“...to advance the cause of peace among nations; to hasten the renunciation of war as an instrument of national policy; to encourage and promote methods for the peaceful settlement of international differences and for the increase of international understanding and concord; and to aid in the development of international law and the acceptance by all nations of the principles underlying such law.”
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Letter From the Chairman

The world seems to be in continuous turmoil—creeping conflict in Asia, roiling wars across the Middle East, the European project in peril, a global refugee crisis, climate disruption, and democracies in disrepair.

And yet, by many objective measures, today’s world is more peaceful and prosperous than Andrew Carnegie could have imagined when he founded the Carnegie Endowment for International Peace in 1910 and charged it with the mission to “hasten the abolition of international war, the foulest blot upon our civilization.” International accords on Iran’s nuclear program and on climate goals in Paris lend hope for human progress and reinforce the value of an institution like the Carnegie Endowment for International Peace.

Over the past one hundred and five years, Carnegie has evolved to meet changing international conditions and sought to leverage scholarship to advance the cause of peace. This past year represented a major inflection point in Carnegie’s evolution, with a transition in leadership from Jessica Tuchman Mathews to William J. Burns. Under Jessica’s vigorous presidency, Carnegie extended its reach to become a global think tank. With Bill Burns, we are being led by the United States’ most distinguished professional diplomat, who brings broad bipartisan and international appeal along with exceptional judgment, energy, and vision.

Bill’s leadership and Carnegie’s world-class collection of scholars and staff make me very optimistic about the future of this institution. An accomplished and engaged Board of Trustees is an equally strong asset. This past year, we welcomed four new trustees whose diverse backgrounds and accomplishments, and abiding commitment to using philanthropy to promote peace, will ensure the institution’s continued growth and vitality. Working closely with the president and senior management, the board offers strategic guidance, leads in efforts to resource Carnegie’s vision, and upholds the highest standards of scholarship, integrity, accountability, and transparency. In a dynamic world with new challenges and emerging opportunities, Carnegie will continue to evolve, but it will always remain true to its long-held ethical principles and values.

I am deeply grateful to the board and to all of Carnegie’s friends and supporters. We could not ask for better partners in making Carnegie an even finer institution and stronger contributor to global progress and world peace.

Sincerely,

Harvey V. Fineberg, MD, PhD
Chairman
Letter From the President

I am very pleased to share with you this annual report—our first in four decades and my first as the fortunate new president of the Carnegie Endowment for International Peace.

Leading this extraordinary community at this extraordinary moment in global affairs is an enormous privilege. I can scarcely recall a time when the international landscape was more crowded or complicated, the stakes for global peace and prosperity more profound, and the thirst for thoughtful analysis and advice more acute. In short, one hundred and five years on, Andrew Carnegie’s founding mission is more relevant and vital than ever before.

In this report, you will get a flavor of how a historic institution like Carnegie is trying to keep pace with a rapidly transforming world. Over the past year, we have made significant strides in enhancing the depth and breadth of our global platform, focusing our sights on the most consequential questions for global order, and bringing together leading thinkers and doers from around the world.

Carnegie’s global perspective is critical, and the opening of Carnegie India this spring will be yet another significant step for this global think tank. In addition to our growing global footprint, we are expanding our work on global challenges—building on our long-standing efforts in democracy and the rule of law, nonproliferation, energy and climate, and other transnational challenges with a systematic effort to study the intersection of technology, innovation, and international affairs and its many implications for governance and strategy.

Institutions like Carnegie are at their best when they find a balance between shaping today’s debates and informing the debates of tomorrow. When targets of opportunity arise, we are not shy about seizing them, which is precisely why our team has energetically taken on the task of helping to craft an international compact to support Tunisia’s fragile reforms. At the same time, we remain focused on long-term questions, whether through our Arab World Horizons project, our in-depth examination of Iran’s political economy and foreign policy, our task force on Russia, Ukraine, and Eurasia, our sustained focus on India’s rise and China’s evolution, or our projects on the future of democracy and civil society.

As a global, independent, and nonpartisan institution, we have not only the capacity but also the responsibility to foster conversations that cut across borders and boundaries. Over the past year, we have launched a new dialogue series with members of the U.S.
Congress and the diplomatic corps, and held hundreds of public and private forums at our centers around the world and on every conceivable online platform. We had the privilege of hosting heads of state, ministers, and business leaders from around the world as well as one-fifth of President Barack Obama’s cabinet. And we continue to invest in the next generation of scholars and policymakers, through our distinguished Junior Fellows Program and our network of rising scholars across our global centers.

In all these efforts, we are very fortunate to have the support and partnership of our Board of Trustees, our Global Council, governments, foundations, companies, individuals, and our fellow research institutions around the world. Working together, I am confident that we can keep Andrew Carnegie’s legacy alive and advance the cause of peace in the century unfolding before us.

I hope you enjoy the report, and I look forward to welcoming you to Carnegie.

Sincerely,

William J. Burns
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Board of Trustees

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Honorary Chairman, Novartis International AG

Wang Chaoyong
Founding Partner and CEO, ChinaEquity Group

Rohan S. Weerasinghe
General Counsel and Corporate Secretary, Citigroup Inc.
In 1910, Andrew Carnegie donated $10 million of his personal wealth to found the Carnegie Endowment for International Peace and gave it an ambitious mission: to “hasten the abolition of international war, the foulest blot upon our civilization.” The United States’ first international affairs think tank was born.

The institution’s headquarters was established in Washington, DC, where its initial focus was on international arbitration. Carnegie also opened an office in Paris that contracted several notable grantees, including a “Professor Dr. Sigmund Freud, Vienna,” to examine “the psycho-analytic problem of the war” for the sum of $45, payable on completion of the work (it was never finished). During the Second World War, Carnegie took on a brilliant but eccentric lawyer named Raphael Lemkin who had fled from Nazi-controlled Poland. Lemkin was determined to outlaw the extermination of entire national groups. He successfully urged governments and the media to get his concept of “genocide” recognized in international law.

After the shattering experience of two world wars, Carnegie focused its energies on the nascent United Nations, moving its headquarters to New York and its Europe office to Geneva in order to facilitate closer
contact with UN institutions. As the Cold War gathered pace, the importance of Carnegie’s role became widely recognized and several leading thinkers and public servants joined its Board of Trustees, including John Foster Dulles, Dwight D. Eisenhower, Edward R. Murrow, Clare Boothe Luce, and Thomas Watson.

