

# The FT thinks the time for Green government bonds has a...

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My [recent suggestion that fund managers wanted the government to issue green bonds](#) in response to investor demand received short shrift from someone who, I think, thought he knew how markets worked. His claim was that such bond issues were not necessary, or desirable, despite my agreeing that they were.

I am, then, slightly pleased to note that the FT is firmly on my side, saying yesterday:

*War loans historically funded governments in crises. The UK parliament this month declared a [climate emergency](#). The government should react by issuing “green bonds”, reckon large asset managers, led by Columbia Threadneedle.*

A letter sent to the UK’s Debt Management Office [set out the case](#) for issuing debt specifically to finance climate-saving projects. The DMO has so far hesitated. It should not do so for long.

I also note that they report this:

*For once, the cynics might be wrong. Bicycle-friendly and flood-alert Netherlands on Tuesday hopes to raise up to â,-6bn via a green bond, becoming the first triple A-rated government issuer. Its promises of independent certification and regular reporting on the use of proceeds will help boost the credibility of green bonds.*

In the world we now live in every supposedly rational assumption that those who think they understand markets claim to make needs to be examined in a new light. The quantitative data on which they form their opinions is far too limited to be a rational basis for most decision making. Real people know that. Most who manage investments on their behalf do not.

No wonder we’re in a mess.

It's time for green bonds.