

Minutes  
Meeting of the Board of Directors  
World Resources Institute  
March 14-15, 2005  
Washington, DC

Attendees: Jim Harmon-Chair, Gay Barclay, Frances Beinecke, Michael Deland, Tish Emerson, Al Gore, Denis Hayes, Cynthia Helms, Jonathan Lash, Jeff Miller, Michael Polsky, Qian Yi, C.K. Prahalad, Bill Ruckelshaus, Jose Sarukhan, Scott Spangler, Ralph Taylor, Lee Thomas

Staff: Kevin Baumert, Liz Cook, Paul Faeth, Vivian Fong, Al Hammond, Tim Herzog, David Jhirad, Nancy Kete, Bill LaRoRocque, Jennifer Layke, Dani Mesko, Georgia Moyka, Jonathan Pershing, Janet Ranganathan, Luis Ros, Rob SanGeorge, Linda Shaffer Bollert

The meeting was called to order at 2:00 p.m. by the Chair, on Monday, March 14, 2005.

Chairman's Overview

Jim Harmon welcomed members of the Board and noted that two new directors would be joining the meeting: Al Gore and Lee Thomas.

Mr. Harmon reviewed the agenda and noted that that there may be some change the next day. He reviewed the meeting schedule at Tab B and noted the importance of directors attending the meetings. He said that those directors who are unable to attend the majority of meetings will be contacted about whether or not they should continue to serve.

The minutes of the March 16, 2004, Annual Meeting of the Corporation; the October 29, 2004, Board of Directors meeting; and the March 16, 2004, WRIF Board of Directors meeting **were approved**. Jonathan Lash gave a brief history of the WRI Fund.

Mr. Harmon asked members to review, sign, and return the Conflict of Interest disclosure form.

Nominating Committee Report

Mr. Harmon told members about his recent meeting with David Gergen. He also proposed two new names for election to the Board: Mr. Fernando Henrique Cardoso, former president of Brazil and Ms. Ngozi Okonjo-Iweala, Minister of Finance of Nigeria.

The Board then **moved to approve the resolution** electing the Class of 2008 of the Corporation and the WRI Board of Directors. Mr. Lash noted that Cynthia Helms, whose current term now expires, asked not to be re-elected.

The Board then **moved to approve the resolutions** electing the Chair and Vice Chair of the Corporation and WRI Board of Directors; WRIF's Board of Directors and Officers; and the officers of WRI, for 2005.

There were no additional questions or comments, and the **Board then moved to pass a resolution** electing Mr. Cardoso and Ms. Okonjo-Iweala to the Board. Mr. Harmon noted that Ms. Okonjo-Iweala's acceptance was pending the approval of President Obasanjo.

Mr. Harmon noted that other names were discussed at the Nominating Committee meeting, and Mr. Lash updated the Board on a couple of names still pending.

Mr. Harmon went on to comment on board size. He said our goal in time is to have a Board where everyone is connected to what we are doing and involved enough to come to meetings and to participate in some way. Mr. Harmon encouraged members to come up with new names to look at for Board membership.

Mr. Harmon then talked about what he calls the Farm Club, a way to engage bright, young individuals from outside in our work by having them serve on an advisory board to a particular program or project. These advisory boards, consisting of 2-3 persons, including one Board member, would create a pool of young talent that could help WRI now and possibly grow into future board members.

Jose Sarukhan added that it would be very good for the Board to have a more international representation because of WRI's enormous impact outside of the U.S. Scott Spangler suggested looking at the model of having a Senior Advisory Board, in addition to the Farm Club, which would consist of persons who have spent many years on the Board and have both great experience and knowledge, but for whatever reasons, find it difficult to attend meetings regularly or devote much time to Board business. He suggested combining that with a smaller Executive Board who would be responsible for attending all meetings and attending to the details of Board business.

Mr. Harmon said they were good suggestions, that he especially liked the idea of having more people from other countries, noting that even though we have always had international representation, we have never fully utilized those connections, and this would be one way to do it.

Mr. Harmon said he is also asking the Nominating Committee for some thoughts on nominees from California, noting that not only do we lack broad international representation, but broad U.S. representation as well. Saying that he does have some reservations about drawing from the Hollywood crowd, he asked Frances Beinecke to comment, noting that some NGOs, such as NRDC, have done it successfully.

Ms. Beinecke commented that one of the challenges is to figure out how to effectively communicate what we do and NRDC's experience has been that people from

the movie industry have been very helpful in showing them how to reach a broader audience in getting their message out.

Dennis Hayes commented that he would like for us to find someone in broadcast media who is sufficiently well-educated with not just a superficial knowledge of what we do. C.K. Prahalad commented that WRI's core values are not only about the content of what we do but about the methodology we use, and we need to make sure that our desire to get visibility doesn't compromise the methodology on which our work is grounded. Dr. Prahalad also remarked that we ought to make explicit what Board membership means, that there are some individuals who have the time and interest to devote to the details of Board membership while others do not but they still have something to contribute, if only in an advisory capacity, as Mr. Spangler suggested.

