

Minutes
WRI Board of Directors Meeting
March 13, 2007
Washington, DC

Attendees: Jim Harmon–Chair, Tish Emerson–Vice Chair, Hattie Babbitt, Gay Barclay, Afsaneh Beschloss, Antony Burgmans, Denis Hayes, Jonathan Lash, Gretchen Long, Jeff Miller, Ngozi Okonjo-Iweala, C.K. Prahalad, Peter Raven, Ted Roosevelt, Alison Sander, José Sarukhan, Scott Spangler, Ralph Taylor, Diana Wall, Wren Wirth

Staff: Andrew Aulisi, Steve Barker, Liz Cook, Vivian Fong, Al Hammond, David Jhirad, Nancy Kete, Lars Laestadius, Jen Layke, Robin Murphy, Jonathan Pershing, Janet Ranganathan, Allison Sobel, Dan Tunstall, Jake Werksman, Development Team and Oretta Tarkhani present for Dinner Debrief/Development presentation.

Guests: John Disharoon, Caterpillar

The meeting was called to order at 8:30 a.m. by the Chair, on Tuesday, March 13, 2007.

Chairman’s Overview

Jim Harmon welcomed Board members and guests. Mr. Harmon reviewed the agenda and Board meeting schedule.

The minutes from the March 14, 2006 Annual Meeting of the Corporation, the December 12, 2006 Board of Directors Meeting, and the March 14, 2006 WRIF Board of Directors Meeting were approved.

Mr. Harmon noted that the Board Executive Committee Meeting Minutes were circulated by email to the entire board. He asked Board Members to please contact Allison Sobel if they are not receiving them.

Mr. Harmon welcomed Afsaneh Beschloss and Antony Burgmans who were attending their first meeting. He also welcomed John Disharoon. Jonathan Lash introduced Andrew Aulisi, the new director of SEP.

Dinner Debrief/Development Report

Liz Cook presented a video clip from WRI’s 25th Anniversary Dinner fundraising event held in New York City in February 2007. She reported that 50% of WRI’s Directors had participated with the Dinner event in some capacity, including 16 who attended and 18 offered financial support. 35% of Dinner revenue came from direct Board support. Liz thanked the Board for all their efforts, and especially thanked Jim Harmon for his leadership in the Dinner efforts.

Ms. Cook reported that WRI had raised 7.5 million this year as opposed to 4 million last year and mentioned some fundraising highlights. Cynthia Helms created an internship endowment for \$250,000. A couple million dollars in funds has come from European governments. The Danish government which has previously supported WRI at \$50,000 per year just committed to a grant of \$700,000 over two years. Mr. Lash and Mr. Tunstall are working to connect with the Irish Aid organization. Alcoa agreed to support WRI with \$1.1 million which will go towards 3 of our goal areas.

Ms. Cook and the Board discussed further ways to raise unrestricted funds, which is needed to stop the additional draw on the endowment, above the standard 5%.

Rich Barnett reported on the Dinner. He said that 670 people attended and 70 tables were purchased. Both Board giving and WRI fundraising capacity were underestimated when we planned for the event, though we had expected that the corporate co-chairs would bring in more. Staff will measure whether the Dinner will reduce annual giving and the appeal. Ms. Cook believes that fundraising dinners are a useful way to reach corporate funding since events like these are pre-built into budgets. Dinners also help to raise WRI's profile with key people. Elizabeth MacCormack is helping WRI to reach out to new foundations. WRI staff recognized the strength of WRI's brand. The Dinner helped to bridge the gap between external relations and development. Ms. Cook noted that the Dinner is a product which we can sell annually, every 5 years as an anniversary, every other year and switching coasts, or in some other capacity. The board discussed the success of the Dinner and options for the future. The board thought that a dinner every year alternating coasts might be a successful model, and noted that each event did not need to be as large as the Anniversary Dinner. The board also thought that the key to the successful dinner was the content and the message and that this model should be maintained.

Communications Discussion

Robin Murphy, Vice President for External Relations, introduced himself and presented his efforts to further WRI's communications capabilities. At the September Board meeting Jonathan presented the results of WRI's communications charette. Mr. Murphy intends to make the vision from the charette a working reality.

He noted that WRI has many key assets, but is not reaching its audience as well as it can. Since WRI's issues are getting so much attention, it's important that WRI expand its reputation, by utilizing technology and our partner network. WRI's Management Team is fully behind these efforts. He outlined some of the challenges.

To change WRI, Mr. Murphy will start with the basics. He is training staff through "communications boot camp." This will be a continuous effort through media training, technology and tool upgrades, work on messaging, and increased access to graphics and imagery. He will also work to integrate story telling as a way to communicate WRI's work. Another challenge is to increase foreign communications

capacity and develop regional platforms in China, India, Brazil, and other key countries. Mr. Murphy reported that he intends to measure communications successes to track the results of these changes.

The Board discussed the communications plans and the successful communications effort surrounding the 25th Anniversary Dinner. The Board spoke about the communications plan for the release of the WRI Report, *The Next 4 Billion*.