For the first fifty years of its existence, Carnegie had been a grant-giving organization, using its endowment to support other ventures and projects. But in the 1960s, it ceased all grant disbursements and focused on building up its own research capacity and making its work more policy-relevant. In the 1970s, it acquired Foreign Policy magazine. Circulation quickly expanded, and it became one of the most well-known and widely read magazines on foreign affairs. It was sold to the Washington Post in 2008.

Once virtually the only think tank in international affairs, by the 1980s Carnegie found itself in a burgeoning field, which it helped to foster by incubating and launching a number of new offshoots—among them the German Marshall Fund of the United States, the Arms Control Association, the Stimson

TWO NOBEL PRIZE WINNERS

The first two presidents of Carnegie, Elihu Root and Nicholas Murray Butler, were both awarded the Nobel Peace Prize. The two of them sought to build an international legal framework for arbitration and the peaceful settlement of disputes that helped to pave the way for the United Nations.
Center, the International Crisis Group, and the Migration Policy Institute.

With the end of the Cold War, Carnegie opened its first new overseas center in fifty years. In 1994, the Carnegie Moscow Center became the first independent think tank in post-Soviet Russia, and it provided an unprecedented level of collaboration between American experts and their counterparts in the post-Soviet states after decades of estrangement. The next big inflection point occurred at the turn of the century, when Carnegie decided to further expand its global footprint in response to the phenomenon of accelerating globalization. Following the success of the center in Moscow, Carnegie opened three more overseas research centers in three years: in Beijing in 2005 (which became the Carnegie–Tsinghua Center for Global Policy in 2010); the Carnegie Middle East Center in Beirut in 2006; and Carnegie Europe in Brussels in 2007. Its sixth center, Carnegie India, will open in New Delhi in April 2016.

Today’s international landscape is vastly different from the one that spurred Andrew Carnegie to act, but the challenges to global order and the risks of war are just as present. Throughout its one-hundred-and-fifteen-year history, Carnegie has stayed faithful to Andrew Carnegie’s high-minded goal, constantly searching for solutions that reduce conflict around the world through independent, nonpartisan, and policy-relevant research.
Today’s geopolitical landscape is more complicated and crowded than ever as governments struggle to keep pace with emerging challenges, rapid innovation, and rising expectations.

At a time of growing global disorder, Carnegie’s goal is to understand the developments that are happening in the world and help illuminate pathways to address the most consequential international challenges. With soon-to-be six centers around the world in 2016, publications in four major languages, and more than 100 experts in 20 countries across the globe, Carnegie’s perspective is truly global.

Carnegie places a primary emphasis on regional perspectives and policies, and avoids Washington-only prescriptions. On the recent nuclear deal with Iran, scholars provided diverse perspectives and analyses from Beijing, Brussels, the Gulf, Moscow, Tel Aviv, and Washington. Since the Ukraine crisis began in 2014, Carnegie has drawn on points of view from Kiev, Moscow, Washington, and Brussels to identify the root causes of the conflict and diplomatic approaches to defusing it. With the Arab world in unprecedented tumult, the institution’s network of scholars across the Middle East has provided insights on the forces behind revolution, reform, and repression. And with growing tensions across the Asia-Pacific,
Carnegie’s team helped demystify competition in the South China Sea, the North Korea nuclear challenge, and China’s political and economic rise.

Carnegie measures impact not just through tweets, media hits, or clicks online, but through the quality, resonance, and longevity of its ideas. The goal is to stay focused on the long-term trends and their implications, rather than keeping score of who is up and who is down in the daily machinations of the political arena. On the 2014 University of Pennsylvania Global Go To Think Tank Index, Carnegie was ranked the think tank with the most innovative policy ideas and proposals worldwide and the second most influential think tank in the United States. Two out of four of Carnegie’s centers were ranked as the top think tank in their regions.

Carnegie uses a range of techniques to share scholarship and help inform policy choices. Some of the work is done publicly and through varied media; other work is done through quiet consultation and convening. Carnegie successfully facilitated a code of conduct among the world’s nuclear power companies to reduce the risk of civil nuclear programs being exploited for military ends, and it is working with international experts to design a firewall to help governments distinguish between the peaceful
and nonpeaceful use of nuclear technology. In the Asia-Pacific, Carnegie has been quietly working to put in place crisis management protocols and confidence-building measures between the Pentagon and the People’s Liberation Army.

With looming nuclear dangers, pushback against democracy, regional disorder from the Mediterranean to the South China Sea, international terrorism, and the cracking foundations of international law and institutions, Carnegie scholars have no shortage of challenges to tackle—and no shortage of opportunities to make a meaningful difference.
WASHINGTON, DC

U.S. Vice President Joe Biden delivers a keynote address on the future of U.S.-India relations
The U.S.-India Strategic Partnership

India’s rise and the transformation of the U.S.-India strategic partnership are some of the most dramatic developments in the international landscape over the past two decades. At a January 2015 town hall meeting in New Delhi, U.S. President Barack Obama remarked that “India and the United States are not just natural partners. I believe America can be India’s best partner.” For more than a decade, Carnegie’s South Asia Program has focused on how to translate the strategic logic of enhanced ties between the world’s oldest and largest democracies into strategic outcomes.

In 2014 India conducted its sixteenth general election, the largest democratic exercise undertaken in history. Narendra Modi swept into power on a platform of rejuvenating India’s economic growth and making the notoriously slow-moving Indian government more efficient and effective. It was a unique election in many ways, with a crushing defeat of the ruling Congress Party and the first time in thirty years that a single party won a majority of parliamentary seats. As part of the India Decides 2014 project, Carnegie Associate Milan Vaishnav examined the new political dynamics of the country in a data-rich paper, “Understanding the Indian Voter.” To support the reform process of the new government, Carnegie Senior Associate Ashley J. Tellis brought some of the brightest minds in India together to produce Getting India Back on Track: An Action Agenda for Reform, which provided a clear road map for reform contained
in seventeen memoranda on issues ranging from generating employment and managing urbanization to improving the rule of law. Prime Minister Modi participated in the launch of the book at his residence within weeks of his government’s taking office. He urged Indian policymakers to incorporate “the inputs of intellectual think tanks” like Carnegie.

