Indian Economy · GS - III

“Balancing energy security and climate goals is essential for developing countries.” Discuss in the context of the debate over World Bank financing for oil and gas projects.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 15/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

World Bank, Energy Security, Upstream Oil and Gas, Development Finance, Affordable Energy, Greenhouse Gas Emissions, Climate Finance, Energy Transition, Renewable Energy, Just Transition.

Model Answer

Introduction:

Energy is essential for economic growth, industrialisation and poverty reduction. However, dependence on fossil fuels can increase greenhouse gas emissions and intensify climate change.

Arguments for financing:

1. Oil and gas projects may improve energy supply and support industrial activity in some developing countries.
2. Domestic production can reduce dependence on imported energy and improve supply security.
3. Natural gas can emit less carbon dioxide than coal when burned, although methane leakage and overall usage affect its climate impact.

Concerns about financing:

1. New fossil fuel infrastructure may lock countries into long-term emissions and fossil fuel dependence.
2. Such investment may divert resources from renewable energy and climate-resilient development.

Way Forward:

The World Bank should assess country-specific energy needs, emissions impacts, financial viability and available clean-energy alternatives transparently. Investment in renewables, energy storage and energy efficiency should also increase.

Conclusion:

Energy security and climate protection should be pursued together through inclusive, affordable and low-emission development.

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