



# NEWSLETTER

## GLAWCAL

Issue 1, 2015

### *Focus on: Actions and Plans against Climate Change. Towards the 2015 Paris Climate Summit*

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## ***Actions and Plans Against Climate Change***

### **UN ADOPTS DRAFT TEXT FOR DEAL TO FIGHT CLIMATE CHANGE**

#### **UN Climate Talks in Geneva Result in Agreement on a Formal Draft Text for Paris Climate Summit**

**A**lmost 200 countries gathered in Geneva for the first official meeting since the Lima climate summit in December 2014, and, on Friday, February 13, adopted an 86-page draft text with the aim to expedite the achievement of the global climate agreement which should be approved in Paris in December 2015.

Instead of being shortened, the document has been more than doubled in size as compared with the Lima Draft, but Christiana Figueres, Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), showed herself encouraged by the work done at Geneva, and highlighted that now countries are fully aware of each other's positions, as the new text contains all of their concerns and requests.



On the other hand, delegates acknowledge that more conflicts are likely to arise when negotiators will have to make real progress and decide what the better option is in order to limit a damaging rise in temperatures.

The key political test is the period from March to June, when governments are expected to submit national plans to reduce emissions.

The next meeting will be held in Bonn in June.



photo: jan golinski/unfccc



## Actions and Plans Against Climate Change

### NEW DOCUMENT SHOWS EU PLANS FOR PARIS CLIMATE SUMMIT

**EU Aims for a Significant Carbon Emissions Cut of 60% by 2050 to Be Agreed at the UN Climate Summit in Paris Later This Year**



In the document, the EU also states that the new Protocol should become effective as soon as states with a share of 80% of current global emissions have ratified it, and wishes for major economies to do so as early as possible.

The communication also urges public sector climate finance to continue to play an important role in preventing dangerous global warming; in particular, developed countries have pledged to mobilise climate finance of \$100 billion a year by 2020, but at the moment only \$10 billion have been provided, and this risks to lower the chances of an effective deal. In fact, even though the EU is currently not giving it enough prominence, finance will be one of the key topics of the Paris summit.

**A**ccording to a leaked EU document, the new Paris Protocol which is due to be agreed later this year should require signatory states to commit to a legally binding carbon emissions cut of 60% by 2050, with five-yearly reviews.

However, many observed that, although it is remarkable that the EU is trying to keep emissions cut within the rubric of a legally binding deal, the document specifies that the 60% cut would be compared to 2010 levels, consequently leading to the same results as the previous aspiration of a 50% cut compared to 1990 levels.





## Actions and Plans Against Climate Change

### SWITZERLAND ISSUES A PLEDGE FOR PARIS CLIMATE DEAL

The Swiss Government is the First to Submit a Climate Change Pledge, and Promises to Target a 50% Greenhouse Gas Cut on 1990 Levels by 2030 and a 70-85% Cut by 2050

**O**n Friday, February 27, Switzerland has released a formal communication that defines the range of its contribution to a UN climate change deal : the country will cut 50% of its greenhouse gas emissions on 1990 levels by 2030, and 30% of this cut will be achieved within the country, while the remaining 20% via carbon markets or other forms of offsets. The government is also discussing a long-term target to reduce emissions by 70-85% by 2050 on 1990 levels.

According to the communication, the 2030 goal "reflects Switzerland's responsibility for climate warming and the potential cost of emissions reduction measures in Switzerland and abroad over the 2020-2030 period", but many object that there is no clarity on how the 30% domestic emissions cut would be accomplished. In addition, there is nothing being said about climate finance, and the document lacks a support plan for developing countries.

At the moment, Switzerland is responsible for 0.1% of global greenhouse gas emissions, and, with 6.4 tonnes per capita per year and based on the structure of its economy, is considered to have a low level of emissions.

The communication claims the target to be "compatible" with efforts to limit global warming to below 2C, and Switzerland's chief climate negotiator Franz Perrez highlighted that, given the country's very low per capita emissions and the thereby limited availability of cost-effective short term domestic emissions reduction potential, "the use of international credits meeting high environmental standards will allow Switzerland to contribute to quick emission reductions, while at the same time to continue its ambitious pathway towards further reduction of domestic emissions".