The July 2015 tenth anniversary of the U.S.-India Civil Nuclear Cooperation Initiative—a policy achievement that built on many years of Carnegie research and effort—provided a good opportunity to take stock of the progress made over the past decade and to help guide the agenda for the decade to come. An all-day conference at Carnegie brought together key players from both countries—including four former national security advisers, former U.S. secretary of state Condoleezza Rice, and leading voices from the private sector. At a gala dinner, a key theme of U.S. Vice President Joe Biden’s remarks was the unrealized potential of the economic ties that bind India and the United States.

The U.S.-India Strategic and Commercial Dialogue is a major effort to rectify this, and as part of its inaugural meeting in Washington in September 2015, Carnegie hosted U.S. Secretary of Commerce Penny Pritzker and India’s Minister of State for Commerce and Industry Nirmala Sitharaman. Commenting on the event, Secretary Pritzker said that, given its “prolific work on South Asia, the Carnegie Endowment is a perfect venue to discuss the importance of the growing commercial ties between the United States and India.”
COMING IN 2016:

Carnegie India

In April 2016, Carnegie will launch its sixth international center. Based in New Delhi, Carnegie India will produce high-quality public policy research about critical national, regional, and global issues. As with Carnegie’s other centers, Carnegie India will be staffed and led by local experts and will collaborate extensively with Carnegie’s scholars around the world.

The center’s research and programmatic focus will include the political economy of reform in India, foreign and security policy, and the role of innovation and technology in India’s internal transformation and international relations. By developing a cadre of internationally recognized scholars with a special focus on young up-and-coming talent, the center will provide an opportunity to forge a better appreciation in Washington and other capitals and global institutions of Indian perspectives on key policy questions.

C. Raja Mohan, who has been a nonresident senior associate at Carnegie since 2012, will serve as the founding director of Carnegie India.

With a sustained focus on India’s domestic political economy, its foreign and national security policy, and its impact on the evolving order in the Pacific century, Carnegie’s research and analysis over the last decade have helped the United States and India to make meaningful gains in realizing the promise of their partnership.

“Getting India Back on Track provides one of the most comprehensive and broadly sensible sets of remedies for [India’s] decade-long malaise.”

–Financial Times
Carnegie–Tsinghua Center summer global interns pose with former NBA player Yao Ming and the rest of the volunteers at the 2015 Yao Foundation Hope Primary School Basketball Championship.

CARNEGIE–TSINGHUA YOUNG AMBASSADORS PROGRAM

Each year the program provides dozens of rising American, Chinese, and international leaders from diverse backgrounds the opportunity to engage with Carnegie scholars and meet other young leaders from the United States and around the world.
The Rise of the Asia-Pacific

In the twenty-first century, no region will be more consequential for global order than the Asia-Pacific, a region stretching from India to the Pacific coast of the Americas. In recent decades, the region has produced advances in economic growth and poverty reduction unprecedented in human history. Today, it generates half of the global economic output and half of all global trade. Within a decade or two, the four biggest economies in the world will be Pacific powers.

How to return China’s economy to strong long-term growth and tackle significant domestic challenges is one of the most significant policy issues confronting regional and global order. The arc of China’s economy is closely followed by Carnegie’s scholars. From the vantage points of Beijing and Washington, Carnegie scholars Michael Pettis and Yukon Huang are leading thinkers on the pace of reform in the provinces, the risk of a debt overhang, and patterns of demand in China’s domestic markets.

Asia’s economic dynamism stands in sharp contrast to a rising tide of security challenges; territorial disputes, nuclear proliferation, and a steady expansion of military budgets are all causing growing concern about a collision between a rising China and the United States. One of the Asia Program’s top priorities is to search for and promote ways for China to integrate into regional and global order. This project examines the degree to which China is looking to make, break, or shape international norms.
and rules of the road. In recent years, Japan has also followed a more assertive path as it seeks to shrug off the stagflation of its so-called lost decade and weighs a more assertive diplomatic and military role. After two decades of inward reflection, Japan’s new activism will have an enormous impact on regional dynamics and the future of the U.S.-Japan alliance.

Southeast Asia is also a focus for Carnegie. Sitting astride one of the world’s busiest and narrowest sea lanes—the Malacca Strait, through which passes one-quarter of the world’s seaborne oil supplies—and in close proximity to both China and India, Southeast Asia’s location places it at the epicenter of emerging regional and global geopolitical rivalries.
As Beijing emerges as one of the world’s preeminent political and economic hubs, the value of having a presence in the city is becoming increasingly evident. Carnegie opened its center in Beijing in 2005, and for the last five years it has partnered with Tsinghua University, widely regarded as the “MIT of China.” In collaboration with ten scholars from the university’s department of international relations, it provides a platform in Beijing for dialogue and policy research. In 2015, the Carnegie–Tsinghua Center became the first international organization to be invited to co-sponsor a panel at Tsinghua University’s annual World Peace Forum, attended by Chinese Vice President Li Yuanchao and Foreign Minister Wang Yi.

Deepening the dialogue between the United States and China is a priority, and the center’s Distinguished Speaker Program brings senior figures in the U.S. policy community to Beijing and curates in-depth conversations with Chinese government officials, academics, business leaders, and students. Recent speakers include Stephen Hadley, U.S. national security adviser to former president George W. Bush; Richard Armitage, former U.S. deputy secretary of state; and Randy Schriver, former U.S. deputy assistant secretary of state for East Asian and Pacific affairs.
A Changing Middle East

The Arab world is in the midst of massive change. War, state collapse, violent jihadism, economic dislocation, and the world’s largest presence of forcibly displaced people are roiling the region and sending geopolitical shockwaves around the globe.

The aftereffects of the political and humanitarian disaster in Syria will be felt across the region for many decades, and the Carnegie Middle East Center in Beirut—now in its tenth year—is situated in the thick of the tumult. The city of Beirut, only a short car ride from the Syrian border, hosts more than 1 million refugees from the Syrian war. Carnegie’s presence in Lebanon strengthens its ability to analyze this region from the ground up and to propose timely and relevant ideas.

With over a dozen scholars in eight countries, the Middle East Program focuses on the long-term drivers of change, such as the struggle for pluralism, shifts within the Arab state system, empowerment of nonstate actors, and changing energy markets. Informed by careful field research and regional expertise, Carnegie’s scholars have helped demystify the civil wars in Libya, Iraq, and Syria; jihadism in North Africa and the Sahel; the politics and economics of a polarized Egypt; Gulf state leadership successions; tangled Palestinian politics; and the roots of Tunisia’s fragility as well as its resilience.

