

# National Assembly for Wales

## Environment and Sustainability Committee

### WFG 57

#### Well-being of Future Generations (Wales) Bill

#### Response from Fair Trade Wales and the Wales International Development Hub

#### Welsh Assembly Environment and Sustainability Committee Consultation: Well-being of Future Generations Bill

#### Submission from Fair Trade Wales and the Wales International Development Hub

### 1 Introduction

#### 1.1 Wales International Development Hub aims to support the international development sector in Wales.

Wales' contribution to tackling poverty is vibrant and unique with more than 700 voluntary and community based organisations working alongside charities and international development organisations to contribute to global goals.

Wales International Development Hub supports the international development sector in Wales. We want to encourage and develop volunteers and groups to be the best they can be; providing training and resources to enhance knowledge and skills, enabling individuals and groups within the sector to have a greater impact in the communities where they work, both in Wales and Africa. The Hub is funded by the Welsh Government.

#### 1.2 Fair Trade Wales is the national organisation for Fair Trade education, policy, procurement, support and campaigning in Wales, the world's first Fair Trade Nation.

The organisation was initially set up as the Wales Fair Trade Forum to oversee the Fair Trade Nation campaign, and on June 6th 2008 Wales made history and became the first ever Fair Trade nation.

Fair Trade Wales was established as a company, limited by guarantee with not for profit status, in April 2010. We receive most of our funding from the Welsh Government and are also supported by organisations such as Oxfam Cymru, Fairtrade Foundation, The Co-operative Membership, The Waterloo Foundation and many others over the years.

#### 1.3 We welcome the Welsh Government's publication of the Well-being of Future Generations Bill, and the opportunity to respond to this consultation. We believe that this legislation could be a unique opportunity to ensure that Wales is a world-leader in its understanding and implementation of policies to make sustainable development a reality.

For this to happen, from the point of view of the International Development Sector in Wales, we believe that four areas need to be addressed:

- The Bill should explicitly recognise, and seek to address, the positive and negative impacts that Wales has on the wider world through consumption of resources, waste disposal, emissions of greenhouse gases and supporting

communities overseas through joint projects and trade.

- The Bill must contain a clear commitment that procurement of goods and services by the public sector in Wales should seek to support sustainable development, including international development and respect for human rights, through ethical purchasing and careful monitoring of supply chains.
- The Bill should ensure that Education for Sustainable Development and Global Citizenship remains central to the education system in Wales.
- The Bill should acknowledge that climate change is an overwhelming sustainable development priority for people in Wales and overseas; and set targets to reduce emissions of greenhouse gases from Wales.

We will expand on these points below as we turn to the terms of reference of the Committee's investigation. We will address only those areas we have an interest in.

## **2 How the Welsh Government should legislate to put sustainability and sustainable development at the heart of government and the wider public sector**

As part of the Sustainable Development Alliance we proposed several key elements we wanted to see in the legislation<sup>1</sup>. These were:

- A strong duty on all devolved public bodies so that they “must exercise their functions in order to achieve sustainable development”
- A definition of sustainable development that gives clarity to its meaning, including the principles and objectives it sought to achieve; and one which makes clear that achieving sustainable development in Wales can only happen within the global context.
- An independent Commissioner for Future Generations to promote and facilitate the achievement of sustainable development and hold failing public bodies to account

These remain central to our view of how the legislation should be framed.

## **3 The general principles of the Well-being of Future Generations (Wales) Bill and the need for legislation in the following areas –**

### **3.1 The “common aim” and “sustainable development principle” established in the Bill and the “public bodies” specified**

The “common aim”, as currently expressed is too restrictive in that it only allows for consideration of the Well-being of Wales. Unless this is amended, or complemented with further text about the relationship between Wales and the rest of the world it is difficult to see how the legislation meets the intentions articulated by the Welsh Government in its December 2012 White Paper:

*The strategic decisions taken by Welsh public service organisations have impacts that extend beyond the borders of Wales. This is reflected in the Welsh Government's Climate Change Strategy and through the use of the Ecological Footprint as one of the five headline sustainable development indicators for Wales. Equally, the actions of others*

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<sup>1</sup> <http://www.shapingfuturewales.org/en/our-proposal/>

*outside Wales have an impact on the economic, social and environmental wellbeing of Wales. The Welsh Government recognises the need to take into account the impacts outside of Wales given that Wales' wellbeing cannot be seen in isolation. This is an important part of a sustainable development approach. The Welsh Government will look to ensure that this element is encompassed within the framework for sustainable development in Wales, in a reasonable and proportionate manner and within the scope of the legislative competence of the Assembly.*<sup>2</sup>

**3.2** We need a **strong definition**, as opposed to a 'principle', which makes clear that sustainable development can only happen within an international context. Specifically, that Wales should only use its fair share of resources available in the world. This is thinking which was enshrined in One Wales One Planet, so is not novel in the devolved context:

*In Wales, sustainable development means enhancing the economic, social and environmental wellbeing of people and communities, achieving a better quality of life for our own and future generations:*

- *In ways which promote social justice and equality of opportunity; and*
- *In ways which enhance the natural and cultural environment and respect its limits - using only our fair share of the earth's resources and sustaining our cultural legacy.*

*Sustainable development is the process by which we reach the goal of sustainability.*<sup>3</sup>

**3.3** The sustainable development principle is the core of a definition, but it is weak, lacks ambition, and uses limiting language such as '*seeking to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.*' [Emphasis added].

**3.4** As part of the Sustainable Development Alliance we proposed wording for a Welsh definition of sustainable development which remains true to Brundtland and builds on Welsh precedent:

*Recognising that sustainable development means achieving social justice and eliminating poverty in a way which is capable of being continued indefinitely by all of earth's people by respecting environmental limits.*

*Recognising that in Wales, sustainable development includes sustaining and promoting the Welsh language, culture and heritage while protecting and enhancing the Welsh natural environment and using only our fair share of the world's resources.*

**4 The approach to improving well-being, including setting of well-being goals, establishment of objectives by public bodies and the duties imposed on public bodies**

**4.1 Setting of Goals**

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<sup>2</sup> Sustainable Development Bill White Paper, Welsh Government, December 2012  
<http://wales.gov.uk/docs/desh/consultation/121203asusdevwhitepaperen.pdf>

<sup>3</sup> One Wales One Planet, Welsh Assembly Government, May 2009  
<http://wales.gov.uk/docs/desh/publications/090521susdev1wales1planeten.pdf>

We welcome the intention to lay out clear outcomes within legislation. These must be unambiguous as to what the legislation intends public bodies to achieve, the scale of the challenge and the necessity for all bodies to work together towards achieving all the goals.

We believe that some changes are necessary to the goals. For example, Goal 1, *a prosperous Wales* needs changes to more clearly aim for sustainable resource use, reflect the concept of living within global environmental limits and Wales using only its fair share of resources.

- 4.2** Comparative goals such as *a more equal Wales* are too weak. The goals should be specific and measurable so we can judge the success or otherwise of government action. The Bill allows the goals to be revised by Ministers without recourse to a vote in the National Assembly. The goals should be set in the legislation and only changed by the Assembly.
- 4.3** Furthermore, the UN is progressing work on its Sustainable Development Goals and the Bill should contain a commitment that the Assembly will review the goals in light of these to ensure they are complementary.

## **5 The role of procurement within governance for sustainable development.**

- 5.1** It is of great concern to us that procurement by public bodies in Wales is not explicitly listed as an area in which public bodies must set objectives.

Procurement can become a vehicle for Welsh Government to deliver Sustainable Development. The benefit of making procurement decisions specifically subject to considerations of environmental, social and economic wellbeing has the potential to have substantial impact beyond the public sector, through positive stimulation of the supply chain, local livelihoods and civil society opportunities. Such a commitment would issue a powerful statement that doing business in Wales means adopting a sustainable development approach to delivering public services, goods and works contracts.

- 5.2** There are already some solid examples of good practice in Wales:

1. The WG stipulate "fair trade" in their All Wales Catering Contract and currently offer only fair trade tea, coffee and sugar and up to 60 fair trade items in 10 of their office locations nationwide. The contractor that shows greater commitment to supplying and growing commitment to sourcing fair trade has been chosen as part of the bid.
2. Carmarthenshire Council has included sustainable expectations within tender bids and contracts which includes fair trade. One example is Fairtrade bananas for schools during Fairtrade Fortnight.
3. Cardiff Council responded to requests from local schools to supply Fair Trade items for pupils in the canteen. In 2009/10, Fairtrade items up to the value of £306,969 of a total turnover of £3.9million in 2009/10 were sold in Cardiff secondary schools.

In fact, 82% of Welsh local authorities have already made a public declaration of support for fair trade and are required to use fair trade tea, coffee, sugar and biscuits during their meetings, as part of the fair trade nation status. If this is not included in the Bill, there is a risk that Wales' status as a Fair Trade Nation will be undermined.

- 5.3** Procurement is currently excluded from the remit of the Bill, on the basis of the

assumption that strategic values will 'trickle down' into financial decision making. The Welsh Audit Office Report 2010 had already identified this absence of the values in financial decision making as an issue within Wales. Although the GoWA 2006 commits to ensure funding works for sustainable development, the Audit Office found that funding decisions have not been driven by an integration of social, economic and environmental considerations. Essentially: *"SD is not driving resource allocation nor is it integrated into all financial and business planning processes."*

