



INTERNATIONALISM

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PUBLIC PROCUREMENT UNDER A GREEN NEW DEAL

Labour resolves to use public procurement to promote decarbonisation, environmental protections, and international justice in global supply chains

Annually, huge sums of money, or economic demand, are directed by the state in the form of public procurement. In 2018, public procurement amounted to [\\$13 trillion](#) globally. The EU spends around 14% of GDP (around [€2 trillion per year](#)) on the purchase of services, works and supplies. The [UK spends some £290 billion](#) on public procurement every year. Strategic public procurement is, therefore, a powerful way to address social, environmental and economic challenges. Green Public Procurement can be used to shape conditions in both the public and private sectors.

By expanding the public sector, a Green New Deal will create even more opportunities for the state to promote decarbonisation and justice in global supply chains using public procurement powers. Procurement means finding and paying for goods and services, usually on behalf of an institution. The public sector can use its considerable demand and buying power to attach certain conditions to those goods and services it procures, rather than prioritising cheapness alone. Taking a justice-oriented approach to public procurement is part of a broader reimagining of the role of the state as a driver of zero-carbon supply chains embedded with workers' rights and broader environmental protection. As well as promoting decarbonisation, this approach can [build wealth within communities](#) as local zero-carbon alternatives are chosen as suppliers instead of hyper-exploitative multinational corporations.

While a Green New Deal can expand the public sector at home, delivering a green jobs revolution domestically, this increased state capacity can be the bedrock of an internationalist approach which marries together global justice and local economic transformation.

Decarbonisation

Public investment in infrastructure, innovation and services is central to the Green New Deal. As well as driving rapid decarbonisation, investment in green affordable housing, integrated public transport systems, renewable energy, manufacturing and social services will allow local and national governments to influence global supply chains. From extraction to manufacturing to transportation, supply chains can produce [5.5 times more emissions](#) than a company's direct operations. The need to decarbonise supply chains is becoming increasingly recognised.

Key policy

- Target local and national government spending power towards local zero-carbon suppliers;
- Give environmental factors a formal weighting in procurement decisions;
- Implement strong prequalification criteria in tenders, to ensure that suppliers who bid for contracts measure value chain emissions in the contracting and monitoring stage;
- Divest from the largest polluters in the supply chain.

At local and national levels, procurement processes and decision making will likely take place within [anchor institutions](#). These include local authorities, NHS trusts, universities, trade unions, large local businesses, public companies, the combined activities of the community and voluntary sector and housing associations. These institutions can create local supply chains that reduce the carbon footprint of goods and services. They can achieve this by including [life-cycle costing in value](#) for money assessments in tender opportunities and including the costs of externalities such as CO₂. In addition to decarbonisation, anchor institutions can also make sure that public money is spent in a way that favours suppliers with collective ownership models and/or a recognised Trade Union.

There are several examples of these models being applied. Newcastle City Council has developed [a framework](#) that assesses the environmental and public health benefits of any potential infrastructure development as a priority. In Ohio USA, the City of Columbus jointly procured 200 electric vehicles on behalf of local anchor institutions and has developed a universal term contract for future vehicle procurement for usage by all public sector institutions. The Welsh Government's [Better Jobs Closer to Home scheme](#), which has seen four new enterprises funded by public investments, and then supported through a direct pipeline to public sector contracts. The city of Tshwane in South Africa launched [Tshwane vision 2055](#) emphasizing local procurement, support for small and medium enterprises (SMEs) and ethical procurement that reduces emissions and economically empowers the black community.

Through sustainable community wealth building initiatives, governments at all levels can ensure local and more democratic forms of ownership are prioritised, benefiting the local economy while reducing emissions. This can be achieved by imposing stringent criteria calculating the life-cycle, public health and emissions costs in all value for money assessments, thereby prioritising shorter supply chains with much lower carbon footprints.

Environmental Protections

Carbon emissions are not the only negative environmental impact embedded into global supply chains. Strategic public procurement gives us the opportunity to tackle deforestation as a key source of biodiversity loss, Indigenous rights abuses, and loss of carbon sinks.

Public procurement should shape aggregate demand by adding conditions which aim to eliminate deforestation from agricultural commodity chains, through the purchase of wood and wood products from legally harvested and sustainably managed forests. This would involve mandating the codification of [Life cycle costing](#) (LCC) methodology [uniformly at all levels of policy and contract making](#). LCC, with regard to the EU [Circular Economy Action Plan](#), will become an automatic point of reference for the government. As stated by the EC [Green Public Procurement](#) explainer, “LCC makes good sense regardless of a public authority’s environmental objectives. By applying LCC public purchasers take into account the costs of resource use, maintenance and disposal which are not reflected in the purchase price. Often this will lead to ‘win-win’ situations whereby a greener product, work or service is also cheaper overall. The main potential for savings over the life-cycle of a good, work or service are: Savings on use of energy, water and fuel; Savings on maintenance and replacement; Savings on disposal costs”.