Carnegie has made a major commitment to bilingual publishing, with an extensive translation and editing process that allows scholars to write in either English or Arabic and for their work to be published in both languages.
WASHINGTON, DC
U.S. Secretary of State John Kerry kicks off Carnegie’s Arab World Horizons project
In the fall of 2015, Carnegie started the Arab World Horizons project, a three-year undertaking that will explore the drivers of regional instability and their implications for the region and America’s role. The project—funded by the Asfari Foundation and launched in Washington with a keynote speech on the future of the Middle East by U.S. Secretary of State John Kerry—will build a network of more than 100 leading thinkers from across the Arab world. The starting point for this inquiry is a reexamination of the Arab Human Development Reports of more than a decade ago and the myriad political and economic deficits that continue to haunt the region.

Alongside this longer-term research effort, Carnegie scholars have also focused on near-term opportunities to help shape political transitions in the region. Primary among these is an effort to consolidate the gains of a promising but fragile transition in Tunisia. Together with the Open Society Foundations, Carnegie scholars across the global platform worked together to design a compact that aligns a Tunisian-led reform agenda with international economic and security assistance efforts.
Iran After the Nuclear Deal

The comprehensive nuclear agreement between world powers and Iran is an enormous inflection point for regional order. Under Karim Sadjadpour’s leadership, Carnegie launched a new project to look at the evolution of Iran’s domestic politics and economy in the aftermath of the historic agreement, its relationships with its neighbors and key global powers, and the implications for U.S.-Iran relations.

The Next Generation of Regional Scholars

Building the research and writing capacity of young scholars is central to Carnegie’s mission and to its effort to amplify often-ignored regional perspectives. The Beirut center has provided training for young Arab scholars to hone their research and writing skills. Carnegie’s online bilingual journal Sada, now in its thirteenth year, has a reputation for innovative policy thinking across the region. With more than 500 contributors, it brings a powerful new network of analysts with new ideas and solutions to a wider audience.
BRIEFING

Federica Mogherini, high representative of the European Union for foreign affairs and security policy and vice president of the European Commission, attended a briefing on the Middle East and Russia at Carnegie’s Washington office in January 2015.
The Challenge to Order in Europe

After seventy years of prosperity and relative stability, Europe is being shaken by a period of historic upheaval. The attacks by the self-proclaimed Islamic State on European soil, Russia’s intervention in Ukraine, the arrival of 1 million migrants and refugees on the shores of Europe, and the eurozone’s continued economic fragility have all exposed major divisions among European Union member states and brought the challenges to the post–Cold War European order into sharp relief.

Given the sweeping significance of the migration crisis in Europe and beyond, Carnegie is increasingly focused on the causes and consequences of the dramatic increase in global population flows. Pierre Vimont, a Carnegie senior associate, was named by European Council President Donald Tusk as special envoy and tasked with organizing the November 2015 Valletta Summit on Migration between European Union and African countries.

The Carnegie Moscow Center team expanded its research into Russia’s domestic politics and economics, adding seven new scholars. It also launched a new bilingual stream of content on its Carnegie.ru website, which has quickly proved to be a popular destination for Russian-speaking audiences in particular. Ukraine may have seen a halt in wide-scale fighting, but it continues to reel from the fallout of the war. Carnegie reframed its annual EU-Russia Forum to focus on
Ukraine, while launching the Ukraine Reform Monitor, a regular series of reports produced by an independent team of Ukrainian policy practitioners and analysts that track the performance of the Ukrainian government’s reform efforts. Foreign Policy called it “one of the more accessible tools” for monitoring corruption in Ukraine.

In conjunction with the Chicago Council on Global Affairs, Carnegie has launched a bipartisan task force—chaired by former deputy secretary of state Richard Armitage and Senator Chris Murphy—to look at how U.S. and Western interests in the region are being reshaped twenty-five years after the collapse of the Soviet Union, and to offer guiding principles for a durable U.S. policy framework that will sustain transatlantic unity in the future.

Leadership changes in NATO and in the European Union have offered an opportunity for renewed thinking and focus on Europe's strategic future. With the future of Europe being increasingly determined by events outside its borders, Carnegie Europe’s memorandum “A New Ambition for Europe” argued for a fundamental reorientation for European Union foreign policy toward a more muscular, sustained engagement in international relations.
In March 2015, the Carnegie Moscow Center revamped its website, Carnegie.ru, to expand the analysis of Russia and the surrounding region. Led by Alexander Baunov and Maxim Samorukov, two experienced editors and analysts formerly with the Russian current affairs magazine Slon.ru, the new project publishes two to three articles daily by a mix of Carnegie scholars and other top analysts, journalists, and opinion leaders from the region. The content is published in both Russian and English and has already led to a surge in Carnegie’s Russian-speaking audience. In 2015, traffic from Russia to the Carnegie.ru site alone accounted for nearly one-quarter of all of Carnegie’s web traffic.
Confronting Nuclear Dangers

In a poll of the 800 participants at the 2015 Carnegie International Nuclear Policy Conference, 49 percent of respondents believed that nuclear risks were increasing, while just 8 percent believed they were decreasing. This stark assessment is a reminder of the continuing fragility of the global nuclear order and of the importance of the Nuclear Policy Program’s work.

Nowhere is the threat of a nuclear confrontation more serious than in South Asia. Having suffered a major terrorist atrocity in Mumbai in 2008, India would face tremendous domestic pressure to respond to another major attack emanating from Pakistan—but how could it do so without running the risk of escalating conflict that could eventually involve nuclear use? This is the subject of Toby Dalton and George Perkovich’s new book and the motivation behind a project to build up the capacity of the region’s next generation of nuclear policy analysts to address the threat. The need to develop a cadre of young professionals in this field extends to many countries, including in South America, where Togzhan Kassenova, a member of the UN Secretary General’s Advisory Board on Disarmament Matters, is leading Carnegie’s efforts.

The nuclear agreement reached with Iran in July 2015 was a major accomplishment in the field of nonproliferation. More than two years of quiet diplomacy—including the secret talks led by Bill Burns in his role as deputy secretary of state—were needed to be able to bring Tehran and international powers together on a deal that both sides were prepared to sign. Carnegie’s Nuclear Policy Program is taking advantage of this breakthrough to shore up a significant strategic weakness of the Nuclear Non-Proliferation Treaty. The key challenge of the firewall
WASHINGTON, DC
IAEA Director General Yukiya Amano at the 2015 Carnegie International Nuclear Policy Conference
project is to define what constitutes illicit research into nuclear-weapon design and build a shared international definition of a firewall between peaceful and military nuclear programs. To address other non-proliferation weaknesses, Carnegie Senior Associate Mark Hibbs is working with members of the Nuclear Suppliers Group to ensure its vitality for controlling nuclear technology and engaging International Atomic Energy Agency members in a discussion about the future of nuclear safeguards.

