



DORIS DUKE
CHARITABLE FOUNDATION

Environment Program

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Leading Economic and Environmental Think Tanks to Address How to Align International Trade and Climate Change Policies

Grant of \$1.5 Million to Support Coordinated Research by the Peterson Institute for International Economics and the World Resources Institute

New York – As part of its \$100 million Climate Change Initiative, the Doris Duke Charitable Foundation (DDCF) today announced a grant of \$1.5 million to the Peterson Institute for International Economics. Working in close collaboration with the World Resources Institute (WRI), the Peterson Institute will undertake a comprehensive analysis of the connections between international trade and climate change policies, and make recommendations for how these policies can be mutually supportive.

“The foundation is pleased to award this grant to an organization of the Peterson Institute’s intellectual caliber,” said Joan Spero, President of DDCF. “Working together with an environmental leader like the World Resources Institute, the Peterson Institute is well equipped to produce research and recommendations that can help spark creative solutions in the ongoing debate about climate policy, trade policy and international competitiveness.”

“Efforts to address global climate change cannot succeed unless they take into account the realities of global trade and the international competitiveness of energy-intensive industries,” said Andrew Bowman, Director of the Climate Change Initiative at DDCF. “The hope here is to connect the dots between these two important issues and find the ways that climate and trade policies can work together, rather than at cross purposes.”

The analysis will begin with an assessment of the degree to which emission control programs of different types would affect the costs or impede the competitiveness of particular industries in key countries. From this foundation, the researchers will be able to assess the role that industry-specific agreements and bilateral agreements, as well as multilateral agreements and institutions like the World Trade Organization (WTO), can play in maximizing greenhouse gas reductions while minimizing economic impacts.

“The creation of a global regime to address the crucial problems posed by climate change will probably produce the most sweeping changes in the international economic architecture since the construction of the Bretton Woods system at the end of the Second World War,” said C. Fred Bergsten, Director of the Peterson Institute. “It is thus imperative that cutting edge research proceed as quickly as possible to inform both the national decisions that will be taken on these issues in the United States and elsewhere over the next few years and the international negotiations that will seek to mesh them into a coherent global regime.”

The Peterson Institute is devoted to global economic policy issues, with a staff that includes more than two-dozen experts who focus on macroeconomic topics, international finance, trade, energy, the environment, global investment and domestic adjustment measures. The World Resources Institute is an independent, non-partisan and nonprofit organization with a staff of more than 100 scientists, economists, policy experts, business analysts, statistical analysts, mapmakers, and communicators developing and promoting policies that will help protect the Earth and improve people's lives.

The Peterson Institute and WRI already have collaborated successfully on *Leveling the Carbon Playing Field*, a new book that focuses on the potential impact of climate policies on carbon-intensive manufacturing in the U.S.

This new grant will enable the two organizations to use a similar methodology to generate recommendations for how to design international climate and trade policies, such as the successor treaty to the Kyoto Protocol. Over the next two years, they will publish their research and recommendations in a series of five studies that will address crucial aspects of the nexus between national greenhouse-gas reduction efforts and the global trading system:

1. Addressing International Carbon Leakage
2. A Positive Agenda for Climate and Trade
3. Addressing Trade-Climate Linkages Through Sector-Specific Agreements
4. The Role of the WTO in Future Climate Policy
5. Aligning Free Trade Agreements with Climate Change Goals

"This research comes just as policymakers are grappling with tough issues on global warming and global trade, both in the U.S. and under the UN Framework Convention on Climate Change," said WRI President Jonathan Lash. "Creating opportunities for international cooperation, rather than confrontation, has to start now."

The mission of the Doris Duke Charitable Foundation (DDCF) is to improve the quality of people's lives through grants supporting the performing arts, environmental conservation, medical research and the prevention of child maltreatment, and through preservation of the cultural and environmental legacy of Doris Duke's properties.

The goal of DDCF's Climate Change Initiative is to help build a clean-energy economy. Currently, the Initiative is supporting the design of optimal pricing policies for greenhouse gases, as well as the design of policies that accelerate the development and deployment of clean-energy technologies.
www.ddcf.org/environment