Switzerland's pledge has been issued two days after the European Commission published its own plans for a contribution to the Paris climate deal set to be signed in December. It ensues the commitment that all major economies have taken with the submission to the UN of their 'Intended Nationally Determined Contributions' before October 1, 2015.





## Actions and Plans Against Climate Change

### MEXICO ISSUES PLAN TO CUT EMISSIONS FOR UN CLIMATE TALKS

The Mexican Government Has Submitted its National Climate Plan to the UN, Promising a 22% Reduction of Greenhouse Gas Emissions by 2030

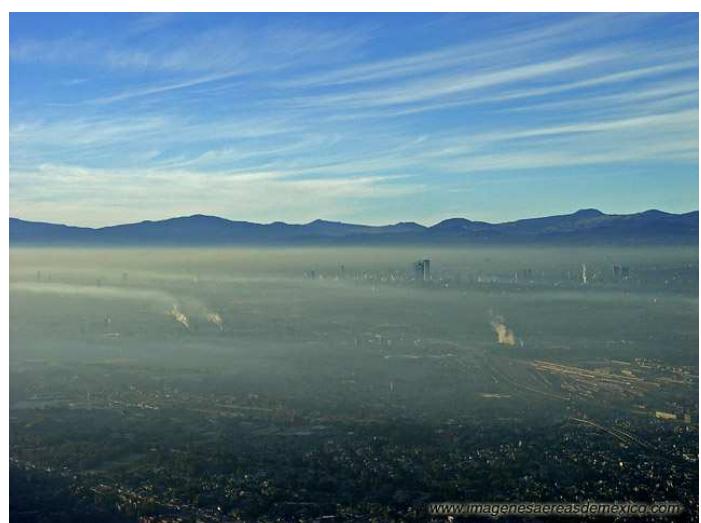
**F**ollowing the European Union, Norway and Switzerland, on Friday, March 27, Mexico became one of the first countries – and the first developing country – to submit its so-called Intended Nationally Determined Contribution (INDC) to the United Nations ahead of the Paris climate talks in December. In fact, the UN has asked member states that are “ready to do so” to present their plans by March 31, with the aim to compare and reinforce them before the summit.

The national climate plan has been presented in Mexico City by the country’s foreign and environment ministries, and foresees emissions peaking in 2026, leading to a greenhouse gas emissions 22% decrease below business-as-usual levels by 2030 and to a 40% reduction in emissions intensity per unit of Gross Domestic Product (GDP) between 2013 and 2030. According to the submission, Mexico will also cut emissions of “short-lived climate pollutants (SLCP)”, such as methane and soot, by 25% below business-as-usual levels by 2030.

*Mexico is the first developing country to submit its national*

Despite being a developing country, Mexico has set its plan unconditionally, without demanding any kind of financial support; however, it said it could raise its 2030 greenhouse gas reduction goal from 22% to 36% and its SLCP goal from 25% to 40% if there was a global carbon price or if it was supported by climate funds or gained access to technology.

The plan’s unveiling has been followed by the announcement of a new joint climate policy task force by the Mexican President, Enrique Pena Nieto and the US President, Barack Obama; this task force will help to “further deepen policy and regulatory coordination in specific areas”, such as vehicle fuel efficiency and electricity grid modernisation. The United States also applauded Mexico for being the first major emerging economy to submit its contribution, and believe that this will set an example for the rest of the world.





## Actions and Plans Against Climate Change

### US GOVERNMENT ANNOUNCES ITS CONTRIBUTION TO A GLOBAL CLIMATE CHANGE PACT

The White House has officially submitted its plan to reduce greenhouse gas emissions ahead of the UN Paris climate talks in December

**O**n Tuesday, March 31 the US government outlined its plan to tackle climate change, pledging to cut greenhouse gas emissions by up to 28% by 2025 relative to 2005 levels and aiming to an 80% cut in emissions by 2050. Being the US one of the main emitters of greenhouse gases, this commitment will certainly contribute to the success of the UN Paris climate talks in December, increasing the chances of reaching a global climate agreement.

