

Minutes
WRI Board of Directors Meeting
March 9, 2010
Washington, D.C.

Attendees: James Harmon—Chair, Harriet Babbitt—Vice Chair, Frances Beinecke, Robin Chase, Leslie Dach, Daniel Doctoroff, Tish Emerson, Jonathan Lash, Kathleen McGinty, Douglas Oberhelman, Michael Polsky, C.K. Prahalad, Ted Roosevelt IV, Stephen Ross, Alison Sander, Gus Speth, Diana Wall

Staff: Manish Bapna, Steve Barker, Elizabeth Cook, Arthur Droe, Vivian Fong, Craig Hanson, Nancy Kete, Piet Klop, Clayton Lane, Jennifer Morgan, Robin Murphy, Janet Ranganathan, Allison Sobel, Dan Tunstall, Jacob Werksman, Zou Ji

The meeting was called to order at 8:15 a.m. ET by the Chair, on Tuesday, March 9, 2010.

Chairman’s Overview

Mr. Harmon called the meeting to order and welcomed Doug Oberhelman to his first meeting. He spoke about WRI’s relationship with Caterpillar and the private sector. Mr. Oberhelman said he was pleased to have joined the Board.

The Minutes from the Annual Meeting of the Corporation, March 10, 2009, the WRI Board of Directors Meeting, December 8, 2009, and the WRIF Board of Directors Meeting, March 10, 2009 were approved as drafted.

Mr. Bapna said that every few years the Board had an offsite Retreat and he spoke about the decisions made at the 2007 Retreat. He noted that Retreats provided an opportunity for Board members to get to know each other and spend time with staff. He asked for discussion of possible themes for the Retreat and asked for volunteers to serve on the Retreat Planning Committee.

Mr. Dach thought WRI was in the middle of ongoing identity crisis and identified a need to figure out who we are. Mr. Roosevelt said that the Board should assess the U.S. political system and how that impacts WRI. Mr. Speth asked whether WRI was succeeding and if not, wondered what WRI should do differently to tackle the large issues. Ms. McGinty thought that there were many problems stemming from Climate-gate and it would be useful for the Board to reflect on that. Ms. Beinecke thought it would be helpful to review what the Board set out to do at the last Retreat and whether or not those goals have been accomplished. Mr. Prahalad agreed with Ms. Beinecke and spoke about forward policies in China, India, and Brazil and urged the Board not to limit thinking to the U.S. Mr. Bapna said that staff have been thinking about how

WRI manages growth and he would like to dive deeper on strategy at the program level. Mr. Harmon noted that more than half of the directors who will be there will not have been at the last off-site retreat.

WRI Work on Illegal Logging – Report & Discussion

Mr. Hanson presented PEP's Leveraging Lacey project. He reviewed the issue of illegal logging and spoke about how widespread it is. He reported on the recent amendments of the Lacey Act and spoke about the work WRI was doing to counter illegal logging using this Law.

The Board discussed ways to increase the effectiveness of WRI's Lacey Act work and to scale-up the impacts. They also discussed potential sources of funding, and the importance of doing due diligence even on anonymous donors. The Board spoke about the potential for the Lacey Act to reduce the cutting demand for illegal wood. Mr. Roosevelt recommended that the team engage the U.S. Fish and Wildlife Department. The Board discussed what constituted illegal wood, and whether WRI was targeting places proposed for REDD to create synergies. Mr. Oberhelman suggested the WRI bring more retailers of wood products into the CCG to get them involved with this project.

The Board spoke about whether FSC certified wood was safe or not and Mr. Hanson defined Corporate due diligence under the Lacey Act. Mr. Doctoroff asked what about the project was paradigmatic for WRI and what wasn't. Mr. Hanson noted that working to prevent illegal logging, working with partners, and using statistical analysis to combat the problem represented the WRI paradigm and that the element of investigation represented a shift for WRI. He also noted that there was a change of pace, as the project was focused on real-time feedback and investigation.

Audit Committee Report

Mr. Barker presented the Audit committee report. He reported that WRI had another clean audit and asked the Board to ratify the Audit Committee approval of the FY2009 Audit. The Board approved the Resolution as drafted.

Mr. Barker asked Board Members to complete the conflict of interest form and return them. He noted that he will submit WRI's IRS 990 tax return by March 31 and ask for approval over email.

Finance & Investment Committee Report

Mr. Barker reported on the Finance and Investment committee and spoke about WRI's method for risk management. He presented highlights of the material included in the Finance tab of the Board Book. Mr. Barker reviewed the Budget outlook for FY10 and spoke about the

challenges that come with a high growth rate. He also reported that WRI has completed the transition to new investment advisors.

Development Report

Ms. Cook reported that WRI's Development team had met their growth objective, highlighted some successful fundraising work, and spoke about the strategy for the next four years. Ms. Cook asked the Board to consider making a gift to WRI and spoke about her team's strategy for raising money from high net worth individuals.

The Board spoke about the Development strategy. Mr. Harmon praised the fundraising work of Mr. Lash and Ms. Cook and said he thought the majority of future funding would come from the developing world. Mr. Lash spoke about the potential for having a Board meeting in India in 2011. He said that WRI would need to develop a conceptual plan and determine where we could add value in India. He hoped the Board would help staff determine whether there is a role for WRI to play in India. Mr. Ross noted that most philanthropy comes from the U.S. and asked whether WRI has had any luck raising money in China. The Board decided to revisit the question of India at the Retreat.

Nominating Committee Report

Mr. Roosevelt IV welcomed Mr. Oberhelman to WRI and thanked Mr. Prahalad for his work over the last nine years.

The Board approved the resolutions electing the Class of 2013 of the Corporation and the WRI Board of Directors. The Board approved 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 2009.

Mr. Roosevelt reported that the Nominating committee was working to bring greater geographic and gender representation to the Board. The committee was also working to increase the giving capacity of members of the Board and said that WRI expects that every Board Member will contribute every year according to their means and contribute extra to events. Mr. Lash said that he and Mr. Harmon were working to identify the appropriate people to elect to the Board from China. He also asked the Board to pass on any potential Board Members to the Nominating Committee.

WRI Ways & Means

Ms. Cook and Ms. Ranganathan explained the rules of the group exercise and spoke about why WRI staff thought this would be useful for the Board. The Board broke into groups for the exercise and then reconvened. Each group reported on their groups findings. Mr. Lash spoke about the internal WRI debate over whether or not to be involved with USCAP. Mr. Dach

thought it would be worth revisiting in September the issue of the Access Initiative providing funding to groups that litigate.

Communications Committee Report

Mr. Dach reported on the first meeting of the new Communications committee. He said the committee reviewed WRI's current communications plan and came up with a road map to move forward. He said that Mr. Murphy has been doing a great job and the committee would work to find a greater focus. Mr. Dach said that the committee will focus on the best way to handle the message if the Climate Bill fails. The committee will also work to move WRI to an effective international climate strategy. The Board spoke about the reasons for the uptick on media reports quoting WRI and how to maintain the high level. Mr. Murphy briefed the Board on External relations activities. The Board spoke about influence strategies and ways to combat Climate-gate.

President's Report

Mr. Lash thanked Mr. Prahalad for his tenure and said he hoped that he would remain active with WRI. Mr. Lash updated the Board on prospects for a Climate Bill from the Senate and spoke about what such a Bill likely would look like. The Board discussed the likely inadequacy of a Senate Bill and asked WRI to present honest and transparent analysis when it was unveiled. Mr. Doctoroff proposed that WRI articulate a set of principles to inform any decisions moving forward about the Climate Bill.

Citizens' MRV

Mr. Lash introduced the new proposal for WRI's international climate work and introduced Ms. Morgan and Mr. Werksman. