

News Release

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\$1.5 MILLION GRANT SUPPORTS PETERSON INSTITUTE AND WORLD RESOURCES INSTITUTE RESEARCH ON INTERNATIONAL TRADE AND CLIMATE CHANGE POLICIES

*DORIS DUKE CHARITABLE FOUNDATION FUNDS
COORDINATED RESEARCH BY THE TWO INSTITUTES*

Washington—The Peterson Institute for International Economics has been awarded a \$1.5 million grant by the Doris Duke Charitable Foundation (DDCF) as part of the foundation’s \$100 million Climate Change Initiative. This joint project, conducted with the World Resources Institute (WRI), 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.”

The analysis will begin with an assessment of the degree to which different emissions control programs 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 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 has the potential to 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 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.”

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

the United States. 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.

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

Over the next two years, the Peterson Institute and WRI 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 Sectoral Agreements
4. The Role of the WTO in Future Climate Policy
5. Aligning Free Trade Agreements with Climate Change Goals

“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 ways that climate and trade policies can work together, rather than at cross purposes.”

About the Institutes

The Peter G. Peterson Institute for International Economics (www.petersoninstitute.org) is a private, nonprofit, and nonpartisan research institution devoted to the study of international economic policy. Since 1981, the Institute has provided timely and objective analysis of, and concrete solutions to, a wide range of international economic problems.

The World Resources Institute (www.wri.org) is an independent, nonpartisan, 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.