According to the White House climate adviser Brian Deese, “the United States’ target is ambitious and achievable”, and the state department climate envoy Todd Stern believes that a future Republican President or Republicans in Congress will not be able to undue this regulation easily; on the other hand, Republicans say Obama will not be able to fulfill its commitment to the UN.

With the US joining the EU, Mexico, Norway and Switzerland, the countries accounting for nearly 60% of greenhouse gas emissions from energy have issued their proposals for fighting climate change in the 2020s and beyond, and hopefully more countries will outline their plans over the next few months, creating a solid basis for a global agreement to limit global warming to 2C. However, most countries missed the 31 March deadline for submitting their so-called Intended Nationally Determined Contribution (INDC) to the UN, and many of them – including big polluters such as Japan, Brazil or India – probably will not issue their commitments until October.

*Obama declared global warming the most profound danger to the*



Campaigners hailed the US plan, but believe that its effectiveness will depend on the forthcoming enhancement of strong rules to cut carbon pollution from new and existing power plants.

The pledges made ahead of the Paris summit are unlikely to guarantee a satisfying reduction in greenhouse gas emission levels, but many are hoping that in Paris states will agree on a review mechanism to raise the ambitions of countries’ planned emission-cuts.



## ***Actions and Plans Against Climate Change***

### **RUSSIA PLEDGES GREENHOUSE GAS EMISSION CUTS**

Russia has submitted to the UN its plan to reduce carbon emissions, but concerns have been raised regarding the plan's ambition

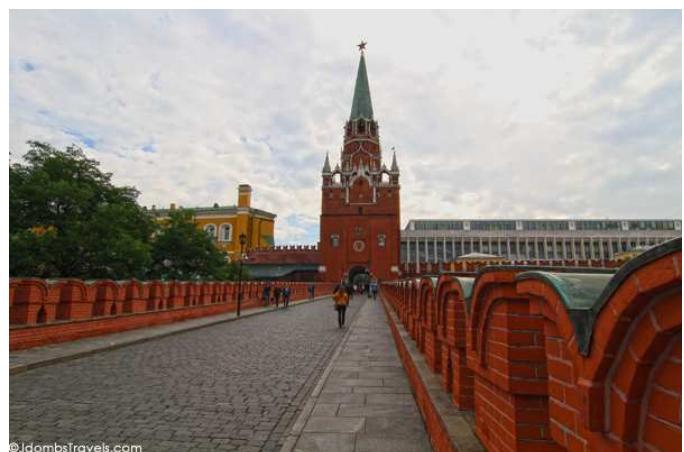
**O**n Tuesday, March 31, Russia has joined the US in delivering its Intended Nationally Determined Contribution (INDC) for a UN global climate deal due to be agreed in Paris at the end of the year. In its plan, the Russian government has committed to the objective of reducing the country's greenhouse gas emissions by up to 30% by 2030 on 1990 levels, even though it said its engagement will depend on other countries' commitments.

According to the Kremlin, this target is compatible with the long-term goal of keeping global temperatures' increase below 2C, and will allow the endorsement of a low-carbon development in the country, but the WWF-Russia spokesperson Alexey Kokorin believes the plan is "too conservative" and should be reviewed as soon as the national economic crisis is past.

Also, many have criticised the obscurity of the Russian policy in relation to the role of the country's forests – which act as vast carbon sinks – in achieving the mitigation targets; in fact, according to the Finnish climate negotiator Matti Kahra "unlimited forest sink use would wipe away 24% of their total emissions instantly".

The UN had set a deadline of March 31 for countries "ready to do so" to submit their national plans, but at the moment only the EU, Norway, Switzerland, Mexico, the US and Russia have issued their pledges, covering 29% of global emissions. China is still doing research and is expected to release its offer by June, while it is yet unclear when other major economies such as Japan or Canada will do so.

However, researchers with the Climate Action Tracker organization have analysed the INDCs filed to the UN so far, and believe that the targets they set will not ensure that the world will avoid a warming of above 2C. Similar analysis will be conducted by the UN in October, when hopefully most of the countries will have issued their plans.