A Green New Deal could target deforestation in procurement supply chains by expanding the scope of Section 198 of [The Town and Country Planning Act](#) (TCPA) (1990) and valuing trees in accordance with a universally agreed upon Tree Appraisal system. Section 198 of TCPA establishes trees as an Amenity and creates the power for local planning authorities to protect trees by legal order; subsequent sections create a legal framework for enforcement at Crown Court, including a potentially unlimited fine for serious offences. A Tree appraisal system can be designed to assist local authorities in achieving an appropriate level of compensation where publicly owned trees are damaged or removed by government contractors without consent and to provide a basis for managing public trees as assets rather than liabilities. The distinction of [public trees being viewed as assets](#) rather than liabilities is an important aspect of maintaining and enhancing the ecosystem services that trees provide in an urban setting. Amenity trees are

any that are not grown or managed for their value as a timber or other crop and that provide other benefits or values. These include the “regulating ecosystem services” of cooling local air temperatures, intercepting rainfall and reducing air and water pollution and the socio-cultural ecosystem benefits of helping to make cities safer, more diverse and attractive, and wealthier to name a few.

There are examples of governments using their procurement to enshrine environmental protections. All timber and wood-derived products are purchased from independently verifiable legal & sustainable sources in [Durham Council](#). [The European Commission](#) includes a number of environmental requirements in its calls for tender for supply of furniture, which address the entire life-cycle.

The Bulgarian Ministry of the Environment and Water chose to specify [100% recycled fibre](#) when ordering paper for use in its office, without increasing its price. Environmental Ombudsmen Austria has environmental ombudsman offices located in each of its 9 landers or states with the duty to represent the interests of nature conservation and the environmental laws. They have all the usual powers and have proved effective in resolving disputes. They are also authorised to bring complaints before Austria’s courts.

International Justice

As the market for green technology expands there is a risk that the patterns of colonialism and unjust extraction are reproduced in the name of green technology or ‘climate action’. The [OECD’s Global Resources Outlook](#) to 2060 estimates that resource extraction will increase from 79 to 167 billion tonnes. The rapid increase in mining and mineral extraction is concerning from a human rights perspective. [Of the 2,865 cases of socio-environmental conflict](#) documented by the Environmental Justice Atlas, 587 are linked to mining of mineral ores and building materials extraction. Despite the egregious social and environmental impacts of mineral extraction, both governments and mining giants have argued that these are the necessary costs of a rapid transition to renewable energy technologies. Lithium and cobalt are key components of the batteries, solar panels and wind turbines necessary for decarbonisation, but this greenwashing obscures much of the industry’s activity. Renewable energy is currently [not the primary driver](#) of demand for any given critical metal. Construction, aviation, nuclear technology, electronics and the arms industry are among the diverse, [range of critical metal end uses](#). However, there is no way to ignore the fact that green technologies have the potential to contribute to a new system of extraction that reproduces the extractive harms of the fossil fuel industry.

Key policy

Public procurement processes must include criteria that:

- Prioritise suppliers who deliver workers' rights both in the UK and globally - this includes not only the right to a living wage, safe working conditions and paid care leave, but also freedom of association.
- Recognise communities' rights to free prior and informed consent, [including the right to say no to new mining projects](#). Public institutions must ensure that binding mechanisms are in place to ensure the right of communities to determine the future of their territories.
- Ensure manufacturers have a responsibility for the entire life cycle of their products – particularly products involving metals – and especially for the [take-back, recycling and final disposal of them](#).

In order to make the Green New Deal truly justice oriented we must expand the [boundaries of the 'just transition'](#) to include workers across the world. The collapse of the Rana Plaza Garment factory in Bangladesh in 2013 demonstrated the fatal impact one of our global supply chains had on workers. In the process of producing clothes for [Primark and Mango](#) in the UK, [1,100 workers lost their lives and many more were injured](#). In 2019 Dell, Microsoft and Tesla were named in a legal case over the [death of children working in cobalt mines](#) in their supply chain. These horrific cases are just a couple examples of the way that many of the true costs of capitalism have been outsourced beyond our borders. Using stringent public procurement criteria can provide one way of embedding the dignity and value of workers throughout supply chains.

