

Minutes
WRI Board of Directors Meeting & Board Retreat
September 16-18, 2007
Aspen Wye River Plantation
Houghton House

Attendees: Jim Harmon—Chair, Tish Emerson—Vice Chair, Hattie Babbitt, Gay Barclay, Frances Beinecke, Antony Burgmans, Leslie Dach, Jamshyd Godrej, Denis Hayes, Aditi Kapoor, Jonathan Lash, Gretchen Long, Jeff Miller, Jim Owens, Michael Polsky, C.K. Prahalad, Stephen Ross, Alison Sander, José Sarukhan, Scott Spangler, Gus Speth, Ralph Taylor, Todd Thomson, Diana Wall

Staff: Andrew Aulisi, Manish Bapna, Steve Barker, Liz Cook, Arthur Droe, Vivian Fong, Al Hammond, Craig Hanson, Nancy Kete, Jennifer Layke, Robin Murphy, Jonathan Pershing, Janet Ranganathan, Allison Sobel, Oretta Tarkhani, Dan Tunstall, Peter Veit, and Jake Werksman

The meeting was called to order at 1:30 p.m. by the Chair on Sunday, September 16, 2007.

Welcome and Opening Remarks, Strategic Planning Overview & Context

Jim Harmon welcomed the Directors to the Retreat especially those that had traveled a long distance. Mr. Harmon introduced Directors and noted that less than half had been at the last Retreat. Mr. Harmon asked the Directors to read the communications, development, and financial reports in the Board Book, which would not be discussed. Mr. Harmon reported on highlights from each report and recent WRI achievements.

Jonathan Lash welcomed everyone to the retreat and thanked the Directors for attending. Mr. Lash spoke about the history of Wye Plantation and referenced WRI's work on nutrient trading in the Chesapeake Bay estuary and the pollution stemming from the surrounding farming communities. He asked Directors to help staff think about WRI's role in the world, external forces that will affect WRI's work, and mechanisms to respond to those forces. Mr. Lash presented WRI's history for background context. Mr. Lash spoke about the need to drive the public and policy makers towards action and noted that USCAP was a step forward. Mr. Lash noted that the trends are positive and that he is optimistic.

Manish Bapna presented an overview of WRI's strategic planning efforts to date. Mr. Bapna said that over the next two days the Board will hold sessions on meta-trends and comparative analysis led by Gus Speth and Frances Beinecke respectively. C.K. Prahalad will lead a session on constructing WRI's strategic intent, the board will break into working groups to discuss the process, and Todd Thomson will lead a session to put it all together. These sessions are intended to form the basis for discussions to formalize our

strategic intent process. Mr. Bapna presented the proposed strategic planning time line and asked for input from the board to move the process forward.

WRI Board of Directors Meeting

Jim Harmon opened the Official Board Meeting.

The Minutes from the March 13, 2007 Meeting of the Board of Directors were approved as drafted.

The Board approved the resolution electing Manish Bapna as Executive Vice-President and Managing Director.

Steve Barker presented the Budget results for FY07 and a summary for FY08. The Directors discussed the budget and the forecasting process. The Board approved the FY08 budget and the transfer of funds from the endowment.

President's Report

Jonathan Lash reported that 2007 was a strong year for fundraising and communications. Mr. Lash presented the Top Ten Outcomes for FY07 and described the selection process.

Leslie Dach asked Mr. Lash to name his top five disappointments. Mr. Lash mentioned loss of staff and inability to hire the people he wanted, the loss of some funding opportunities, and disappointment with the G-8's response to the President's climate change proposal.

Strategic Planning: Meta-Trends and the Global Context

Jim Harmon welcomed everyone to the session on Monday, September 17, at 8:00 a.m. and introduced Antony Burgmans, Gus Speth, and Jim Owens who came late to the Retreat. Jonathan Lash invited Gus Speth to lead the meta-trends discussion.

