Environment & Ecology · GS - III

Examine the implications of the European Union's Carbon Border Adjustment Mechanism for developing countries like India. How can climate justice be balanced with international trade rules?

EXAM YEAR	PAPER	SUBJECT
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MARKS	WORD LIMIT
10	~150 words

Answer Hint

CBAM, historical emissions, CBDR-RC, export competitiveness, WTO, green technology, climate finance.

Model Answer

Introduction:

Climate change has increasingly become linked with international trade. The EU's CBAM seeks to address carbon emissions associated with certain imported goods but raises concerns about equity and competitiveness.

Main Body:

Implications for India

1. Export competitiveness: Carbon-related costs may affect Indian steel, aluminium and other covered exports.
2. Compliance burden: Firms may need better emissions measurement, reporting and cleaner production technologies.
3. Green transition: The mechanism may encourage investment in low-carbon manufacturing, although adjustment costs could be substantial.

Balancing Climate Justice and Trade

- Apply transparent, non-discriminatory rules consistent with international trade obligations.
- Recognise differing national circumstances and the principle of CBDR-RC.
- Expand climate finance and technology transfer for developing economies.
- Strengthen India’s domestic carbon accounting and industrial decarbonisation capacity.
- Pursue dialogue through the WTO, UNFCCC and India–EU platforms.
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Conclusion:

Climate action should not become a disproportionate burden on developing economies. A fair transition requires emissions reduction alongside equitable responsibility-sharing, technological cooperation and rules-based trade.

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