

## Green QE is part of our future

Published: January 18, 2026, 8:10 am

---

This letter was in [the FT this morning](#). I know Rod Dowler, [who is a former KPMG partner](#) :

*Your excellent editorial “How central banks can tackle climate change” (November 1) left me, and possibly other readers, puzzled that quantitative easing for banks should be less political than QE for a green energy transition.*

*When the banking crisis struck in 2008, governments and central banks recognised that, as the lenders of last resort, the central banks needed to use QE to support commercial banks. This has had a strong effect of inflating asset prices, ie benefiting people and organisations with assets at the relative expense of those dependent primarily on income. It was political choice borne of necessity.*

*Faced now with another enormous financial problem, the climate emergency, politicians are clearly struggling to find ways to fund the inevitable transition to renewable energy. Green QE, at a sufficient scale, will provide a big economic stimulus, create jobs, help the environment, and help avert serious long-term risks to the financial system. In so doing, it may jolt the world economy out of the current doldrums by funding a big industrial transition programme.*

*This looks like an appealing option that will help many who are primarily dependent on income. Is it any more political than QE for banks or avoiding brown assets to protect the interests of those who are already asset-rich?*

*Rod Dowler London N8, UK*

There is some disagreement on the role of Green QE, even in the Green New Deal Group. My own view is that we need it as a backstop. It also will guarantee the liquidity of the market for green bonds, which are an essential mechanism for [funding the Green New Deal](#), in my opinion.

Rod is right to say it is important. I was delighted to see this letter.