## Actions and Plans Against Climate Change

### UN DISASTER RISK REDUCTION DEAL AGREED IN SENDAI

187 countries have agreed a deal to reduce deaths and damages from natural disasters, but aid agencies are disappointed with it

**O**n Wednesday, March 18, 187 countries agreed a UN disaster risk reduction plan in Sendai. The deal set seven targets and four priorities for the coming fifteen years, especially establishing plans to "substantially reduce" loss of life from 2005-2015 levels in 2020-2030 and to reduce economic losses as a proportion of global Gross Domestic Product (GDP) by 2030.

The Sendai Framework anticipates December's climate talks, and putting its principles into action will be essential to the achievement of new agreements on climate change and sustainable development. In fact, it is estimated that 87% of disasters in 2014 were related to climate disaster; therefore, an efficient disaster planning is considered to be a fundamental part of adapting to the effects of climate change.



However, aid agencies have criticised the Sendai conference's outcome for the vague expression of the targets and for the lack of finance, and stated that – being the deal non-binding – it could have set the bar higher. This, according to Harjeet Singh of Action Aid, will put more pressure on governments to take daring decisions at the UN Paris climate talks later this year.



Particularly, developing countries settled on the achievement of "adequate and sustainable support", while at the beginning they were asking for "additional and predictable" finance, and the US also refused to back a section on sharing technology with poorer countries.



## Actions and Plans Against Climate Change

### NEW ESTIMATE SHOWS UNCERTAINTY ON CLIMATE AID FLOWS TO DEVELOPING COUNTRIES

UN panel admits that climate finance flowing from developed to developing countries may be lower than advertised, and experts highlight confusion over green funds' nature

In 2014, a new study commissioned by the UN's climate body stated that US\$340-650 billion have been invested in green initiatives around the world, and of that amount, around \$40-175 billion have been used by developed countries to promote initiatives in developing countries. However, a new clarification, recently released by UN officials, proved the calculations to be wrong, and the estimate "may be closer to the lower bound". According to the note, the size of climate finance flowing into developing countries "is highly uncertain mainly due to the uncertainty on the scale of the private flow".



In 2010 poor and emerging economies have been promised \$100 billion of climate finance assistance each year by 2020. During the UN Paris climate summit that will be held in December they will surely ask for proof on the deliverance of financial assistance for

Another crucial point that the UN will need to deal with is the need to clarify what is "climate finance," to specify a methodology for monitoring flows and to ensure that "clean" private investments are audited; according to experts, failure to do so could affect the success of the entire global climate deal that is due to be agreed on later this year.



As it has been pointed out in 2013 by the Organisation for Economic Co-operation and Development (OECD), at the moment there is no clarity on how to define climate finance, and there are at least 24 different interpretations on the idea of "green funding."



## ***Actions and Plans Against Climate Change***

### **EUROPE STRENGTHENS EMISSIONS TRADING SCHEME FROM 2019**

**EU carbon market reform will start at the end of 2018, helping to boost carbon prices and encouraging a switch to green energies**



Many believe that the reform should enter into force earlier and that delays will only create uncertainty among investors and allow further carbon allowances surpluses to stockpile, but, as Labour MEP Seb Dance has pointed out, the deal represents a significant improvement compared to the start date of 2021 previously proposed by the Commission.

Seb Dance also guaranteed that the number of unallocated allowances will be reduced and will not be brought back into the market, but environmentalists object that 400m carbon credits will slowly return on to the market by 2030, and 300m allowances will go to an innovation fund with no proven low carbon credentials.

**O**n Tuesday, February 24, the European Parliament has approved a reform that will become effective at the end of 2018 and will prop up the EU's Emissions Trading System (ETS), the world's biggest carbon market, by taking 1.6bn surplus allowances off the market and putting them into a market reserve. The reform comes as a reaction to the current 2bn allowances flood that has led to an excessively low carbon price of €7 per tonne, which does not encourage power companies to switch to greener fuels, and could drive carbon prices up to €20 per tonne by 2020.

The EU expects carbon markets to play a major part in international emissions cutting efforts, and is counting on the coming up Paris summit to create a system to guarantee that left-over carbon allowances will not prejudice emission reduction targets.





