

Green New Deal is a vision for economic recovery

Business, trades unions, farmers, voluntary organisations and environmentalists united around a common platform today. The ground-breaking coalition [1] called on government to take a joined up approach to recession, increasing unemployment, rising energy prices and climate change.

The Green New Deal group published their vision [2] of how an ambitious investment programme to cut consumption of fossil fuels can create thousands of new jobs; help secure our energy supply; and build a competitive low-carbon economy [3]. The Green New Deal is 21st Century solution to 21st Century problems modelled on the Roosevelt's New Deal during the great depression of the 30s.

**Nigel Smyth, Director of CBI Northern Ireland said:**

“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.”

**Peter Bunting, Assistant General Secretary of the Irish Congress of Trade Unions agreed, saying:**

“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.”

**Clarke Black, Chief Executive of the Ulster Farmers' Union said:**

“The rural economy can benefit greatly from investment in renewable energy. Just 1 per cent of our energy comes from indigenous renewable sources, but Northern Ireland has the farming expertise to grow the fuel crops which can help to heat homes and businesses, and help us reach a target of 15 per cent renewable energy. Much of our marginal land is ideal for wind farms and other renewables, and using it in this manner can help mitigate the impact of climate change, combat rising fuel prices by providing an alternative to fossil fuels and create an additional source of income for farmers.”

**Seamus McAleavey, Chief Executive of NICVA said:**

“137,000 homes in Northern Ireland fail to meet basic standards of comfort and warmth. By making homes more energy efficient the Green New Deal can help to alleviate fuel poverty and cut people’s heating bills. It can also be a vital part of the fight against climate change by reducing household greenhouse gas emissions – a win-win-win situation.”

**John Woods, Northern Ireland Director of Friends of the Earth added:**

“When groups as diverse as the CBI, the Trades Unions and Friends of the Earth are all speaking with one voice, you can be sure that something exciting is happening. We want the Northern Ireland Executive to adopt the Green New Deal as their ‘big idea’ for tackling recession, rising energy prices and climate change.”

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.

The Green New Deal group estimates the total cost of a full green recovery package for Northern Ireland is likely to be about £900 million per year. The vision document highlights a number of potential funding streams including a combination of private and public funds, European money and bonds [4].

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Notes to editor:

[1] Members of the Green New Deal group are:

Bryson Charitable Group

Chamber of Commerce

**CBI – media contact is Nigel Smyth, Director CBI Northern Ireland – Tel: 02890 101100**

Energy Savings Trust

Friends of the Earth

Institute of Directors

ICTU

NICVA

NI Environment Link

NI Federation of Housing Associations

NI Manufacturing

Sustainable Development Commission

Translink

Ulster Farmers Union

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[2] the paper, A Green New Deal for Northern Ireland, is available on request.

[3] The Green New Deal Group will produce a series of papers setting out a package of measures for housing; public buildings; commercial buildings; renewable energy; sustainable industries; employment and skills; and finance mechanisms. The housing package paper is available on request.

[4] Funding from within currently planned public expenditure could include:

The Barnett consequential of the recent UK economic stimulus package; Maximising the potential of the Investment Strategy for Northern Ireland for new energy investments and

associated training; Reallocating expenditure saved by tackling the inefficiencies arising from sectarian segregation and associated service duplication; Focusing existing economic support programmes on the Green New Deal.

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.