



**ENLITE IAS**  
Enlightening minds. Lightening journey

**3 JANUARY 2026**

**EN-BUZZER**

**Daily News  
Analysis**

For IAS/IPS/IFS Coaching - Call us at 7994058393

[www.enliteias.com](http://www.enliteias.com)



**SATURDAY, 3rd JANUARY 2026**

## **Table of Contents**

<b>1. Parris Agreement.....</b>	<b>1</b>
<b>2. Electronics Component Manufacturing Scheme.....</b>	<b>3</b>
<b>3. Carbon Border Adjustment Mechanism (CBAM).....</b>	<b>5</b>

## 1. Parris Agreement

### Prelims Perspective: What needs to be learned?

- Launch and Aim
- Target and Goal
- Outcome
- Challenges
- United Nations Framework Convention on Climate Change (UNFCCC)

### Mains Perspective: Notes need to be prepared

- Climate Change (GS III - Environment)

### What needs to be known?

- Parris Agreement

- ➔ **Launch:** Signed in December 2015 during COP21 of UNFCCC in Paris by 196 parties.
- ➔ **Aim:** Aims to combat climate change and transition to a low-carbon future.
- ➔ **Target:** Limit global warming to well below 2°C; aim for 1.5°C above pre-industrial levels.
- ➔ **Key Focus**
  - ★ **Adaptation:** Build resilience to climate impacts.
  - ★ **Mitigation:** Reduce greenhouse gas (GHG) emissions.
  - ★ **Finance:** Mobilize resources for developing nations.
- ➔ **Outcome**
  - ★ **Nationally Determined Contributions (NDCs):** Countries set and update their emission reduction targets every five years.
  - ★ **Global Stocktake:** Reviews collective progress every five years.
  - ★ **Transparency Framework:** Ensures accurate reporting of emissions and actions.
  - ★ **Climate Finance:** Developed nations pledged \$100 billion annually to support developing countries until 2025.

## → Challenges

- ★ **Funding Gaps:** Inadequate financial resources for implementation.
- ★ **Non-Binding Nature:** No penalties for missing targets.
- ★ **Inequality:** Developing nations need support to balance growth and sustainability.

## • United Nations Framework Convention on Climate Change (UNFCCC)

- **What is it?**: UNFCCC is an international environmental treaty established in 1992 at the Rio Earth Summit (UNCED).
- **Objectives:**

- ★ The primary role of UNFCCC is to provide a framework for negotiating specific international treaties, known as “protocols.”
- ★ UNFCCC itself sets no binding limits but aims to stabilize greenhouse gas (GHG) concentrations in the atmosphere at a level preventing dangerous consequences.

## 2. Electronics Component Manufacturing Scheme

### Prelims Perspective: What needs to be learned?

- Ministry and Aim
- Tenure of Scheme
- Target Areas
- Incentive Structure

### Mains Perspective: Notes need to be prepared

- Electronic Industry (GS III- Economy)

#### What needs to be known?

- **Electronics Component Manufacturing Scheme**

→ **Launch:** In 2024 under the Minister of Electronics and Information Technology

→ **Aim:** To develop a robust component manufacturing ecosystem by attracting investments (global/domestic) across the value chain by integrating its domestic electronic industry with the Global Value Chains (GVCs).

→ **Tenure of Scheme:**

★ Turnover-linked incentive: 6 years (with 1-year gestation).

★ Capex incentive: 5 years.

→ **Target Areas**

★ **Sub-assemblies:** display modules, camera modules.

★ **Bare components:** non-SMD passive components, electromechanical components, multi-layer PCBs, Li-ion cells (for digital applications) etc.

★ **Selected bare components:** HDI/flexible PCBs, SMD passive components etc.

★ **Supply chain ecosystem & capital equipment:** manufacturing of machinery/equipment used in electronics, and ecosystem support units.

>> Kozhikode >> Ernakulam >> Thiruvananthapuram

## → Incentive Structure

- ★ Turnover-linked incentive (based on incremental sales)
- ★ Capital expenditure (Capex)-linked incentive (for investment in plant/machinery)
- ★ Hybrid model (combination) for certain segments.

### 3. Carbon Border Adjustment Mechanism (CBAM)

#### Prelims Perspective: What needs to be learned?

- What is it?
- Target
- Sectors Covered
- Impact of Carbon Border Adjustment Mechanism (CBAM) on India

#### Mains Perspective: Notes need to be prepared

- International Trade (**GS 2 - International Relations**)
- Climate Change Mitigation (**GS 3- Environment**)

#### What needs to be known?

- **Carbon Border Adjustment Mechanism (CBAM)**
  - ➔ **What is it?**: It is European Union tariff policy on imports of high-emission goods, ensuring foreign producers face equivalent carbon costs to EU domestic ones.
  - ➔ **Target**: CBAM prevents undermining of EU climate goals under the "Fit for 55" package, which targets a 55% emissions cut by 2030 and net-zero by 2050.
  - ➔ **Sectors Covered**: Initially covers cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen—sectors at high risk of carbon leakage.
- **Impact of Carbon Border Adjustment Mechanism (CBAM) on India**
  - ➔ Higher export cost for Indian carbon-intensive products (iron & steel, aluminium, cement, fertilisers).
  - ➔ Loss of price competitiveness in the European Union market.
  - ➔ Compliance burden due to complex carbon measurement, reporting and verification (MRV).
  - ➔ MSMEs most affected because of limited technical and financial capacity.
  - ➔ Trade diversion risk as EU buyers may prefer low-carbon suppliers.
  - ➔ Perceived green protectionism, raising concerns for developing countries.
  - ➔ Contradicts CBDR principle (Common But Differentiated Responsibilities).
  - ➔ Push towards decarbonisation of Indian industry in the long run.