Technological developments can exacerbate escalation risks. Long-range, ultra-fast, non-nuclear weapons currently under development in the United States, Russia, and China are a case in point. In December 2015, Carnegie’s James Acton testified to the U.S. House Armed Services Subcommittee on Strategic Forces on these weapon systems; while at the Carnegie Moscow Center, Alexey Arbatov has explored how high-precision, conventional weapons, along with other technological and political developments, are undermining the fabric of arms control in his paper, “An Unnoticed Crisis: The End of History for Nuclear Arms Control?”

The Fukushima Daiichi nuclear accident in Japan has exacerbated a little-noticed nuclear security danger. In spite of severe challenges bringing its reactors back into operation, the country plans to start reprocessing spent fuel shortly, which as Acton has observed creates the risk of further plutonium stockpiling. His recent report on the subject, Wagging the Plutonium Dog, has been cited by the intergovernmental Conference on Disarmament.
Every two years, practitioners, experts, journalists, and students gather for the Carnegie International Nuclear Policy Conference in Washington, DC. The March 2015 event involved over 800 participants from more than 40 countries and international organizations who gathered to discuss emerging trends in nuclear nonproliferation, strategic stability, deterrence, disarmament, and nuclear energy.

The speakers list was Headlined by U.S. Secretary of Energy Ernest Moniz, former head of Pakistan’s Strategic Plans Division Gen. (ret.) Khalid Kidwai, U.S. Air Force Secretary Deborah Lee James, and IAEA Director General Yukiya Amano. The 2015 conference featured a mobile app for the first time that was used by 450 attendees to access agenda information, post updates, and message other attendees. Its most exciting feature was the live audience polling, which Carnegie used to ask participants predictive questions. Future conferences will present a comparison of their answers and predictions from well-known experts with real-world developments.
The Energy Revolution and Climate

Climate change ranks at the top of the list of overarching global challenges—posing a risk to the world’s ecosystems and essential resources and making other global menaces from poverty to pandemics more severe and intractable.

The energy revolution over the past decade offers both strategic opportunities and the prospect of making a consequential impact on the pace and scale of global climate change. For decades, the world was thought to be running out of oil, and policymakers, analysts, and the public assumed that a shift to clean alternative fuels was forthcoming. Technological innovations such as fracking shattered this paradigm, and oil markets now face an array of plentiful, little understood, and poorly governed new oils.

The primary focus of the Carnegie Energy and Climate Program is on this changing oil sector and its implications. In March 2015, Carnegie, in partnership with Stanford University and the University of Calgary, released a groundbreaking Oil-Climate Index, which assesses the climate change impact of new unconventional oils, underscoring the reality that oil is far from a homogeneous commodity. The index will help policymakers and industry factor the different climate footprints of oils into decisions that drive investment, operations, and governance of the oil supply chain.
COP21 CLIMATE CONFERENCE

Carnegie hosts a conversation with U.S. Energy Secretary Ernest Moniz on the eve of the COP21 Climate Conference in Paris.
Creating a Global Oil-Climate Index

New types of oils—whose viscosity ranges from the thickness of putty to the fluidity of nail polish remover—are coming onstream all the time. Ultra-light fracked oils, Arctic oils, extra-heavy oils, and other hydrocarbons are all vying for market share. Yet the climate impact of these new oils has not yet been factored into policymaking, or priced into the market value of crudes or their petroleum products.

The Energy and Climate Program has also placed special emphasis on high-sulfur petroleum coke, known as petcoke. While deemed too polluting for U.S. power generation, petcoke is increasingly being exported to China and India. Carnegie is working with Asia’s state-owned enterprises and government ministries to reduce its use, thereby decreasing its significant carbon and air pollution impact. Precious little is known about oil-water interactions, which typically happen underground and out of sight. By mapping the oil-water nexus in places like North Dakota, Carnegie seeks to provide guidance on how to limit overuse of scarce resources and ensure safe handling of water contaminated by oil.
To begin filling this knowledge void, Carnegie, in partnership with Stanford University and the University of Calgary, has developed the first-of-its-kind Oil-Climate Index to rank the many new types of global oils by their greenhouse gas emissions. Its interactive web tool—based on open-source data—analyzes the climate impact of the entire oil supply chain, including extraction, transport, refining, marketing, product combustion, and other end uses. Of the 30 unconventional oils analyzed in the first phase, there is an 80 percent difference in total greenhouse gas emissions per barrel between the lowest greenhouse-gas-emitting oil and the highest. This is a considerable spread—one that is only expected to grow as new, unconventional oils are identified.

Accompanying this is an outreach campaign to governments, private enterprises, and nonprofit organizations around the globe to seek their input in order to make oil-climate data more transparent and to demonstrate the tool for their benefit. The next iteration of the Oil-Climate Index, which will assess 40 more global oils—including U.S. fracked oils, Brazil pre-salt oils, and Arctic oils—is due for release in 2016.
Carnegie’s Rising Democracies Network, a select group of experts from ten non-Western democratic states, from India and Indonesia to Brazil and South Africa, assesses the efforts of rising democracies to support democracy in their own regions. Through engagement with Western policymakers, it facilitates learning of democracy building across Western/non-Western lines.
Supporting the global advance of democracy and the rule of law is a critical foreign policy objective for the United States and Europe. Simply stated, a more democratic and just world is a more secure, stable, and prosperous world.

Yet Western efforts to support democracy and the rule of law have encountered daunting setbacks and obstacles in recent years. Many democratic transitions, launched in the more optimistic times of the 1990s, are foundering as fledgling democracies struggle to deliver growth, goods, and services; to reduce corruption; and to engage alienated citizens. Nondemocratic challengers across the globe are becoming more assertive. Transnational challenges to lawful governance are multiplying. The failure of the Arab Spring to deliver either improved social justice or democratic change has shattered the soaring hopes that accompanied the initial outbreak of Arab political change.