Global supply chains - particularly those based on resource extraction - also have significant impacts on local communities. Indigenous communities are responsible for the care of 80% of the world's remaining forest biodiversity and it is often legal battles over their land rights that act as the final barrier to destructive extraction projects. Indigenous communities are also at the frontlines of the climate crisis. 'Green' projects, from carbon offsetting to extracting rare earth metals, have been implicated in allegations of [displacing indigenous peoples, land grabbing, evictions, and violently policing](#) in the name of conservation or climate action. Chilean community leader Marcela Mella warned that the plans of mining giant Anglo-American to extract [400,000 tonnes of copper per year for the next 40](#) years from Chile's Andean glaciers, could lead to the destruction of vital ecosystems which also supplies water to the 6 million people living in Chile's capital, Santiago. Respecting the necessary rights of indigenous peoples and honouring the reparations they deserve goes well beyond the scope of public procurement.

However, public money particularly when being used to fund a green new deal can be directed exclusively to suppliers who recognise the rights of indigenous communities.

In addition to reducing the impacts of extraction on workers and communities, we must also decrease our use of raw materials. Working towards a [circular economy and society](#) that moves beyond capitalism means ensuring metal recycling, urban mining and life-cycle considerations are central to a companies' supply chain. We should look to the EU as an example here which has an extremely high end-of-life metals recovery rate in the construction and building industry with over [95% of metals recovered](#). In the same way that there are critical limits on fossil fuel extraction, the supply of rare earth minerals needed for the renewable energy transition is limited. Public procurement processes should be used to promote circularity in supply chains as a means of promoting global justice.

Legal mechanisms

Central to these ambitions must be abandoning the [lowest-price criterion](#) for the award of the contract and the exclusive use of the most economically advantageous tender with safeguards to ensure that environmental protection requirements are fulfilled. The culture of using public procurement for justice can be introduced using national [Green Public Procurement minimum targets](#), i.e., a certain percentage of public procurement to be green, with a phase-in provision requiring 100% by 2030.

[Paris Agreement goals](#), [A/HRC/41/39 Climate change and poverty](#), [IPCC](#) and [IPBES](#) Report recommendations should become binding contractual obligations for The Crown Commercial Service (CCS). The CCS must have a new commercial vehicle and approach to create a local and international "Legal Services Network" inclusive of environmental law [pro-bono legal services](#) and [Public Services Ombudsman](#) from which the public sector can procure legal services. The recommendations must constitute an essential criteria for the selection of judges in the Judiciary and granting of licences to public and private institutions to teach or practice law.

The CCS' focus would expand to include:

- Training & Education contracts for students, public officials and general public in [Environmental law clinics \(ELCs\)](#) in accordance with the [international environmental law principles](#) under [planetary boundaries](#) with the primary objective of making them enforceable "hard law".

- Setting up an [Environmental Legal Assistance Fund](#) that permits non profit public interest groups to apply for public grants to enhance access to environmental justice in sustainable resource procurement cases and [corporate conflict of interest cases](#);
- Creating the [Parliamentary Commissioner for the Environment](#) which carries out investigations and reviews of the effectiveness of government processes for managing the environment

A [specialised Environmental Court](#) should be established, equal to a High Court with civil, criminal and administrative law powers combined, dealing with a potentially broad range of environmental law disputes regarding:

- [Environmental impact assessment](#) and the environmental management system for Green Public Procurement,
- ensuring legal [accountability of government and other public agencies](#) in [environmental law post-Brexit](#),
- Extending appeal rights to the Supreme Court to [members of the public or NGOs](#) to appeal against environmental regulatory decisions but only on the grounds of procedural or substantive illegality (reflecting the grounds under Aarhus Convention) rather than a full merits appeal.
- Recognising that to many, the most important cost reform element in promoting access to environmental justice and protecting human rights, and as such ensuring greater access to environmental justice through financial aid.

The UK could look towards New Zealand Parliamentary Commissioner for the Environment (PCE), as an example of an independent, very active environmental ombudsman. The body has the power to investigate government environmental efforts and environmental problems, compel the production of information whether it is public or not, summon people under oath, report and advise the House of Representatives and recommend changes in the laws. Like all ombudsman offices (except briefly Hungary's), the PCE can reach conclusions and make recommendations but does not have enforcement power. New Zealand's Environmental Court also adheres to the principles of the Aarhus Convention in that all hearings are held in public, except where there is clear reason to do otherwise. The Court is given the power to 'waive, reduce, or postpone the payment to the court of any fee prescribed by regulations made under [the] Act,' as well as the ability to hear matters jointly to reduce fees. The Environmental Court is praised for its significant adoption of Rio Principles and especially its focus on the core principle of environmental sustainability.