## Actions and Plans Against Climate Change

### UK COAL PLANTS RISK TO BE TAKEN OFFLINE AFTER CARBON FLOOR PRICE INCREASE

According to market analysts, some UK coal-fired power plants could be switched off this year after the doubling of a carbon emissions levy

In the UK, the carbon floor price went up from £9.54 to £18.08 per tonne of CO<sub>2</sub>, leading the cost of a tonne of carbon for British power plants to £23 when allowances on the EU's Emissions Trading System (ETS) are considered. The carbon floor price was introduced in 2013, and was created to encourage utilities to switch to burning natural gas or generating power from renewable sources by raising annually the cost of carbon from British power generators above the price of EU allowances; according to market experts, unless gas prices now rise substantially this policy will be enough to trigger a switch from coal to gas, with up to 20 TerraWatt hours (TWh) of coal generation being replaced by gas.

New figures released by the European Commission on Wednesday, April 1, show that greenhouse gas emissions within the ETS dropped by 21% in 2014 compared to 2005 levels, allowing Europe to meet six years in advance the emissions cut goal set for 2020; what is more, this result has been achieved despite Europe's Gross Domestic Product (GDP) rose by 1.3% last year.

The ETS has been established to incentivize emissions cuts by setting a cap on carbon emissions from industrial facilities, and allowing companies to sell their spare allowances to more polluting enterprises; this system now covers around two-thirds of Europe's industrial facilities, and data suggest that the all-encompassing target of a 20% cut in emissions on 1990 levels will soon be met.

*UK's carbon floor price went from £9.54 to £18.08 per tonne of CO<sub>2</sub>*

Moreover, Sandbag, a campaigning organization focused on emissions trading, has forecast a 29% drop in carbon emissions by 2020 and a surplus of 2 billion allowances, which would bring Europe closer to reaching its goal of a 40% cut in CO<sub>2</sub> emissions by 2030.

All these data prove that the emissions reduction targets Europe has set are achievable, and urge European leaders to raise the stakes ahead of the Paris climate summit in December.



© picture-alliance/Andreas Frank



## Actions and Plans Against Climate Change

### AFRICAN COUNTRIES WANT TO LIMIT GLOBAL WARMING TO 1.5C

In a new proposal for the Paris summit, African environment ministers have reaffirmed their will to confine global warming to 1.5C above pre industrial levels, thus conflicting with the EU and US

**O**n Friday, March 6, the Cairo Declaration has been issued by representatives from all 54 African states. The document calls for serious carbon emission cuts to be agreed in the UN climate pact, due to be set in December, and expresses the need to keep global temperatures' rise below 1.5C by the end of the century, which represents a more ambitious goal than the 2C target endorsed by wealthy nations.

According to scientific research, keeping the increase of global temperatures under 1.5C will be costly and will require notable investments in negative emissions, such as tree planting or the developing of new technologies to suck carbon from the atmosphere. However, this target is still being taken into consideration in a UN negotiating text, and it is seen as vital by climate vulnerable countries, which could be seriously damaged by higher temperatures; for example, crop yields in North Africa and the Middle East could fall substantially with a warming above 1.5C, and for low-lying islands an excessive rise in temperatures could make the difference between survival or disappearance under rising seas.



In their declaration, African ministers have also insisted on the importance of reaching a global goal for climate adaptation in a 2015 deal, highlighting the support poorer nations will need. With regard to this matter, some developed countries are worried that they will be expected to pay for the costs of adaptation in poorer countries, while other states like Brazil believe that adaptation is an issue that should be addressed at national level and others say that any goal should be voluntary.

The statement also backs a reduction in African states' use of HFCs, which are greenhouse gases that are more powerful than CO<sub>2</sub> and are employed in refrigeration; this intention had already been expressed by African ministers under the Montreal Protocol on the ozone, which is expected to release further proposals to limit HFC use later this year.



