



SUPPORTING DEVELOPING COUNTRIES' CLIMATE TRANSITIONS

LABOUR
FOR A
GREEN
NEW DEAL



PRINCIPLES FOR AN INTERNATIONALIST GREEN NEW DEAL

A just transition for all cannot end at the UK's borders; rather, a truly just transition must be internationalist in perspective, founded on the principle of solidarity and in the recognition of the UK's colonial history and outsize responsibility for the climate crisis. The Green New Deal will transform the UK's international finance, trade and aid policies to combat the climate crisis; provide a clear internationalist strategy that reflects the UK's historical and current responsibility for the climate crisis and global inequality; and ensure that the transition to zero carbon does not contribute to extractivism and exploitation in developing countries.

It should therefore be based on the following principles:

1. **Global justice and solidarity:** developing countries have contributed the least to the climate crisis and are already suffering its worst impacts. They also have the most limited resources and capacity to confront the problem. [For example](#), the poorest 50% are responsible for only 10% of global lifestyle consumption emissions, while the richest 10% are responsible for 49%.
2. **Equity and ambition:** the UK has one of the [largest cumulative GHG emissions](#) per person of any country. The UK's economic and industrial development has also been fundamentally reliant on the extraction of wealth and resources from its former colonies and the developing world. It has a moral responsibility to take a leading role in reducing emissions and financing mitigation and adaptation in developing countries.
3. **Policy coherence:** addressing the climate crisis will require a commitment to a just and equitable global transition to zero carbon that is reflected in all government policies, across all sectors.

To realise this ambition, policy reform will be needed in three key areas:

1. **Finance:** The UK must support developing countries to finance the decarbonisation of their economies while at the same time increasing equality, eliminating poverty and meeting vital

development goals including universal access to energy and education.

2. **Trade and technology:** The UK must support trade and investment agreements that: end the pattern of neocolonialism through trade deals that impose punitive or restrictive conditions on the Global South; are consistent with ambitious, equitable climate action; include enforceable labour and human rights protections; and facilitate the global transfer of clean technology and other climate change solutions.
3. **Power, governance and capacity:** The UK should fight to increase the voice, vote and power of developing countries across the international system and work through international institutions in which developing countries have an equal say.

TRANSFORMING FINANCE

The UK must support developing countries to finance the decarbonisation of their economies while at the same time ending poverty and meeting their development goals.

Developing countries face a **public financing gap of hundreds of billions of dollars** annually for meeting their climate and development goals, including the UN Sustainable Development Goals. For example, the financing gap for delivering essential services such as healthcare for all is estimated at over [\\$200 billion annually](#). UN Estimates for delivering infrastructure needs are [also in the hundreds of billions](#). Essential services are overwhelmingly delivered through public financing, and the best estimates suggest [87-91% of infrastructure](#) in the Global South is financed by public funds.

At the same time, international patterns of private finance and consumption also need to be shifted to help developing countries meet their goals. This includes taxing and regulating multinational companies to change their behaviour and changing unfair structures of global finance. The injustice of the global financial system is evident in the fact that, in net terms, wealth has often flowed from the poorest countries to the richest, not the other way round. One study estimated the net resource transfer to be [worth over \\$18 trillion since 1980](#), largely driven by illicit financial flows. Too often the UK has actively **undermined the international zero carbon transition**. For example, UK Export Finance has channelled almost all of its public support for UK energy exports to fossil fuels in developing countries, with the Environmental Audit Committee estimating this to be [worth \\$2.4 billion](#) between 2013/14 and 2017/18.

The Green New Deal will ensure a just transition by:

- **Closing down the UK's tax havens** and helping stem illicit financial flows from developing countries. Domestic tax revenues in those countries are worth [more than 40 times international aid](#), yet many billions are lost to tax dodging and illicit capital outflow. The UK is at the heart of this problem, with the [top three spots](#) in the most recent Corporate Tax Haven Index occupied by British territories.
- **Providing international aid premised on solidarity** rather than charity, and which mainstreams climate concerns throughout, radically scaling up climate finance and compensating for loss and damage caused by climate change. Climate should be mainstreamed in all aid programmes, and climate finance commitments must be honoured and scaled up to meet the real needs of developing countries. "Polluter pays" sources of finance for loss and damage such as a [Climate Damages Tax](#) on the fossil fuel industry should be championed, as should the shifting of subsidies for the fossil fuels toward just transition finance.
- **Eliminating subsidies** and international public finance support for fossil fuels as the first step towards moving all UK finance – both public and private – away from fossil fuels. UK subsidies for coal, oil and gas stand at £10.5 billion per year, more than was spent on renewables, and the [highest subsidies in the EU](#).
- Subjecting UK multinational companies, including in the finance sector, to stringent and legally enforceable anti-corruption, human rights, environmental and labour standards.
- Supporting developing countries' efforts to challenge unjust, neo-colonial and unsustainable economic structures and ensuring the Green New Deal does not replicate these, **particularly in the extractive sector**. Fundamental to this will be ensuring developing countries get a fair share of the wealth from the minerals needed for decarbonisation such as cobalt and lithium, instead of the small fraction they currently receive, and that extraction does not violate human rights, exacerbate conflict or destroy local environments.
- Supporting a global mechanism to deal with unjust and unpayable debts. Two out of five low-income countries are [already in a debt crisis or at high risk of one](#). The number of developing countries that will be pushed into debt crisis by climate catastrophes will rise. The UK should support a **comprehensive, fair and independent debt workout mechanism** to ensure unjust or unpayable debts do not hold back developing countries.

HARNESSING TRADE AND TECHNOLOGY

The UK must support trade and investment agreements that: are consistent with **ambitious, equitable climate action**; include enforceable labour and human rights protections; and facilitate the global transfer of clean technology and other climate change solutions.

The international trade architecture, including free trade agreements and the rules set by the World Trade Organisation (WTO), privileges corporate interests and trade liberalisation ahead of equitable global action on climate change. Trade and investment agreements have been used to undermine climate action by:

- Enabling companies to sue national governments for measures taken to support climate goals, such as a moratorium on fracking in Canada and the denial of a permit to construct an oil pipeline in the US, via a [mechanism known as Investor-State Dispute Settlement](#) (ISDS). ISDS has been used to particularly devastating effect by companies against developing countries who have introduced regulation that protects public interests such as health and the environment;
- Prohibiting government subsidies to renewable energy industries. Several disputes have been initiated in the WTO in recent years to [challenge government support to domestic renewable energy programmes](#);
- Prohibiting the use of local labour, products or sub-contractors, including a recent dispute in the WTO in which the US government successfully challenged the Indian government's use of locally-produced solar panels;
- Undermining the transfer and sharing of valuable technology and knowledge through oppressive and far-reaching intellectual property provisions. The UK is one of only six countries that together account for almost [80% of all patent applications](#) in clean energy technologies. Recent trade negotiations have proposed extending patent periods over a range of products that could otherwise assist developing countries to mitigate and adapt to climate change.

There is therefore a significant gap between the existing international trade and investment regime and the policies and actions that are necessary to rapidly transition to zero emissions.

A Green New Deal must:

- **Support enforceable standards in trade and investment agreements** that protect the climate, labour rights and other human rights.
- Enable developing countries to mitigate and adapt to climate change by **supporting free transfers of clean energy technology** and other climate change solutions, as well as reforming intellectual property rights regimes;
- Support the **abolition of the investor-state dispute settlement** as a mechanism for resolving disputes
- Take the position that **trade and investment agreements must be transparently negotiated** with clear channels for public participation and are preceded by climate change and human rights impact assessments.

POWER, GOVERNANCE AND CAPACITY

Developing countries will only get a fair deal, including an international just transition that eliminates poverty and tackles global inequality at the same time as decarbonising, if the structures of international power are changed, including at international institutions. For example, the International Monetary Fund's power is largely felt in developing countries, including [through conditionalities, advice and lending](#), yet the majority of seats and voting shares at the IMF are held by developed countries. Being serious about supporting developing country capacity to benefit from a global Green New Deal means fighting to increase the **voice, vote and power of developing countries** across the system. The UK should therefore work through international institutions in which developing countries have an equal say, such as the Green Climate Fund, while fighting to change those, such as the World Bank and IMF, where they do not.

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