A GLOBAL SOCIALIST GREEN NEW DEAL

Labour resolves to support a global socialist Green New Deal, cancelling debt and freely sharing technology and resources internationally

Cancelling Debt

The levels of debt currently experienced by countries in the Global South are a direct consequence of policies emanating from the Global North. In many cases, loans grow faster than the rate of payment, meaning that countries can pay the same loan multiple times but still owe a debt. Since 1980, [\\$4.2 trillion](#) have been paid in interest, far overshadowing aid received. The introduction of [Structural Adjustment Programmes](#) in the 1990s have directly produced the debt crisis by providing loans to countries in the Global South conditional on policies of privatisation, liberalisation of capital markets, market-based pricing and higher rates, and trade liberalisation.

High levels of indebtedness means that many countries in the Global South are [disproportionately disadvantaged](#) when it comes to responding to the impacts of climate change and transitioning domestic economies. Where funds could be directed towards strategies of climate change mitigation and adaptation, they are instead mandated to pay interest payments on debt. As well as decarbonising and meeting basic needs domestically, the UK has a responsibility due to its role in creating and maintaining global indebtedness to support those countries made most vulnerable to climate impacts. Both finance and political power mobilised as part of a Green New Deal should be directed at alleviating debt internationally.

Key Policy

Cancel debt repayments for low-income countries

- Reform trade policies to ensure that scenarios which caused past debt crises do not cause another post-cancellation.
- End condition-based loans

The UK should cancel debt repayments for low-income countries and use its political influence to encourage other creditor nations to do the same. Debt cancellation should not be conditional on certain policies, giving the debtor nation autonomy over how to deploy their resources.

By relieving low-income countries of their repayment obligations, they would have more freedom to spend public funds on health services, welfare, infrastructure, and climate mitigation and adaptation without entering into further cycles of debt.

Climate finance

The UK is historically responsible for disproportionate levels of emissions as well as imposing on large parts of the world the economic system which produces and reproduces the climate crisis. The Green New Deal is an opportunity for the UK to invest in a green jobs revolution domestically while also mobilising finance and political power to support global climate justice. The impact of the historic and contemporary injustices of colonialism are incalculable. However, the UK should contribute to reparations for those injustices through transfers of finance and resources to support energy transitions and climate adaptation internationally.

The Commonwealth Development Corporation (CDC) is the UK's development finance institute, owned by DFID and has fundamental flaws meaning that its investments in the Global South do [not have a significant development impact](#). In some cases, the impact is negative. The Green New Deal provides an opportunity to reform the CDC so that it can support low-income countries to manage a just transition.

Key Policy

- Increase government spending on climate justice from £17 billion to at least £42 billion per year, or at least 2% of GDP.
- Reform the CDC to ensure it can support developing countries to manage a just transition.

A number of actions should be taken as an urgent priority. The Government should publish a new five-year commitment to international climate finance, in line with the UK's commitments under the UNFCCC to provide predictable and reliable climate finance. A new strategic fund should be created to ensure UK climate finance is spent on genuinely transformational measures. Government should increase ambition on UK international climate finance by establishing new and additional sources of public finance needed, and limit finance from official development assistance (ODA) to no more than 10% of the aid budget. The UK's current

commitment to 50% of its climate finance for adaptation to climate change impacts in poor and vulnerable countries should be retained.

All UK Export Finance (UKEF) currently directed to fossil fuels should be immediately phased out. All UKEF projects must be aligned with the Paris Agreement. The UK's international influence should be used to lobby for a change in OECD-wide rules on export finance so that all projects must be Paris-aligned. All UK aid should be nature-positive, supporting more integrated interventions that improve people's lives and enhance the natural environment.

Spending should increase, in line with the UK's global fair share, to support global efforts to protect and restore nature. These funds must be genuinely new and additional sources of public finance and must under no circumstances come from existing ring-fenced finance for the aid budget. Harmful investments that destroy nature and contribute to climate change should end, including in fossil fuels, deforestation, conversion and exploitation of carbon- and nature-rich ecosystems.

Reforming the CDC

The CDC needs a new, legally-binding mandate (for which its board can be held legally accountable) which commits it to reducing poverty, closing global inequalities, doing no harm to the climate and facilitating a just, green transition as its driving objectives. The CDC should drop the 'fund of funds' model. The CDC should not make any investments through private equity funds. There is no evidence that these investments are helpful in reducing poverty and inequality.