## Actions and Plans Against Climate Change

### FINLAND APPROVES CLIMATE ACT AND KEEPS PACE WITH EU GOALS

Finland's new law sets long term climate goals and promotes transparency and results monitoring

**O**n Friday, March 6, the Finnish Parliament approved the Climate Act, a new climate policy that was tabled in June 2014. The law sets a target to cut emissions by 80% from 1990 levels by 2050, consolidating Finland's contribution to the EU emissions goal of an 80-95% reduction by 2050.

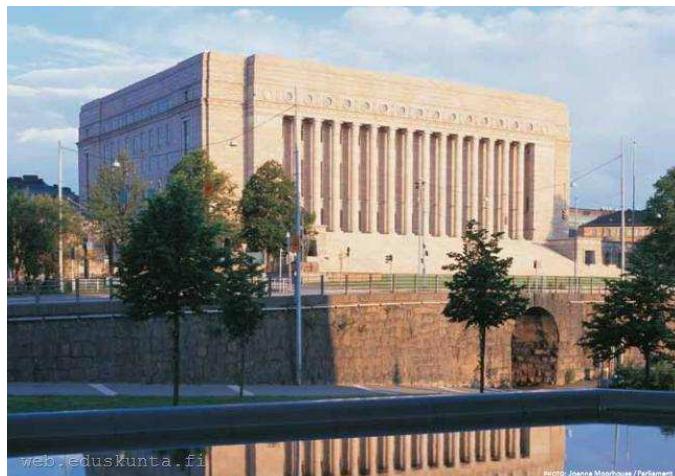
The Climate Act requires every future government to specify climate policies towards the long-term goal and monitor the results, which, according to director general of the Environmental Protection Department Tuula Varis, "makes climate policy planning in the future more systematic", as well as making it easier to predict the direction the country is aiming at.

*Finland joins the UK, France, Denmark, Ireland, Mexico, Vietnam and South Korea in setting climate goals in law.*

Finland joins the UK, France, Denmark, Ireland, Mexico, Vietnam and South Korea in setting climate goals in law, and takes an important step towards the UN Paris climate summit that will take place in December.

However, the advocates of the new law did not get everything they wanted, as they had to settle for an 80% emissions cut target, which represents the least ambitious end of the EU range; also, the Climate Act does not set any "carbon budget" for the medium term, making it less easy to follow whether the government is keeping its promises.

At the moment, a quarter of Finland's electricity is sourced from hydropower, with a third from nuclear.





## Actions and Plans Against Climate Change

### LATIN AMERICA WORKS ON PLANS FOR EMISSION REDUCTIONS

A series of successful summits between Latin American business and political leaders in early 2015 creates real opportunities to actualise sustainability-related microfinance schemes in Latin America

**B**uilding on the Lima Call for Climate Action, and in sight of the Paris climate summit that will be held at the end of 2015, a series of meetings between Latin American leaders has started with the aim of creating functional and market-based mechanisms to accomplish “intended nationally determined contributions” of emission reductions. In fact, one of the UNFCCC’s targets for the Paris summit is precisely to create sustainable finance and investment networks for businesses in developing countries, and to agree a legally binding global agreement on emission reductions.

From February 24 to 26, in Mexico City was held the fourth annual Latin American Impact Investment Forum (FLII). Within this meeting, participant environmental enterprise ventures are offered the chance to compete for the finances coming from the \$10 billion UNFCCC’s Green Climate Fund and for the \$3.5 billions the Inter-American Development Bank (IDB) has made available for environmental sustainability and renewable energy projects in the private sector.



Finance networks that focus on sustainable development ensure long-term financial viability, and are therefore advantageous for small enterprises and risky for ventures that normally could not compete for financing in open capital markets, as they do no have demonstrable credit-worthiness or collateral assets.

It is yet to be seen whether these investment commitments will sufficiently speed up sustainability entrepreneurship and environmental impact, but what is sure is that Latin American businesses will require a lot more financing than the current contribution of investment networks in order to achieve actual results in tackling climate change, especially considering that lately Latin America has developed solid trade and investment relationships for non-renewable energy sources with China.