Carnegie’s Democracy and Rule of Law Program, led by Thomas Carothers, generates ideas and analysis about the obstacles that democracy faces around the world and how Western public and private actors can help overcome them. Current efforts focus on forging stronger responses to the disturbing global trend of closing space for civil society, encouraging non-Western democracies to play a stronger role in democracy support, and looking ahead to how the next U.S. administration can strengthen U.S. policy relating to democracy and human rights.

In many parts of the world political activists are calling for alternatives to Western liberal democracy. Are
there in fact legitimately democratic but genuinely different non-Western democratic models? Senior Associate Richard Youngs’s recent book, *The Puzzle of Non-Western Democracy*, dissects this knotty issue and highlights implications for Western policymakers.

Building the rule of law is integral to advancing democracy, but also crucial for achieving sustainable peace in postconflict countries and combating violent extremism. A hunger to overcome injustice, reduce violence, create fair and predictable legal environments, and curb corruption is a newly powerful factor galvanizing populations around the world. Carnegie’s work on the rule of law illuminates the relationship between systemic corruption and international security challenges, and searches for methods to reduce chronic insecurity and violence and improve Western efforts to aid security forces in troubled contexts.

The Democracy and Rule of Law Program seeks out productive partnerships with organizations engaged in advancing democracy and the rule of law. Providers of international development aid are increasingly trying to measure the impact of their work. Yet misunderstanding how development change happens has led to poor approaches to measurement, which risks undermining aid effectiveness. Rachel Kleinfeld’s report, *Improving Development Aid Design and Evaluation*, offers focused ideas on how to do better.
Thieves of State

“I’ve been waiting for this!” Jon Stewart exclaimed in welcoming Carnegie’s Sarah Chayes to The Daily Show. He was referring to Chayes’s *Thieves of State: Why Corruption Threatens Global Security* (Norton, 2015).

She wrote the book to counter an argument she confronted during the decade she worked in Afghanistan: that security was the first priority; later there would be time to focus on governance issues. For Chayes, officials had the causal logic wrong: only by tackling abusive corruption—and the West’s role enabling it—could security be improved.

*Thieves of State* combines first-person narrative from her time in Afghanistan and at the highest levels of U.S. government with a startling historical parallel: comparing corruption’s role in fueling militant puritanical religion today to one of the most important revolutions in Western history, the Protestant Reformation. Chapters on Tunisia, Egypt, Uzbekistan, and Nigeria demonstrate that kleptocracy has contributed to numerous security crises afflicting the globe.
New Conversations

As Carnegie continues to expand its international reach, the institution remains committed to broadening and deepening its national reach as well, beyond the East Coast corridor to places like Silicon Valley, where interest in engaging the policy community is growing and where emerging international policy issues are increasingly important.

The intersection of technology, innovation, and international affairs is disrupting every dimension of global order. Policymakers are struggling to keep up with the rapid pace of innovation, and entrepreneurs are increasingly looking to governments to clarify the rules of the game. Today’s systems, structures, and strategies are ill-suited to the challenges and opportunities posed by the technological advances of tomorrow.

The digital age poses a similar challenge to the nuclear age, except the number and types of actors and the range of uses for technologies are more numerous and more complex. Carnegie helped shape the international response to the rapid proliferation of nuclear technology and nuclear weapons. Decades of research and analysis helped policymakers devise strategies to maximize cooperation, minimize competition and crises, and avoid the very real possibility of a nuclear winter. The challenges of the twenty-first century require the same focus and discipline and the same commitment to understanding divergent international perspectives and working toward shared
WASHINGTON, DC

Carnegie co-hosts an advance screening of He Named Me Malala with Foreign Policy, The Malala Fund, and Vital Voices Global Partnerships, followed by a panel discussion featuring Nobel Prize laureate Malala Yousafzai and her father, Ziauddin Yousafzai (left to right)
solutions. A truly global think tank must examine not only regional issues of global significance but also transformative and disruptive trends, including technology, that have a global effect.

In 2016, in partnership with the Freeman Spogli Institute for International Studies at Stanford University, Carnegie will co-host a forum on Technology, Innovation, and International Affairs. By bringing policymakers and technologists from around the world together, Carnegie hopes to identify the most consequential intersections and help deepen understanding about their implications for international cooperation and state and nonstate strategic behavior.

In the United States there has been no shortage of deep and abiding partisanship in foreign affairs over the past few decades. But the scale and scope of today’s congressional clashes are troubling if not unprecedented, especially given the profound challenges facing the United States across an increasingly complicated international landscape. The simultaneity of complexity and gridlock threatens to hamper not only the management of crises but also the United States’ long-term capacity to think and act strategically.

To help address this deficit, the Carnegie dialogue series provides a new opportunity for congressional members to meet in a bipartisan setting to discuss the leading questions of the day; it builds links between senior congressional staffers to advance practical solutions, and connects ambassadors and other members of the diplomatic corps from a diverse set of countries in ways that illuminate future areas of cooperation.
"The Carnegie Endowment for International Peace remains a first-rate source of policy analysis and practical guidance on all the major international issues of the day and I continue to rely on the advice and counsel of many Carnegie scholars."
— John McCain, U.S. Senator (R-AZ)
For decades, Carnegie has invested in the next generation of analysts and scholars. The Junior Fellows Program is Carnegie’s flagship effort. Each year, Carnegie offers fellowships to uniquely qualified university graduates. The junior fellows are selected from a pool of nominees put forward by 400 participating colleges.

Each fellow serves for one year as a research assistant to a Carnegie associate, working closely with that scholar on his or her research agenda while accelerating the fellow’s own substantive and professional development. Alumni who have scaled the heights of academia, business, and public service include ABC News’ Chief Anchor George Stephanopoulos, United Nations Ambassador Samantha Power, Senior Adviser to President Barack Obama Brian Deese, Acting Under Secretary of Defense for Intelligence Marcel Lettre, and former National Security Council senior director for Asian affairs Evan Medeiros.