Reformation of the CDC should open up the range of actors that CDC can fund, including looking at funding of state-owned enterprises, mutuals and cooperatives. Provision of good quality public infrastructure, from education and healthcare to renewable energy and transport networks, is vital for poverty reduction, reducing inequalities and developing environmental sustainability. CDC should also support the development of "public-commons partnerships" which would enable common, public ownership and democratic control of renewables industries, energy systems and infrastructure.

Furthermore, reforms should improve development impacts and monitoring, transparency and oversight, and abolish unhelpful incentives for senior staff to maximise returns. All new and

existing investments by CDC should be publicly disclosed alongside a rationale for how the investment will reduce poverty and inequality, improve the realisation of human rights, facilitate a just transition to renewable energy or create good, green jobs.

Finally, the CDC should stop promoting public-private partnerships, particularly in healthcare and education. While there may be gaps in basic service provision in many developing countries, promoting private competition to fledgling public services is no way to improve the quality of those public services in the long term.

Trade

[“Trade can...\[exacerbate\] emissions and \[escalate\] environmental and climate damage, trade and investment rules \[can\] prevent or enable climate action, and climate change can impact a territory's capacity to trade.”](#)

By transforming the UK's trade policies we can ensure that the Green New Deal does not just occur within one country's borders. The economic mobilisation can be used to foster international cooperation to address the global climate crisis.

The UK must support trade and investment agreements which end the pattern of neocolonialism through trade deals imposing punitive or restrictive conditions on the Global South. Trade should be consistent with ambitious, equitable climate action and include enforceable labour and human rights protections. It should facilitate the global transfer of clean technology and other climate change solutions. The UK should use its international influence to increase the voice, vote and power of low-income countries across international institutions.

Key policy

- Support enforceable standards in trade and investment agreements that protect the climate, labour rights and other human rights. This includes ensuring any 'green trade' measures have [a development and redistributive mechanism and ending fossil fuel financing.](#)
- Support the abolition of the investor-state dispute settlement as a mechanism for resolving disputes
- Trade and investment agreements must be transparently negotiated and preceded by climate change and human rights impact assessments.

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 the [phase out of coal in the Netherlands](#) by the [Investor-State Dispute Settlement \(ISDS\)](#) mechanism. ISDS has been used by companies against low-income countries which have introduced regulations to protect public interests like health and the environment. This pattern has been [reproduced during the COVID-19 pandemic](#) with corporations threatening to sue countries in the global south over their covid measures.

Several disputes have been initiated in the WTO in recent years to [challenge government support to domestic renewable energy programmes](#). Trade agreements have prohibited the use of local labour, products or sub-contractors, including a dispute in the WTO in which the US government [successfully challenged](#) the Indian government's use of locally-produced solar panels. They have also broken down non-tariff barriers to [increase the privatisation of public services](#) and to prevent the use of progressive public procurement schemes.

Sharing Green Technology

Decarbonising globally will require substantial change in many developing countries. The UK can assist in this by sharing green technology. As outlined in the chapter on mass investment in green technology, in particularly hard to decarbonise sectors - such as cement and steel - novel green technologies will have a substantial role to play. Further innovations could include renewable energy technologies, energy storage and batteries, electric vehicles, manufacturing, heating, and beyond. Where the state invests and facilitates green tech innovation, global sharing of technology must be a requirement. Where technologies are developed that will be pivotal to decarbonisation - such as if there were to be a zero carbon cement development - the UK government must take unilateral action to prevent technology hoarding or price gouging. We cannot allow technologies developed as part of a Green New Deal to be monopolised by wealthy nations, leaving low-income countries for dead.

Far-reaching intellectual property provisions are currently undermining the transfer and sharing of valuable technology and knowledge. The UK is one of only six countries which together account for almost [80% of all patent](#) applications in clean energy technologies. This same pattern has been repeated in the development of the COVID-19 vaccines. [The US, the UK and some members of the European Union](#) have rejected calls from South Africa and India to suspend the WTO's agreement on Trade-Related Aspects of Intellectual Property Rights. The

suspension of these intellectual property rights would facilitate the transfer of science and technology to low-income countries and vastly increase the distribution of the vaccine.

Key policy

- Support low-income countries to mitigate and adapt to climate change with free transfers of green technology, as well as reforming intellectual property rights regimes.
- Transfer certain IP rights, remove IP restrictions on certain critical innovations completely, and overhaul the pro-corporate, pro-enclosure IP rules and systems that predominate in international free trade agreements and institutions.
- Promote public ownership and control of IP and research and design with an emphasis on boosting workers rights particularly in the green technology sector. This would also involve [removing IP rights and protections from companies that abuse workers](#).

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GREEN PUBLIC PROCUREMENT

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