

Minutes
WRI Board of Directors Meeting
September 16, 2008
Washington, D.C.

Attendees: Jim Harmon—Chair, Harriet Babbitt—Vice Chair, Roberto Artavia, Frances Beinecke, Afsaneh Beschloss, Jessica Catto, Leslie Dach, Jamshyd Godrej, Denis Hayes, Aditi Kapoor, Jonathan Lash, Jeff Miller, Ngozi Okonjo-Iweala, Michael Polsky, C.K. Prahalad, Stephen Ross, Alison Sander, José Sarukhan, Ralph Taylor, Lee Thomas, Todd Thomson, Diana Wall, Daniel Weiss

Staff: Manish Bapna, Steve Barker, Virginia Barreiro, Elizabeth Cook, Arthur Droe, Vivian Fong, Craig Hanson, Nancy Kete, Piet Klop, Jennifer Layke, Remi Moncel, Robin Murphy, Jonathan Pershing, Janet Ranganathan, Allison Sobel, Oretta Tarkhani, Dan Tunstall, and Jake Werksman

Guest: John Disharoon, Caterpillar

The meeting was called to order at 8:15 a.m. by the Chair, on Tuesday, September 16, 2008.

Chairman's Welcome

Jim Harmon welcomed everyone to the meeting. He said that even though there were outside events that we could not control, he would like to stick to the agenda as much as possible. He noted that he would like to find time to discuss the financial markets. Mr. Harmon congratulated Diana Wall for her new position at Colorado State University as the Founding Director of the School of Global Environmental Sustainability. Mr. Harmon introduced and welcomed John Disharoon, from Caterpillar who was observing the meeting for Jim Owens who could not attend, and Daniel Weiss, a candidate for election to the Board.

The Minutes from the March 11, 2008 Meeting of the Board of Directors were approved as drafted.

Jake Werksman introduced WRI's Partnership for Principle 10 Commitments which are intended to improve the transparency and accountability of WRI and are consistent with the Strategic Plan. The Partnership for Principle 10 Commitments were approved as drafted.

The Board approved the resolution electing Janet Ranganathan as Vice President for Science and Research.

Nominating Committee Report & Election

Jonathan Lash presented the Nominating Committee report due to the absence of Ted Roosevelt IV. He said that Mr. Roosevelt was an active committee chair and that there were two individuals up for election to the Board at this meeting, including Daniel Weiss.

Mr. Weiss was excused while Mr. Harmon spoke about his background and his efforts to expand WRI's reach in California, in particular by hosting WRI's LA dinner. Jeff Miller affirmed that Mr. Weiss would add a lot to WRI's Board.

The Board moved and passed a resolution electing Mr. Weiss to the Board. Mr. Weiss was congratulated when he returned to the meeting.

Mr. Lash presented the distinguished record of the second candidate up for election, Professor Chen Jining of Tsinghua University. He said that Qian Yi will be rotating off the board in March and that she strongly recommended Chen Jining to succeed her on WRI's board. Mr. Lash also discussed the strategic relationship between WRI and Tsinghua University.

The Board moved and passed a resolution electing Professor Chen Jining to the Board.

Mr. Lash said that the Nominating Committee continues to look for new Board Members from all over the world, including additional Nominees from China. Mr. Lash also spoke about Eric Rosencrantz, who had been planning to attend the Board Meeting as a guest, but had to cancel at the last minute. Mr. Lash said that the Nominating Committee is actively seeking civil service leaders, in particular non-U.S.-based NGO leaders.

Development Report

Elizabeth Cook spoke about the successful LA dinner and the contributions of Daniel Weiss that made the event a success. Ms. Cook said that Development hit the growth target laid out in WRI's Capacity Plan and spoke about the strategy to increase unrestricted fundraising. She said that WRI had diversified and balanced sources of support. Ms. Cook asked for the Board's advice about how to increase unrestricted funding and whether it was feasible to hold a NY fundraising dinner in the current economic climate. The Board discussed possible honorees for the New York dinner.

Ms. Cook also reported on WRI's China strategy, European, Foundation, and Corporate donors. Mr. Lash spoke about WRI's key relationships with European donors. He thanked Steve Ross and Jamshyd Godrej for their help to open offices in Beijing and Mumbai respectively. Ms. Cook spoke about WRI's Corporate Consultative Group (CCG) dinner and Mindshare meeting, which is designed to strengthen corporate relationships. She asked Board members to take the brochures about CCG and the

Global Impact Fund. The Board discussed upcoming opportunities and thanked Ms. Cook and her team for their work.

