

Funding the Future

It would seem that Green Bonds are in vogue - but we ha...

Published: January 13, 2026, 2:35 pm

According to the Sunday Times this is going to happen in the budget:

● The launch of the world's first sovereign green savings bond for the public to invest in green energy and clean transport projects. The bond will be offered by NS&I,

which issues Premium Bonds, and will invest £20 million in offshore wind, £70 million in long-term low-carbon energy storage and £4 million to boost the production of green-energy crops

I suspect that the figures are so precise that this is a cast-iron leak. I have posted this thread on Twitter in response:

How long does it take for a good idea to get wings? [Colin Hines and I first proposed green bonds in 2003](#). A week ago Starmer used the idea. Now, apparently, they are going to be announced in the budget, in a half hearted way. That's progress, but there is a long way to go.

If bonds are to be used to fund the recovery three things are essential. First they have to pay an above average rate of interest. Second, they have to be government guaranteed. Third, the link to investment has to be very obvious and real.

So, the bonds have to guarantee investment where people are. There should be regional, Scottish, Welsh and Northern Ireland bonds in that case.

And there should also be bonds so people can indicate how they want their savings to be used. Health, the green new deal, housing and education bonds are obvious starting points.

Then the bonds have to be proven to have links with the resulting investments. Proper accounting is key to the success of such schemes.

But, most important, these bonds need vigorous backing. So make them the only savings available in ISAs for a start. Produce a variant for pension fund use too. That way, we could apply at least some if the £60bn spent subsidising pensions each year to social purpose.

Most important of all, make clear that this delivers four things. The first is capital for the green new deal. The amounts the government is taking about are timid. We need maybe £100bn a year, and that is possible by redirecting savings to these bonds.

Second, give savers a fair deal. 1% would be fair now. And it is wholly affordable.

Third, make clear this is about inter-generational solidarity. Savers are older people. They need to invest in jobs for younger people.

And then guarantee to make up the funding wherever there might be shortfalls, using QE created money if need be, so that this scheme can deliver jobs in every constituency of the UK- which are what is needed.

The government's plan is half baked by these criteria, but it's a start. Now make it the #realgreennewdeal.

There is [more on this and the reasons for this policy here.](#)