

06-06-2022

Green Bond

Why in Newspapers?

India may face an uphill battle if India goes ahead with its first sovereign green bond sale as it aims to issue securities in rupee denominations while driving away most foreign investors.

Quick Issue?

- Though the timing may not be ideal for India, especially for the issuance of Rupee.
- The currency has declined over 4% this year amid concerns that the Reserve Bank of India is behind the curve in tackling inflation, with higher crude prices adding to pressure on the net importer.

Historical Background?

- A green bond is a type of fixed income instrument specifically earmarked to raise funds for climate and environmental projects.
- These bonds are typically asset-linked and backed by the issuing entity's balance sheet, so they generally carry the same credit rating as their issuer's other debt obligations.
- Green bonds may come with tax incentives to increase their attractiveness to investors.
- The World Bank is the major issuer of green bonds.
- Green bonds work like any other corporate or government bond.
- Lenders issue these securities to secure financing for projects that will have a positive environmental impact, such as ecosystem restoration or pollution reduction.
- Investors who buy these bonds can expect the bond to mature.
- In addition, investing in green bonds often offers tax benefits.
- Blue bonds are sustainability bonds to finance projects that protect the ocean and related ecosystems.
- This may include projects to protect sustainable fisheries, coral reefs and other fragile ecosystems, or to reduce pollution and acidification.
- All blue bonds are green bonds, but not all green bonds are blue bonds.

Other Key Facts?

Green Bonds Vs Climate Bonds:

- "Green bonds" and "climate bonds" are sometimes used interchangeably, but some authorities use the latter word with refer specifically to projects focused on reducing carbon emissions or mitigating the effects of climate

Likely Question Asked In Preliminary Exam

Que. Which bank is planning to start "Green Brand" in India this year?

- | | |
|--------------------------------------|----------|
| (a) State Bank of Bikaner and Jaipur | (b) HSBC |
| (c) Punjab National Bank | (d) SBI |

Ans. (b) HSBC



Turkey

Why in Newspapers?

Turkey will now be known as Turkiye. The United Nations received a request from Ankara in May 2022. The United Nations has agreed to a formal request for a name change from Turkey.

Quick Issue?

- The process of rebranding the name started in the year 2021. The name was chosen as Turkiye best reflects and expresses the culture, civilization and values of the Turkish nation.
- Locals refer to their country as Turkiye, but internationally, its English version "Turkey" was adopted.

Historical Background?

- According to a report by state broadcaster TRT, the word 'Turkey' was adopted after the country's independence in 1923. In the past, Europeans have referred to the Ottoman state and Turkiye by many names. But the name that has stuck the most is "Turkey".
- Thus, the government of the country was not happy with the Google search results for the word 'Turkey'.
- Some results included a large bird that is served for Christmas meals and for Thanksgiving in North America.
- The government also objected to the Cambridge Dictionary's definition of "turkey", which means "a stupid foolish person" or "something that fails miserably".
- The Turkish government has started a re-branding campaign. It will start displaying "Made in Turkiye" on all exported products. The government also launched a tourism campaign with "Hello Turkiye" as the tag line.

Other Key Facts?

Which countries have changed their names?

- Some other countries have changed their names earlier. For example :
 - Holland was renamed the Netherlands.
 - Macedonia changed its name to North Macedonia due to political disputes with Greece.
 - In 1935 Persia was renamed Iran.
 - Siam changed its name to Thailand.
 - Rhodesia changed its name to Zimbabwe.

Likely Question Asked In Preliminary Exam

Que. What is the new name of Turkey from June 2022 as announced by the United Nations?

- | | |
|-------------|------------|
| (a) Turkiye | (b) Ankara |
| (c) Turchia | (d) Torchy |

Ans. (A) Turkey