Finance and Investment Report

Steve Barker reported on WRI's finances for the year ended 9/30/08 and for the FY09 Budget. Mr. Barker said that he would speak about WRI's growth, the way that WRI prepares budgets, and explain the FY09 Budget and answer questions before the Board moves to approve it. Mr. Barker said that despite the news, WRI is in a positive place financially and thanked the Board for their help. He noted that from 2005-2009, WRI will experience a 46% growth rate and that the FY09 Budget is 29.3 million. Mr. Lash said that the point where the significant growth began is when Jim Harmon took over as Chair. Mr. Barker discussed the Budget and growth outlook for FY09 within the context of the Strategic Plan. The Board discussed WRI's growth and potential concerns in the current climate, including unrestricted fundraising challenges.

The Board approved the FY09 Budget and the Transfer of Funds from the Endowment.

Jeff Miller reported on the Investment Committee and said that they had met the day before to review WRI's asset allocation and performed a stress test on WRI's portfolio.

International Climate Report

Jonathan Lash said that the new President will need to take on the burden of the international climate discussions. He discussed the timeline for the COP negotiations and said that he thought the rest of the world would not move ahead without the U.S. and that the U.S. can't move ahead without the rest of the world. He updated the Board on the negotiation process, in particular on the status of the U.S. and China. Jonathan Pershing reported on the most recent climate science, the impacts that are already being seen, and the emissions reduction targets needed to achieve stability. Mr. Lash asked the Board to consider what the U.S. can and should do.

The Board discussed potential courses of action. Hattie Babbitt mentioned several mechanisms to help think about climate including creating potential scenarios. Lee Thomas suggested that the principles Senator Bingaman spoke about at the Board Dinner were useful. The Board discussed a process that could be implemented in order to achieve long-term goals with interim steps, but aggressive initial steps. Frances Beinecke said that the economic stimulus package needed to be energy and climate friendly. Todd Thomson said that the climate crisis needs to be given the same level of status as national security. The Board agreed that climate needed to be a national priority for the new administration.

The Board then discussed the status of actions from the international community. Mr. Lash thought there was an expectation from the rest of the world that a new

administration would ratify Kyoto, when that is not likely to be the case. He spoke about efforts of the rest of the world to meet Kyoto targets. The Board discussed the reasons that the U.S. was not likely to sign the Kyoto Protocol and Jonathan Pershing agreed to prepare a quick assessment of this position to circulate to the Board. Ngozi Okonjo-Iweala and Jamshyd Godrej presented actions that the U.S. could take to help the Developing world. Roberto Artavia said that the U.S. public needed to be supportive if climate actions were to succeed. The Board discussed ways to stimulate the public to support climate change initiatives and stressed the need for increased public education efforts. Mr. Lash thanked the Board for their useful comments and summarized the discussion.

Communications Report

Robin Murphy spoke about the revamped Communications Committee and introduced the new Committee Chair, Jessica Catto. Ms. Catto introduced the rest of the committee and spoke about the direction of the committee's work. She discussed the challenges of working with a message that the public doesn't want to hear and the need for a response from WRI on the major issues in the news. The Board discussed possible goals for the Communications committee and ways for WRI to achieve excellence in communications.

Mr. Murphy reported on the strategy External Relations was developing through WRI's AOR process. He then noted key media hits that WRI had received over the past year along with other outcomes. The Board discussed their vision of what an ideal External Relations team could accomplish.

Managing Director's Report

Manish Bapna presented four of WRI's Top Ten Outcomes for FY08 and how stated how outcomes are defined and measured. Mr. Bapna spoke about the upcoming Board trip to China, which include a subset of Board members. He spoke about WRI's goals for the trip and the need to position our office with the Chinese government. He said that WRI was in the midst of hiring a Director for the China office and that the office would be launched in the next few weeks. The Board discussed the trip and the need for effective communications in China.

President's Report

Jonathan Lash spoke about WRI's mission, outcomes, and direction for the future. He reported on some of the issues he had been grappling with such as how WRI can retain its independence while testifying on pending legislation and working with the private sector. The Board determined that offering solutions and opinions was consistent with WRI's values and mission and that WRI should only offer opinions on issues we have expertise. The Board discussed the need for strict protocol on this issue so we don't compromise the quality of WRI's work or reputation. Craig Hanson briefed the Board on WRI's emerging relationship with New Page Corporation.

Review of Revised Governance Goal

Jake Werksman reported on WRI's developing project between IGP and PEP on forest governance. He spoke about the goals for the project and the ways they are working towards strengthening governmental institutions to achieve forest protection. Mr. Werksman discussed the connection between forests, poverty alleviation, and reduced carbon emissions, through avoided deforestation and reforestation. He believes that good governance is necessary for success with all of these issues. Mr. Werksman spoke about the conditions that need to be in place for effective governance.

Mr. Werksman discussed the ways that WRI can contribute to achieving better governance. He would like for WRI to help to bridge the gaps in civil society and strengthen institutions. The Board discussed the new goal and praised Mr. Werksman for his work to develop this project.

The Board approved the revised Governance Goal.

The meeting went into Executive Session at 3:00 p.m.

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