## *gLAWcal Activities*



As part of the Research Project on “**Evaluating Policies for Sustainable Energy Investments: towards an integrated approach on national and international stage**”, Acronym of the Project: EPSEI, funded by the European Community’s Seventh Framework Programme (FP7/2007-2013) People, Marie Curie IRSES Project under grant agreement n° 269327, the following results have been coordinated by gLAWcal—Global Law Initiatives for Sustainable Development (United Kingdom) :

# **Energy: Policy, Legal and Social-Economic Issues Under the Dimensions of Sustainability and Security**

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## gLAWcal Activities

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## gLAWcal Activities

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Many articles are already published; further results will be forthcoming as books and journal special issues. The relevant information on the updates will be constantly posted and endorsed on the project website. Publishing a book is a matter of diligence and perseverance. In the preparation of this manuscript, many EPSEI staff members were engaged in Italy, at the University of Torino, Universit`a del Piemonte Orientale; in France, at the Aix-Marseille University; in United Kingdom, at gLAWcal — Global Law Initiatives for Sustainable Development; in China, at Wuhan University School of Law and at Tsinghua University School of Law, THCEREL — Center for Environmental, Natural Resources & Energy Law in Beijing (China); the synergy with other colleagues from Universities, research centres and international organizations in USA, Asia, Middle East and Europe is also greatly acknowledged. There would be no book without their valuable work and collaboration during the last four years. Special thanks are also extended to the many people who participated in and indeed organised workshops that were conducted in these years and their contributions are part of the book. The editors are also pleased to acknowledge the invaluable cooperation with Professor David Dyker in the review of this publication.

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## gLAWcal Activities

### INTRODUCTION

Energy is a crucial issue for mankind. Especially in modern times, energy has been a factor of economic development and wealth. Today energy is strictly related with the notion of empowerment since energy allows any kind of contemporary life for humans: entertainment, work and protection. Consequently energy security is a top priority for national policies all over the world. Problems arising from climate change and depletion of natural resources are increasing the competition and collaboration among States around the energy production and supply. Sustainability of energy systems is then intertwined with the theme of security. Designed for scholars of different disciplines, the book encompasses several points of view about the different (although partially converging) approach to energy in European Union and Asian countries, considering the ever closer social and economic relations between Europe and Asia.

The book also incorporates the state of affairs at the transnational stage that originates from the international legal framework, mainly trade law, environmental law and investment law. Even through rapid changes about the political choices in the turmoil of the international arena, we believe that relations between Europe and Asia and the long term strategy on energy can be understood through the lens of three themes: the global demand and the policy questions; the level of trade under the international regulation of environment; and the role of innovation for the sustainability of energy systems. These three themes are developed in the three corresponding parts of the book.

In particular, the first six chapter are linked to the dimensions of natural resources (Chapter 1) at the current level of knowledge and production technology as well as the energy trends as determined by policy choices in the EU (Chapter 2), Russian Federation (Chapter 3), India (Chapter 4), China (Chapter 5) and in the corridors of energy between Europe and Asia represented by Turkey (Chapter 6).

Part 2 comprises four chapters related to the international and regional aspects of energy in comparison between the rules about environmental law (Chapter 7) and emissions trading (Chapter 8) and with a special focus on Central Asia (Chapter 9) and South-East Asia (Chapter 10).

The final part of the book is devoted to the perspectives on energy policy as influenced by sustainability concerns (Chapter 11), the decisions about energy investments (Chapter 12), and the drivers of innovation in energy systems (Chapter 13).

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## GLAWCAL

### GLOBAL LAW INITIATIVES FOR SUSTAINABLE DEVELOPMENT

#### WHO ARE WE

gLAWcal is an independent non-profit research organization (think tank) that aims at providing a new focus on issues related to economic law, globalization and development, namely the relationship between international economy and trade, with special attention to a number of non-trade-related values and concerns.

Through research and policy analysis, gLAWcal sheds a new light on issues such as good governance, human rights, right to water, rights to food, social, economic and cultural rights, labour rights, access to knowledge, public health, social welfare, consumer interests and animal welfare, climate change, energy, environmental protection and sustainable development, product safety, food safety and security.

**All these values are directly affected by the global expansion of world trade and should be upheld to balance the excesses of globalization.**

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