Mr. Speth noted that he was pleased with WRI's last 25 years and especially proud of the FY07 Outcomes. He said that WRI's founding conference was held at Wye in 1984, the Global Possible Conference, which set the strategic framework for the institute. Mr. Speth spoke about the history of WRI and reviewed WRI's founding mission. He graphically illustrated the global environmental trends over the last 25 years, and named the major issues of climate change, deforestation, desertification and freshwater scarcity, marine fisheries loss, dangerous emissions rates of toxic pollutants, loss of bio-diversity, ozone depletion—the one issue on which significant progress has been made, acidification, and over-fertilization with nitrogen. He noted that the problems are exacerbated by their interactions. Mr. Speth said that the issues WRI was founded to address continue unabated and at a deeper and more serious rate today.

Mr. Speth spoke about the need for successful U.S. policies to address these issues for the long-term. He thanked the staff for the useful and comprehensive meta-trends paper and highlighted several of the trends. He also noted the greening of corporate and consumer behavior as a prevalent meta-trend.

The board discussed the meta-trends raised by Mr. Speth and added the trend of population growth in the developing world. Scott Spangler spoke about communications. C.K. Prahalad is optimistic about the direction of the trend lines to end our dependency on fossil fuels, and noted positive trends in China, India, and Russia. Frances Beinecke wondered how best to communicate these issues to the public and stressed the need for timeliness. Jim Owens noted the fading influence of the United States on the global economy. He said that the major role of government is regulation and hopes these regulations will allow for a larger role for entrepreneurs. He suggested that WRI could impact the world by creating a method to measure GHG emissions. Antony Burgmans said that he joined WRI's board because WRI has a global focus and people all over the world trust WRI. He thinks that WRI's integrity is not threatened by being U.S. based. The Directors discussed increasing consumption patterns in the developing world and ways to utilize new technologies.

Gus Speth asked every Director to state the meta-trend they think is most relevant to WRI. Mr. Speth said that WRI should be prepared for large-scale turmoil that could upset the status quo, such as effects stemming from the climate crisis. WRI should be prepared with proposals to solve the problems.

Antony Burgmans said that WRI's strength is integrity and providing impartial advice. He suggested that the collapse of institutions such as the World Bank, WTO, UN, etc, is a major trend to address for the future. He also noted the collapse of fisheries.

Todd Thomson said that Global Warming was the most significant issue for WRI moving forward.

Jamshyd Godrej is concerned about countries like India and China that have to grow rapidly to reduce poverty. How can they develop and avoid the mistakes that have already been made? Is there a low-carbon, low-water path to growth? He said there was a need to develop a system or framework for countries to grow in a sustainable way.

Jim Harmon said that the shift of power and capital, from the west to east and to a lesser extent from the north to the south, is a trend with implications for WRI.

Jonathan Lash noted the intersection of several trends, such as a uni-polar to multi-polar world, and the links to connectivity.

Hattie Babbitt noted that all the troubling issues are connected to each other. Gus Speth said that nothing more important than the intersection of the climate issue and the water issue.

Steve Ross said that policy-makers are addressing these changes because of demand from consumers. Consumers drive change and he is optimistic about the trends moving in a positive direction.

Gretchen Long spoke about the need for increased ownership of environment issues by diverse people.

Denis Hayes noted that technology was moving fast and in a positive direction to address the climate crisis.

Jeff Miller mentioned the challenge of dealing with market function going forward in context of greater connectivity and the need to develop mechanisms to fix the market to include externalities.

Gay Barclay said that the public does not understand the impact they have on the environment especially regarding water availability and ecosystems health.

C.K. Prahalad spoke about globalization, especially with regards to economic activities and ecological impacts. He said the link to poverty is fundamental.

Ralph Taylor noted the need to capitalize on relationships with high net-worth individuals.

Frances Beinecke spoke about China and said that many people will still be poor, even if billions are pulled out of poverty. Climate change and water scarcity will affect poor people the most. She said that there needs to be a plan to help the poorest people in the world deal with environmental disasters.

Leslie Dach discussed the way the trends impact WRI, in particular technology, communications, and the emergence of corporations and the middle class as a mechanism for change.

Alison Sander said that urbanization is major trend. She said that completing models of success is much trickier than identifying the problem.

Jim Owens said that multi-national companies and globalization is here to stay. If WRI is to have an impact, it must be globally based.