There followed some discussion about Board size. Mr. Harmon said the question is how many new members we can smoothly digest at any one time. Mr. Lash noted that according to the by-laws, there is no upper limit on the number of directors we can have, that it has averaged about 35, and that a larger board is usually the result of efforts to have a good cross representation of different sectors. Mr. Harmon said he wants a Board that's comprised of members who want to be and who are actively involved, even if it means a smaller Board.

#### CAIT Presentation

After an introduction by Mr. Lash, Kevin Baumert made his presentation to the Board on the Climate Analysis Indicators Tool (CAIT), a web-based information and analysis tool on global climate change developed by WRI. Mr. Baumert acknowledged his colleagues, Tim Herzog, Nancy Kete, and Jonathan Pershing and their contributions to this project.

Mr. Baumert gave an overview of CAIT, explaining what it is, how it works, how it fits into WRI's program, and who uses it. He explained that it was developed in order to provide information and analysis tools for decision makers, based on the premise that better information leads to better decisions. Mr. Baumert gave an on-line demonstration of CAIT - how it works, how it is laid out and what it is capable of doing. The goal is for CAIT to become the "go-to" resource for researchers in climate change policy and the plan is to expand its capabilities.

#### President's Report and Discussion: The Survival of Environmentalism

Mr. Lash said he asked members to read the article, "The Death of environmentalism", by Michael Shellenberger and Ted Nordhaus, hoping to provoke a discussion about WRI's role and strategy in a time that is very difficult for environmentalists. Although he thought the authors wrong in many ways, Mr. Lash said they do get some things right. For instance, environmentalists have not made much progress on the issue of climate change in the last decade, but he noted that the battle has been a political one, not tactical. He cited environmentalists' deep sense of frustration

today, who have a sense of urgency about the issues, but are laboring in a heavy conservative political climate. He cited the collapse of the decades-old New Deal alliance in favor of a new one between what he calls economic royalists and social conservatives that are rolling back progress on issues that should be moving forward. He said the environmental movement has been on the defensive since at least 1994 and he asks what all this means for the role of WRI and the strategy it has chosen.

Mr. Lash noted that this organization has always been global in its vision, focused on the intersection of human needs and the environment, and essentially expressed in the four goals that will be discussed today: climate, ecosystems, access to information and participation, and using markets and enterprise to drive change. He said WRI is pragmatic in its approach, focusing on the issues and solutions that make the most sense. Mr. Lash said he wanted the Board to think about those strategies and choices and discuss whether or not WRI is in the right place, doing the right things.

The Board engaged in a discussion of the article, giving some historical perspective to the environmental movement and the political climates that have impacted it over the years. They agreed that the authors succeeded in focusing on the urgency of the climate change issue and the need for the environmental community to rethink its strategy in confronting the threat of global climate change today. Members recognized the need for organizations like WRI to be able to communicate to the average American in a language they understand and to communicate the issue in a way they can connect to it.

Mr. Lash commented that he thinks he hears in everyone's comments that WRI is right in using analysis and information to influence the debate but there is the technical question about who we are trying to reach and how, and if we can find some way to get more information in front of more people, then the debate is going to be improved.

Mr. Harmon thanked everyone for their contributions and prepared the Board to move into their breakout sessions.

Dr. Sarukhan explained that the breakout sessions are an experiment, a way for the Board members to be more engaged substantively in the work of the organization, and their feedback will determine whether or not to continue with this format in the future.

The Board went into breakout sessions at 5:00 p.m.

Tuesday, March 15, 2005

Jim Harmon opened the meeting at 8:40 a.m. and turned it over to Jonathan Lash.

## Introduction to the WRI Capacity Plan and Preliminary Discussion

Mr. Lash referred to WRI's draft capacity plan at Tab L and said that Rob SanGeorge, Liz Cook, Vivian Fong, and Paul Faeth would make presentations on the plan but he first would give some review.

Mr. Lash said that he and Al Hammond had recently met with Tim Wirth of the UN Foundation to talk about the Bottom of the Pyramid (BoP) work. Mr. Wirth thought the BoP was a way to make a direct connection between the Millennium Development Goals and business interests and he suggested thinking about something much bigger than a second BoP conference. Instead he suggested a major event at the UN in September to raise the profile of BoP and as a way of following up on the Millennium Summit. Mr. Lash noted that Mr. Wirth's suggestion corresponded to the Board's message last October about more focus and scaling up of WRI's work, and the draft capacity plan is WRI's response to that. He asked the Board for their honest feedback.