above

JUNIOR FELLOWS 2015–2016

Wenyan Deng
Wellesley College

Varsha Koduvayur
Michigan State University

Patrick Farrell
University of Pittsburgh

Margaret McClure
Wellesley College

Jeffrey Feldman
Amherst College

Cory McKenzie
University of New Hampshire

John Paul Gutman
University of Pennsylvania

Aidan Milliff
University of Chicago

Julu Katticaran
Princeton University

Nik Nevin
Amherst College

Saksham Khosla
Oberlin College

William Ossoff
Bowdoin College
Junior Fellows Program Alumni

left
SAMANTHA POWER
Samantha Power, now U.S. ambassador to the United Nations, addresses the Security Council open debate on Women, Peace and Security

below
BRIAN DEESE
Brian Deese (right), now White House senior adviser, meets with U.S. Secretary of State John Kerry (left), and U.S. Special Envoy for Climate Change Todd Stern (second from right) at the COP21 Climate Conference in Paris

left
GEORGE STEPHANOPOULOS
George Stephanopoulos, now ABC News' chief anchor, moderates a Carnegie event on the U.S. role in the world

above
EVAN MEDEIROS
Evan Medeiros, now a Carnegie nonresident senior associate and managing director and Asia practice head at Eurasia Group, meets with President Barack Obama and then U.S. national security adviser Thomas E. Donilon in the Oval Office (left to right)
It took a visionary gift of $10 million by Andrew Carnegie in 1910 to launch America’s first international affairs think tank, and in modern times the generosity of donors has been essential to the successful expansion of Carnegie’s scope and geographic footprint.

Carnegie is fortunate to work with global citizens in the public and private sectors as well as foundation and corporate leaders who share its commitment to building a more peaceful world.

Foundations like the Carnegie Corporation of New York, the William and Flora Hewlett Foundation, the John D. and Catherine T. MacArthur Foundation, the Open Society Foundations, the Skoll Global Threats Fund, and the Ford Foundation, and agencies like the UK Department for International Development have invested in Carnegie’s global network and seeded new ideas and projects that have now grown to be extraordinarily effective and successful.

The private sector is an increasingly important player in international relations, and Carnegie welcomes the opportunity to engage with corporations through the exchange of ideas and insights on ways to tackle problems of geostrategic importance, such as the United States’ strategic partnership with India or the threat of cyberattacks. A wide variety of global corporations—such as Alcoa, Chevron, Mitsubishi, and Shell—
have provided important support in recognition of the objective research and insights offered by Carnegie’s experts over the last year.

Carnegie’s Board of Trustees plays a pivotal role in securing the resources that will guarantee the institution’s fiscal and programmatic strength in the present and the future. The trustees provide this through the generosity of their time and contributions. Gifts from the trustees doubled from 2014 to 2015, while numerous trustees hosted events around the world to introduce Carnegie scholars to new audiences eager to gain expert perspectives on shifting global relationships. “One of the ways Carnegie trustees have extended the Carnegie network around the world has been through hosting briefings and outreach events,” says Chairman of the Board of Trustees Harvey Fineberg. “Over the course of the year, we have held more than 35 in New York, San Francisco and Silicon Valley, Brussels, Hong Kong, Beijing, Delhi and Mumbai, and London.”

Supporting the Centers

Advisory councils support the work of Carnegie’s international centers. Members have the opportunity to meet with scholars and their peers to join the discussion about policy ideas in their regions.
In February 2015, Jessica T. Mathews stepped down after eighteen years as president of the Carnegie Endowment for International Peace. Mathews launched Carnegie’s Global Vision in 2007 with the goal of giving the institution a unique presence on the ground in the key regions of the world. During her tenure, Carnegie successfully opened three new centers—in Beijing, Beirut, and Brussels—and laid the groundwork for the center in New Delhi. A farewell gala dinner was held to honor her contribution to Carnegie, attended by 150 VIP guests, the Board of Trustees, and former trustees. With the support of friends and former and current trustees, a chair was created in her honor, and Mathews remains at Carnegie as a distinguished fellow.

GROWING THE ANDREW CARNEGIE LEGACY

In 2015, Carnegie Trustee Catherine James Paglia provided endowment support to establish the James Family Chair through a generous commitment from the Robert and Ardis James Foundation.

WASHINGTON, DC
Carnegie Corporation of New York President Vartan Gregorian and Carnegie Trustee Catherine James Paglia (left to right)
Global Council

The Global Council is a unique gathering of individuals from diverse backgrounds and communities who are interested in Carnegie’s work.

The council gathers every month in Washington and New York for off-the-record meetings, bringing together individuals acting either in their own capacity or as the representatives of organizations that care about Carnegie’s mission. Its purpose is to give its members the opportunity to meet with peers and support the work of Carnegie. For scholars it offers an exciting way to engage with new stakeholders and to share ideas.

Realizing the Global Vision

With the leadership of Carnegie Trustees Sunil Bharti Mittal and Ratan N. Tata, Carnegie successfully raised over $11 million for an endowment for the new Carnegie India, which will open in the spring of 2016.

The center—to be based in New Delhi—will focus its activities primarily on the Indian economy and its ongoing transformation, India’s changing domestic politics, and Indian foreign relations and national security. The goal of the campaign is to secure the financial stability of the center, thereby ensuring that Carnegie’s work remains fully independent and reinforcing Carnegie’s reputation for integrity and objectivity.

The two co-chairs of the campaign’s founders’ committee, former Indian ambassador to the United States Naresh Chandra and former U.S. ambassador to India Frank Wisner, pointed out that “India and the U.S.-India relationship will be well served by the Carnegie India center.”

CARNEGIE INDIA FOUNDERS’ COMMITTEE

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Ambassador Frank Wisner
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Carnegie acknowledges the generous support of donors in fiscal year 2015—July 1, 2014, through June 30, 2015—in the following list arranged by gift levels of cash received. Carnegie is profoundly grateful for their support.

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- Anonymous
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- Open Society Foundations
- Skoll Global Threats Fund
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- U.S. Department of Defense
- U.S. Department of State

$100,000 to $249,999
- Henry H. Arnhold
- Bakrie Center Foundation
- blue moon fund
- Center for Global Partnership
- China-United States Exchange Foundation
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- Hindustan Times
- Patricia House
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- Taipei Economic and Cultural Representative Office

$50,000 to $99,999
- Alcoa Foundation
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- Charina Endowment Fund
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Good Ventures
The Hurford Foundation
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Japan External Trade Organization
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Rockefeller Family Fund
UK Foreign & Commonwealth Office
United States Mission to NATO
Rohan S. Weerasinghe

Up to $24,999
Mort and Sheppie Abramowitz
American Institute for Contemporary German Studies (Johns Hopkins University)
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Asan Institute for Policy Studies
Paul Balaran
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Byron and Anita Wien
World Justice Project

$25,000 to $49,999
Embassy of Australia
BP
ConocoPhillips
Said Darwazah
Dutch Ministry of Foreign Affairs
Dr. Mohamed A. El-Erian
Fiat Chrysler Automobiles
Federal Republic of Germany
Richard Giordano
Jamie Gorelick
Hany Ben Halim
Nisreen and Ali Al-Husry
Institute for Global Engagement
Majid H. Jafar

Embassy of Australia
BP
ConocoPhillips
Said Darwazah
Dutch Ministry of Foreign Affairs
Dr. Mohamed A. El-Erian
Fiat Chrysler Automobiles
Federal Republic of Germany
Richard Giordano
Jamie Gorelick
Hany Ben Halim
Nisreen and Ali Al-Husry
Institute for Global Engagement
Majid H. Jafar
“I appreciate the work Carnegie Endowment does. . . . Above all, [it is] an approach that says, ‘We want to make a difference. We want to see if we can have an impact.’”