Diana Wall noted changing land-use and ecosystems trends. Forests are changing, due to urban demand. There are also changes in emerging diseases, for animals, plants, and humans. She said that the scientific community and academic institutions are changing in response to the interests of the younger generation who seek to change this trajectory.

José Sarukhan is concerned about the loss of ecosystems and species. How do we achieve sustainable food production? Nine billion people will require food in the next few years.

Tish Emerson spoke about connectivity and said that WRI should take advantage of globalization to connect people and programs. She suggested focusing our efforts on the younger generation.

Scott Spangler seconded the need to connect with young people through technology.

Michael Polsky said that China is key and that the American and western public do not understand environmental issues and need to be educated.

Aditi Kapoor noted the power of popular culture. Not just the internet or phones, but mass-media. On many TV channels ordinary people are reporters and photographers.

Strategic Planning: Comparative Analysis

Tish Emerson invited Frances Beinecke to lead the discussion on the comparative analysis. Ms. Beinecke spoke about the mission statements of several comparable organizations to WRI. She noted that the discussion will focus on WRI's mission, levers, competencies, and approach. The board will decide whether WRI's competencies and the approach will allow us to achieve our mission.

Ms. Beinecke raised questions for the board to consider. How can WRI take advantage of technology and outreach? Who do we need to reach to be most effective? How do we reach the right people? Is it adequate for WRI to be based solely in D.C.? Should we think about opening an office in developing world? How do we take WRI's projects to scale?

Leslie Dach thought that WRI should not try to connect to the populous and instead should focus on decision-makers. Gretchen Long thought that reaching more people would not negate our efforts to influence the elite. The board discussed ways to reach audiences and increase communications capacity without sacrificing WRI's reputation. Mr. Dach suggested that WRI's competency is our understanding of the world and future global challenges. C.K. Prahalad wondered how WRI can reach China, India, and Brazil cost-effectively and move beyond the people-intensive methods we currently employ. How can WRI influence people across the globe?

Gus Speth suggested that this is a key moment for WRI due to interest in our issues from governments, corporations, and individuals, and suggested that WRI grow itself as a global organization. The board discussed whether WRI should consolidate its programs to a smaller number of things with increased focus. The board discussed whether climate was a core competency for WRI.

The board agreed that WRI should expand its global focus, but not at the expense of U.S. government work. They also agreed that branding and communications are key to success. Jonathan noted that WRI already operates in 50 countries and asked whether WRI

can be global and have a global reach without an overseas office. The board discussed Embarq's operations model and whether it would be possible to create more joint-ventures with other groups already operating abroad. Several board members suggested that successful overseas models employ locals almost exclusively, with outstanding local leadership and give the impression of being a local organization, but noted that the WRI must maintain tight control over all actions, if the WRI brand is used. Ms. Beinecke discussed her experience opening up an NRDC office in Beijing. She said that moving abroad is a hard undertaking for an NGO without the resources to experiment.

Strategic Planning: Constructing WRI's Strategic Intent

C.K. Prahalad gave an overview of strategic intent and spoke about the need to construct WRI's strategic intent (SI) statement. He noted that an SI statement was not a strategy, but a motivator. He said that WRI's aspirations have always been higher than available resources and that this was important. Mr. Prahalad suggested that WRI needs to determine what its programmatic core will be at 2015 or 2020.

Jim Owens suggested: "Standard metrics for sustainability," which he thought speaks to WRI's core competencies. The board discussed ideas for strategic intent statements and thought about the concepts of sustainability, analysis, standards, and market-based incentives. Jeff Miller suggested that WRI work backwards from the desired outcomes to see the path to reach them. Antony Burgmans discussed Unilever's process to select "vitality" as an SI statement. Al Hammond noted that generating intellectual capital was common to all of WRI's activities. The Board decided that staff should determine WRI's SI statement and bring it to the Board for comment.

Strategic Planning: Putting it all Together

Todd Thomson opened the 9:30 a.m. Tuesday, September 18 session and asked the working groups to report back.

Group 1. Denis Hayes reported on three meta-trends that Group 1 agreed on:

- 1) Accelerating deterioration of natural ecosystems, and their lost ability to provide food and other services.
- 2) Sweeping demographic transition, flood to urban areas, changing age structure, changing human population.
- 3) Growing power of civil society to hold governments and corporations accountable. Unprecedented information and power given to the public.