Rob SanGeorge made his presentation on influence strategy citing the traditional think tank model of influence as one of research and publishing while WRI is one of analysis and partnership, engaging directly with key actors to create change, and using publications, web-based communication, and earned media to reach target audiences. In order to scale up the impact of WRI's work, WRI has to be able to reach more of the right people with the right information. He then outlined some of the key recommendations of the plan for scaling up WRI's capacity to generate influence, including influence strategies for objectives; increased publishing; enhanced media relations; improved web site development; and greater WRI marketing

Liz Cook made a presentation on the plan's development strategy, explaining that the plan looks at the organization as a whole, and shows how we perform in terms of budget and impact, and where we want to be in three years. Ms. Cook explained that development capacity, simply put, is finding the money to take WRI to scale. She cited a number of key challenges and structural issues that WRI is dealing with now, especially a lack of unrestricted funding, which greatly limits the Institute's ability to grow and taxes program staff. WRI aspires to increase its budget to match its ambitions; increase its unrestricted funds to 20% of total operating budget; diversify its funding base; have greater centralized fundraising operations with stronger collaboration between development and program staff; and have strong executive team and board leadership committed to fundraising. Such scaling up of the development function will require significant investment in new systems and additional staff.

Vivian Fong made a presentation on the capacity plan's approach to staffing. Because of limited unrestricted funds, development and communications functions have been decentralized and shifted to the programs, which makes it difficult for them to focus on their primary tasks of research, analysis, and writing. Chronic under funding only exacerbates the problem, and constraints on overhead limit WRI's ability to invest in staff training and development. Our vision of where we'd like to be in three years is strongly tied to staff and job satisfaction, and to reducing turnover. WRI envisions itself as a true

learning organization with a comprehensive hiring-recruitment strategy that attracts and keeps good people because they are challenged and stimulated and given an opportunity to learn and to grow. Proposed strategies include focusing on fewer projects and providing staff with the institutional support they need in management, communications, and development; and putting in place a comprehensive recruitment strategy that emphasizes our mission, values, and culture. Board members can help in recruiting and mentoring staff.

Paul Faeth made a presentation to explain what a scaled up budget would look like and what it meant for WRI to expand to that level. He explained that it represents a significant challenge.

Mr. Lash explained that we are making a fundamental shift in how we do our work. Before, if a project could get funding, then it was usually undertaken. Now we are making a very conscious decision to only pursue those things that are in the objectives and going to scale with those. Mr. Harmon said we want to be able to fund those projects that will have the greatest impact and where WRI can make the biggest difference.

Mr. Lash hopes we will achieve a single positive vision of where we will be in the next 3-5 years by pulling together the board discussions on strategies and outcomes, by looking at what we are trying to achieve in the world and how, and what we need to change at WRI, all those things together are the strategic plan for the organization and what it wants to be doing in the next 3-5 years.

Jeff Miller commented that this looks like a great plan but it remains very abstract until it has numbers attached to it and all the dots have been connected. He suggested tying together the goals, strategies, and specific projects in a matrix that will track over time real use of people and dollars, and enable us to see if the allocations are consistent with the goals.

Mr. Lash said the Board had a discussion of strategy and goals last October and now has a plan for institutional capacity and connecting the two will require full commitment from the Board and a clear signal that this is the right direction for the Institute.

The Board broke into three groups to discuss the elements of the Capacity Plan and how to proceed with implementation, and then reported back on their breakout groups when they reconvened. Mr. Faeth reported on staffing; Mr. SanGeorge on influence; and Ms. Cook on Development.

#### Development Report

Ms. Cook said there would not be a formal presentation on development but referred members to the development report at Tab N and invited questions.

## Finance/Investment/Audit Committee Report

Tish Emerson gave a financial status update as of January 31, 2005. She said the Institute will be able to absorb the deficit created by the BoP conference and was expected to end the year without a deficit.

Mr. Miller gave an update on WRI's investment portfolio, noting that the overall return of 11.5% for the year was very good in terms of both our investment strategy and objectives.

Mr. Spangler reported on the FY2004 audit, congratulating WRI on another clean audit with no issues. He recommended a **motion to accept the FY2004 audit as presented, which was approved** by the Board. Dr. Emerson pointed out that our auditors, Grant Thornton, would be doing their third audit with us this year under a 3-year agreement.

After saying he was very pleased with these reports, Mr. Harmon mentioned that the Executive Committee will increasingly address issues on which the full Board should be kept informed, and consequently, he will begin to send to everyone the minutes from the Executive Committee meetings.

## Discussion of Proposed Annual WRI Dinner

Mr. Lash explained to the Board the proposed dinner under consideration for March 2006, in conjunction with the March Board meeting, which would be a major fundraising event and the first of what could become an annual event for WRI. He said Board members could help by thinking about possible honorees and appropriate speakers and by selling tables. Mr. Harmon said the challenge is to make it something very special and unique to WRI. He said he would appoint a Board committee to work on the process for selecting the honoree and the type of award to confer, if any. He said it is a potential source of revenue for WRI and at the same time would raise its level of visibility and be a way to get our story out, but he said his first priority is making it an event of the highest quality. There followed some discussion about the pros and cons of undertaking such a huge commitment.

The Board went into closed executive session at about 1:15 p.m.

Paul Faeth  
Executive Vice President and Managing Director  
Acting CFO and Secretary-Treasurer