—Kofi Annan, former Carnegie trustee and former UN secretary general
WASHINGTON, DC
Trustee Aso O. Tavitian and Vice President for Studies Marwan Muasher

WASHINGTON, DC
Trustee Ratan N. Tata

WASHINGTON, DC
Former chairman James C. Gaither with Trustees George Siguler and Linda Mason (left to right)

WASHINGTON, DC
Bernard L. Schwartz, chairman and CEO of BLS Investments, introduces U.S. Vice President Joe Biden at an event on American infrastructure

WASHINGTON, DC
Trustee Kenneth E. Olivier and Carnegie Vice President for Studies Douglas H. Paal (left to right)
## Financial Statements

### Statements of Financial Position

*June 30, 2015, and June 30, 2014*

<table>
<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 4,212,889</td>
<td>$ 4,063,579</td>
</tr>
<tr>
<td>Accounts receivable and prepaid expenses</td>
<td>1,081,558</td>
<td>1,509,600</td>
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<tr>
<td>Net contributions receivable, current portion</td>
<td>7,291,713</td>
<td>8,008,151</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>12,586,160</td>
<td>13,581,330</td>
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<tr>
<td><strong>Long-Term Assets</strong></td>
<td></td>
<td></td>
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<tr>
<td>Net contributions receivable, net of current portion</td>
<td>263,243</td>
<td>2,540,760</td>
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<tr>
<td>Investments</td>
<td>310,139,907</td>
<td>303,136,742</td>
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<tr>
<td>Property and equipment, net</td>
<td>25,623,473</td>
<td>25,998,765</td>
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<tr>
<td>Bond issuance costs, net</td>
<td>707,049</td>
<td>730,333</td>
</tr>
<tr>
<td><strong>Total long-term assets</strong></td>
<td>336,733,672</td>
<td>332,406,600</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$349,319,832</td>
<td>$345,987,930</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets |             |             |
| **Current Liabilities** |             |             |
| Accounts payable and accrued expenses | 2,600,817 | 2,513,171 |
| Bond interest payable | 102,528 | 98,827 |
| Note payable, current portion | 322,826 | 315,396 |
| **Total current liabilities** | 3,026,171 | 2,927,394 |
| **Long-Term Liabilities** |             |             |
| Note payable, net of current portion | 3,213,391 | 3,546,217 |
| Interest rate swap agreement | 9,626,295 | 8,363,920 |
| Bonds payable | 33,250,000 | 33,250,000 |
| **Total long-term liabilities** | 46,089,686 | 45,160,137 |
| **Total liabilities** | 49,115,857 | 48,087,531 |

| Net Assets |             |             |
| Unrestricted | 8,278,181 | 7,062,374 |
| Temporarily restricted | 278,757,496 | 278,588,025 |
| Permanently restricted | 13,168,298 | 12,250,000 |
| **Total net assets** | 300,203,975 | 297,900,399 |
| **Total liabilities and net assets** | $349,319,832 | $345,987,930 |
## Statement of Activities

*Year Ended June 30, 2015*

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue and Other Support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income allocation</td>
<td>$</td>
<td>$ 14,427,600</td>
<td>$ -</td>
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<tr>
<td>Contributions</td>
<td>3,487,829</td>
<td>8,618,379</td>
<td>918,298</td>
</tr>
<tr>
<td>Rental income</td>
<td>1,682,535</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Earned revenue-projects</td>
<td>770,371</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>195,299</td>
<td>7,825</td>
<td>-</td>
</tr>
<tr>
<td>Conference center rental income</td>
<td>235,208</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Publications</td>
<td>51,699</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>28,277,556</td>
<td>(28,277,556)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenue and other support</strong></td>
<td>34,700,497</td>
<td>(5,223,752)</td>
<td>918,298</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>13,826,886</td>
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<td>-</td>
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<tr>
<td>Payroll taxes and employee benefits</td>
<td>4,417,229</td>
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<td>-</td>
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<tr>
<td>Consulting and professional fees</td>
<td>2,634,191</td>
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<td>-</td>
</tr>
<tr>
<td>Travel</td>
<td>2,061,368</td>
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<td>-</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,032,052</td>
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<td>-</td>
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<tr>
<td>Interest expense</td>
<td>1,483,660</td>
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<td>-</td>
</tr>
<tr>
<td>Property management</td>
<td>1,151,069</td>
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<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,006,618</td>
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<td>-</td>
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<tr>
<td>Publication expenses</td>
<td>684,936</td>
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</tr>
<tr>
<td>Rent</td>
<td>539,336</td>
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<td>-</td>
</tr>
<tr>
<td>Meetings and seminars</td>
<td>1,117,710</td>
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<td>-</td>
</tr>
<tr>
<td>Grants</td>
<td>670,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real estate taxes</td>
<td>597,260</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>32,222,315</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Change in net assets from operations</strong></td>
<td>2,478,182</td>
<td>(5,223,752)</td>
<td>918,298</td>
</tr>
<tr>
<td><strong>Non-operating Revenues and Expenses</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Investment gain in excess of spending rate</td>
<td>-</td>
<td>5,393,223</td>
<td>-</td>
</tr>
<tr>
<td>Fair value loss on interest rate swap</td>
<td>(1,262,375)</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>1,215,807</td>
<td>169,471</td>
<td>918,298</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td>7,062,374</td>
<td>278,588,025</td>
<td>12,250,000</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td>$ 8,278,181</td>
<td>$ 278,757,496</td>
<td>$ 13,168,298</td>
</tr>
</tbody>
</table>
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