- 5.4 Wales' procurement officers currently interpret guidance on the scope for social and environmental criteria in a most conservative way. Prof Morgan from Cardiff University's recent research has been discussed by the Assembly and highlights that procurers do not have the confidence, capacity, creativity or competence needed to tender, score and award contracts transparently using sustainable criteria to deliver horizontal policies (such as anti poverty projects to stimulate local livelihoods and natural resource management) through procurement.
- 5.5 Legislation binding Sustainable Development to procurement is what is needed to provide a clear enabling framework to deliver sustainable outcomes in Wales. Legislation would provide the duty and high level transparency alongside providing the clear direction that is needed to enable procurers to tender effectively within the EU legislative structures. It would revise the scoring processes behind financial decision making, across all minister's portfolios and the entire public office.
- 5.6 The McClelland Review (2012), *Maximising the Impact of Welsh Procurement Policy*, concluded that while policy development was outstanding, *"policy acceptance, deployment and implementation is not consistent across the public sector"*. To address this, McClelland recommends that... *"implementation of public procurement policy should be regarded as a duty rather than an option."*
- 5.7 The Bill presents the opportunity to make the duty to adopt and implement policy a legal requirement, thereby delivering sustainable development in Wales for current and future generations to enjoy enhanced stimulation of local livelihoods, natural resource management and cultural engagement.
- 5.8 As specific examples of how this would work, we would want the public sector in Wales to:
  - Buy products ethically and ensure producers are paid a living wage, through fairly traded products wherever possible.
  - Buy conflict-free resources and Information Communication Technology as a commitment to peace-building.
  - Buy products with certifications for sustainable production processes wherever possible (for example certifications that protect biodiversity and prevent deforestation).
  - Reduce carbon emissions in supply chain, including in producer countries for imports. Scope III analysis can identify carbon hotspots within the supply chains assisting Welsh Government to take the actions which can have the greatest impact.
  - Ensure companies throughout the supply chain pay all their taxes, in the country incurred.
  - Ensure international companies in Wales' supply chain are not evading tax or exploiting tax loopholes.
  - Require that all Welsh or British companies trading with Welsh Government

and which act internationally are transparent about where they pay tax, financial incentives and rewards.

- Implement Welsh Audit Office (2010) recommendations regarding embedding sustainable development into financial planning – targeting both strategic and operational decisions.<sup>4</sup>
- Implement the findings of the McClelland Review (2012): create enabling legislation that requires the implementation of Wales’ ‘outstanding’ public procurement policy as a duty and not an option.<sup>5</sup>

## **6 Climate Change**

**6.1** Climate change is not specifically addressed in the Bill, despite it being one of biggest priority issues for the world. Climate change is a key issue for billions of people in developing countries who are feeling its impacts already. Climate change disproportionately affects people in poverty, particularly women. Addressing it must be a key part of sustainable development.

**6.2** The Bill must address both the need to reduce emissions of greenhouse gases and strategies for us to adapt to a changing climate. Targets for reduction in emissions of greenhouse gases should be incorporated into the Bill.

## **7 Education for Sustainable Development and Global Citizenship**

**7.1** Education for Sustainable Development and Global Citizenship (ESDGC) is completely integral to building a sustainable nation. ESDGC has had much success in the formal education sector and its values have been applied throughout the education system in Wales.

**7.2** This Bill provides the Assembly with the opportunity to further enshrine ESDGC within the public sector in Wales. We would like to see the Bill make explicit that ESDGC is essential to the achievement of sustainable development in Wales and to ensure that its principles are implemented throughout the public sector, through work-based learning initiatives as well as in the formal education system.

**7.3** We ask that the Committee considers the opportunity to ensure that all public bodies must have goals or objectives related to ESDGC within their plans.

## **8 The establishment of a Future Generations Commissioner for Wales, the Commissioner’s role, powers, responsibility, governance and accountability**

**8.1** A stronger Commissioner is needed than that envisaged. The Commissioner must be in a position not just to advise public bodies but to hold them to account. For this to happen, the Commissioner should be accountable to the Assembly rather than Welsh Government Ministers as proposed.

**8.2** The duties of the Commissioner are unnecessarily restricted and the powers need to be

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<sup>4</sup> Welsh Audit Office (21 January 2010) ‘*Sustainable development and business decision making in the Welsh Assembly Government*’ identified the absence of values in financial decision making. Although the GOWA 2006 commits to ensure funding works for sustainable development, the audit office found that funding decisions have not been driven by an integration of social, economic and environmental considerations.

<sup>5</sup> McClelland Review (2012), ‘*Maximising the Impact of Welsh Procurement Policy*’

strengthened so that the Commissioner can investigate complaints from the public, require evidence be provided and issue critical reports. It is also crucial that the Commissioner is adequately resourced to fulfil the functions needed.

## **9 How effectively the Bill addresses Welsh international obligations in relation to sustainable development**

**9.1** The Bill, unfortunately, completely divorces Wales from addressing international obligations in relation to sustainable development. As articulated in our response to other questions we believe that in order to properly address Wales' international obligations the Bill should be amended to:

- Make explicit that a sustainable Wales uses no more than its fair share of resources globally and aims to avoid adverse impacts on people and biodiversity overseas
- Enshrine ethical procurement within the concept of sustainable development in Wales and ensure public bodies are bound by procurement objectives
- Set targets for the reduction of greenhouse gas emissions from Wales
- Further support Education for Sustainable Development and Global Citizenship within the formal sector and take further steps to progress it across the devolved public sector

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