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PETERSON INSTITUTE AND WORLD RESOURCES INSTITUTE WIDEN SCOPE OF CLIMATE CHANGE RESEARCH

DORIS DUKE CHARITABLE FOUNDATION AWARDS \$400,000 GRANT

Washington—The Doris Duke Charitable Foundation (DDCF), via its Climate Change Initiative, has awarded the Peterson Institute for International Economics (PIIE) a grant of \$400,000. The one-year grant will fund PIIE’s research, in collaboration with the World Resources Institute (WRI), on international financing of low-carbon growth under a post-2012 climate agreement.

Under the leadership of PIIE Director C. Fred Bergsten and WRI President Jonathan Lash, this partnership will harness the two organizations’ expertise in international finance, climate change, and financing mechanisms designed to meet mitigation and adaptation needs in developing countries. The new research program will complement ongoing PIIE-WRI work on the intersection of trade and climate change policies funded by a 2008 DDCF grant.

“With the International Energy Agency estimating the cost of a 50 percent reduction in global emissions by 2050 at \$45 trillion beyond business as usual, it is not surprising that the challenge of finding financing for an international agreement quickly rises to the top of the agenda,” said Dr. Bergsten. “Working with WRI, we aim to provide international negotiators with a better understanding of the challenge and options with which to overcome it.”

The project will:

- assess the level and nature of global investment necessary to address climate change;
- evaluate potential sources of mitigation and adaptation financing;
- prescribe changes in bilateral and multilateral policies and institutions to facilitate the investment;
- address the challenge of coordinating existing mechanisms and institutions in the likely event that negotiators in Copenhagen will not agree on a single new institution to oversee mitigation and adaptation financing;
- monitor and influence efforts at mainstreaming and innovating climate policies through multilateral development bank policies and funds; and
- analyze and support national climate change plans and programs that major developing countries are putting in place, which would determine how these funds cohere in energy, land use, and transport policies at the national and local levels.

“We are grateful for the Doris Duke Charitable Foundation’s support for this important work,” said Jonathan Lash, president of WRI. “The challenge of climate change should mark the end of business as usual for investors in conventional fossil fuel technologies. Only those institutions—existing, new, or reformed—that can demonstrate they are ready to support a transformation to a low-carbon economy while continuing to serve the energy needs of growing economies should be entrusted with the new resources generated by climate change policy.”

Initial results from this research are expected in fall 2009, including two policy briefs on “US Funding and the United Nations Framework Convention on Climate Change” and “Climate Change and the Bretton Woods Architecture.” Further research will be published in book form in spring 2010. The book will demonstrate how to manage capital flows institutionally to enable low-carbon growth. It will also address the role and constraints of international financial institutions in making low-carbon investments possible in emerging markets and offer practical insights into how to coordinate those efforts along with private-sector funds.

As climate change legislation moves through the US Senate and world leaders prepare to negotiate a post-2012 agreement at the December UNFCCC climate change conference in Copenhagen, it is essential that US and world leaders understand the issues at stake. A profound shift in the global economic order resulting from the current crisis will undermine efforts to address climate change and produce dire consequences without a sustainable approach. Climate control efforts must be viable economically in order to be worthwhile and successful. To date, most research on international financing has concentrated on specific mechanisms or institutions rather than where climate-related funding fits into the changing financial landscape and broader coordination issues. PIIE and WRI’s joint research seeks to fill this knowledge gap and help shape the policy debate.

ABOUT THE INSTITUTES

PIIE (www.piie.com) 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.

WRI (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.

ABOUT THE DORIS DUKE CHARITABLE FOUNDATION

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

The goal of the DDCF Climate Change Initiative is to help build a clean-energy economy. In pursuit of this goal, the initiative supports analytical work that informs the government policies that are needed to foster technological innovation in the energy sector and accelerate the emergence of new clean-energy technologies. This includes work related to the mechanisms and institutions that support clean-energy technology development around the globe, including financing mechanisms.