

CBI backs the Green New Deal

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The [CBI in Northern Ireland](#) has backed the [Green New Deal](#), saying:

Northern Ireland is 99 per cent dependent on imported fossil fuels for its energy. We spend about 10 per cent of our income on importing fossil fuels. If fuel prices continue to rise as predicted Northern Ireland's economy is at risk of failure. A programme of insulating homes and other buildings, and developing renewable energy would provide a much needed boost to the construction industry and create a golden opportunity for our fledgling sustainable industries sector.

So has the Irish TUC:

This initiative aims to employ a 'carbon army' of both high and lower skilled workers creating around 24,000 new jobs. It is likely to create a demand for training and re-skilling that will require the expertise of the universities, colleges and innovative businesses. Northern Ireland's traditionally strong industries of construction, engineering and agriculture are well placed to take advantage of the opportunities the Green New Deal offers.

I like that sort of agreement about ideas that make sense. The Green New Deal vision is to:

- * Refurbish tens of thousands of existing homes each year with full insulation and renewable energy, including the 137,000 homes that fail to meet the Decent Homes Standard thus making significant inroads into fuel poverty.
- * Transform the energy performance of public and commercial buildings through energy efficiency measures and making 'every building a power station'.
- * 'Decarbonise', regionalise and localise the supplies of both electricity and heat through large-scale renewables, micro-generation and using fossil fuels more efficiently.
- * Employ a 'carbon army' of high- and lower-skilled workers to implement this vast systematic reconstruction programme creating around 24,000 new jobs.

- * Transform our transport system to be fit for purpose in the coming era of high oil and carbon prices by providing a real public transport choice for everyone.
 - * Create thousands of ‘green collar’ jobs in the £3,000 billion world market for Low Carbon Environmental Goods and Services.
- Develop a wide-ranging package of financial innovations and incentives to assemble and leverage the very large sums needed to implement such a programme, based on collaboration and partnership between the public sector, the private sector, other stakeholders and the public.

Much of the required investment is capable of showing an economic return at today’s prices and will therefore be attractive to the private sector but a clear policy and financial framework is needed to enable those investments to be accelerated. It is likely that the most effective means of securing this investment will be innovative mechanisms that combine public and private sources of funding. Possibilities include:

- * Bond finance: capital is raised through the bond markets for investment in energy saving measures and a revenue stream is created through a ‘pay as you save’ scheme whereby the cost of the measures is recovered through energy bills.
- * A surcharge on the regional rate serving as a revenue stream for a bond issue via a non-government body — such a cast iron revenue stream would secure the lowest interest rates.
- * A more substantial restructuring of the rating system to incentivise investment in low carbon technologies and energy efficiency, while penalising those properties that continue to waste energy.
- * Housing equity unlock: a charge on a property serves as security for the capital investment in energy saving measures and is paid for through a ‘pay as you save’ scheme.
- * European Investment Bank loans made available through the local banks; a mutualised body; and/or other agencies.
- * Salix Finance: the use of an enhanced Carbon Trust Salix fund to finance investment in the public sector.
- * Local authority bonds: local councils could issue bonds securitised against the rates base to carry out energy efficiency measures on their own buildings Northern Ireland Green Energy Bond issued by government if Treasury rules were relaxed, or by local banks or a mutual institution to attract savings from individuals and pension funds

Now let’s get the Treasury to join in.

Disclosure: I am a member of the [Green New Deal](#) group. Colleagues worked on this proposal.