The Board decided that WRI has traditionally been successful at communicating through convening various stakeholders. Antony Burgmans suggested that WRI may need a more successful logo and branding. Since WRI is not a successful branding device, we may need to determine a strong positioning statement. The Board agreed that WRI was strong on content, but needed to be more successful with branding. Mr. Ruckelshaus believes it would be helpful to have a clear understanding of the target audiences and desired outcomes.

WRI's Legislative Agenda Discussion

Jonathan Lash reported that the current Congress is ready to tackle a variety of new issues that affect WRI, especially climate change. WRI is taking advantage of this shift to pursue our agenda. He introduced consultant Rick Farrell who is working with WRI on a positioning strategy.

Rick Farrell spoke about his background; he worked on Capital Hill for many years in various capacities. He is a Hill process expert, not an expert on climate change or other WRI issues. He is working with External relations, The Climate and Energy Program and other WRI staff to develop a long term strategy for WRI. He spoke about the strategies, opportunities, challenges, and the role of WRI.

Jonathan Pershing reported on the Climate Programs efforts to engage with the Congress. He discussed the strengths and strategy and the policy that his team has developed.

The Board discussed the bubble charts that the Climate team developed to demonstrate the strengths and weaknesses of various policies to address climate change and energy issues. The charts have been peer-reviewed and approved. A select group of board members and staff agreed to meet following the board meeting to discuss the charts in more detail.

President's Report: US CAP

Jonathan Lash reported on the recent US CAP agreement. He noted that many people in the room were involved with the efforts. He presented WRI's work with US CAP as the culmination of a strategic decision enacted for over a decade to engage with the business community on climate change.

The Board discussed WRI's strategy with business and ways to continue these efforts in the U.S. and internationally, particularly in China and India.

The Board went into Executive Session at 12:15 over lunch.

Program Committee Discussion

José Sarukhan presented the Program Committee Report. A committee meeting open to all Directors was held the previous day and two topics were discussed. Al Hammond presented on the upcoming *The Next 4 Billion* report, which is based on the work of C.K. Prahalad and the BOP concepts. Jake Werksman reported on IGP's work on Access and its relation to WRI's other programmatic work.

Jim Harmon briefed the Board on his and WRI's work with the IDB. The board discussed strategy for engaging with the IDB and other development banks.

Nominating Committee Report

Ted Roosevelt welcomed Afsaneh Beschloss and Antony Burgmans to the meeting. He noted that every Director has the responsibility to help the nominating committee. Mr. Roosevelt reported that the Committee was searching for Directors from Silicon Valley and was seeking to improve gender, ethnic, and geographic diversity. He would like for there to be a pipeline of potential nominees to reach out to. He noted that staff was spending time with Board Members to create Annual Plans and asked the Directors to participate upon request.

The Board moved to approve the resolution electing the class of 2010 of the Corporation and the WRI Board of Directors.

The Board 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 2007.

The Board moved to pass a resolution electing Frances Beinecke, Jamshyd Godrej, and Stephen Ross to the Board.

The Board moved to pass a resolution electing William Ruckelshaus Chairman Emeritus of the Board.

Audit Committee Report

Scott Spangler reported that WRI received a clean audit this year, in the face of an ever increasing oversight environment. An Executive Session was held with Grant

Thornton and there were no issues to report – the auditors were pleased with the level of preparation and cooperation by WRI.

The Board moved to ratify the Audit Committee approval of the Audit report.

Mr. Spangler asked the Board to complete the conflicts of interest form to help with our Intermediate Sanctions compliance. Included is a listing of all the active vendors that WRI works with.

Finance Committee Report

Tish Emerson reported that the Finance Committee meets quarterly to review the financial status of WRI and the projection for the year including any unrestricted funding or budget issues. There are no issues to report through the first quarter ended Dec. 31, 2006. The report has been updated through January 31, 2007 to include trend analysis. The analysis indicates that while WRI is currently behind budget, this is normal and we will be on or ahead of budget for the year given current and past spending patterns. WRI is currently running ahead of past spending patterns by 1.5 – 4.5%, as compared to the last three years of actuals. Therefore, the committee does not anticipate any under-recovery of support costs at this time. The build-out of the 7th floor is on schedule and with-in budget to meet the June 1, 2007 move-in date.

Investment Committee Report

Jeff Miller reported that WRI is outperforming our peers as measured by NACUBO – study of 750 endowment funds. The committee reviews our manager performance quarterly and reviews our asset allocation annually. The committee recently reviewed our fixed allocation strategy, and determined that we continue to remain overweight in international. The committee feels comfortable with Smith Barney's recommendations when we do need to make investment manager changes. WRI finished the calendar year ended 12/31/06 having earned 12.45% resulting in a total investment balance of \$40.9M vs. \$39.7M at 12/31/05. The committee has authorized up to \$3.65M in withdrawals for FY 07.

The board meeting adjourned at 2:00 p.m.

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