Mr. Hayes noted that there was a greater opportunity for the developed world to learn from the developing world, i.e. unconventional medicine and herbs. He presented SI statements from Group 1:

- "Metrics for restoration"
- "Restorative solutions for people"

- “Just environmental solutions”
- “Transformative solutions for world sustainability”

Group 1 thought that WRI should emphasize water and cities, especially urban ecosystems. They agreed that WRI should have overseas offices, but to start with one in a place WRI is already working.

Group 2. Ralph Taylor presented SI statements from Group 2:

- “Global visions”
- “Sustainable Solutions”
- “Save the Earth*
*For the People”
- “Intellectual vigor for people and ecosystems”
- “Intellectual storm troopers for the environment”

Mr. Taylor reported on the trends discussed by Group 2. Group 2 thought that WRI should focus on externalities in capital markets. He said that the world is moving from a uni-polar to multi-polar model and WRI must not assume that people share our assumptions when engaging with communities. Group 2 agreed that WRI should establish a presence in 4-5 countries, though not necessarily the same kind of institution in each country.

Group 3. Diana Wall presented the group’s SI statements:

- “People sustaining Earth’s climate”
- “Global visions, practical solutions to urgent environmental problems”

Dr. Wall reported that Group 3 discussed trends such as the U.S. no longer being center of the world, the popularization of environmental trends and the need to take advantage of this, technological innovations, and water scarcity. Group 3 wondered: If WRI focused all its efforts on climate over the next three years, what would be the result? Group 3 also agreed that WRI should be a presence internationally, and suggested a staggered process.

Group 4. Antony Burgmans reported on meta-trends that Group 4 discussed:

- 1) Globalization – this doesn’t mean you need to influence everywhere, just key countries in developed and developing world.
- 2) Climate Change
- 3) Moment of popular upsurge and interest in environmental matters along with connectivity. This is an opportunity to mobilize support for our issues.

Mr. Burgmans reported Group 4’s suggested SI statements. He noted that statements could include sustainability, human development, and/or WRI’s unique role as a convener.

- “Bold vision, practical solutions”
- “Sustainable human development”

Group 4 thought WRI should increase the percentage of the budget spent on climate and suggested that staff prepare a breakdown of spending by country and region. They thought that staff should take a more critical look at programs. Group 4 also thinks that it might be worthwhile to set up a global advisory council to help open overseas offices.

Mr. Thomson summarized the main points discussed at the Retreat. The global center of gravity is moving from the U.S. to the rest of the world. How can WRI capture this as an opportunity? Solutions, actions, and results are preferred as opposed to ideas only. How can WRI get from the beginning to the end of an outcome more easily? Facts, data, truth, are key to WRI and should be incorporated to WRI’s strategic intent strategy. How will WRI address urban ecosystems? WRI needs to increase focus and selectivity. Where are the key places that WRI can impact? Are programs operating there? How do we sunset projects that don’t fit in strategic intent strategies? There is a need to better establish WRI internationally, with a focus on China and to a lesser extent, India. WRI needs a clear, consistent strategy and improved communications. The board agreed on the take-away messages of the Retreat, but noted that despite climate’s importance in WRI’s portfolio, it should not be the only focus.

Jonathan Lash thanked the Board for their hard work and for their challenge to staff to have a greater impact in the future. Mr. Lash said that the next step was for the staff to develop a draft strategic plan and intent statement to bring to the Board for review at the December conference call. The plan will contain an integrated worldview and present how WRI’s strategic intent responds to this evolving global context along with listing the factors critical to success. The board requested that materials be provided one to two weeks prior to the conference call, and thought that teleconferencing might be a good way to hold the meeting.

Jim Harmon said that the NGO world, especially the environmental NGO world, is in an enormous growth period and that WRI needs to find a way to seize this moment as effectively as possible. He highlighted the urgency of these issues and asked Directors to stay involved with WRI in between meetings. Mr. Harmon thanked the Board and staff for the work to plan the Retreat.

The Retreat and Board meeting adjourned at 11:30 a.m.

Steve Barker
Secretary, Treasurer and
Chief Financial officer and Vice President of Administration