Bond Case Briefs

Municipal Finance Law Since 1971

Green Bonds Aren’t Driving Climate Action in US, Study Says.

- **Only 2% of proceeds initiate entirely unique green projects**
- **Global market for the bonds has grown to more than $3 trillion**

Almost all green bonds issued in the US fail to drive real action to tackle climate change, undermining the merits of a global market that’s grown to more than $3 trillion, according to a study.

An analysis of the first green bonds sold by corporate and municipal issuers between 2013 to 2022 found that about 2% of proceeds were used to fund projects that are genuinely unique or don’t replicate existing work, Pauline Lam and Jeffrey Wurgler said in a working paper published this month by the National Bureau of Economic Research.

Roughly 30% of proceeds from corporate green bonds and 45% in the case of municipal bonds were used to refinance ordinary debt, while in many other instances funds were directed to expanding existing projects or to new developments that were similar to previous work.

Continue reading.

Bloomberg Green

By Ishika Mookerjee

September 19, 2024

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com