice:** Financing from major polluters can support vulnerable countries facing disproportionate climate impacts.
- **Energy transition:** Dedicated revenues can accelerate renewable energy, energy efficiency and low-carbon infrastructure.
- **Adaptation:** Funds can strengthen disaster preparedness, resilient agriculture and coastal protection.

Key Limitations

Determining liability, ensuring international coordination and preventing tax avoidance remain difficult. Excessive or poorly designed taxation may also affect investment and energy affordability.

Way Forward

Transparent revenue allocation, international cooperation and alignment with CBDR-RC are essential to ensure equitable climate financing.

Conclusion

The polluter pays principle can complement existing climate-finance mechanisms, provided accountability, fairness and support for vulnerable populations remain central.

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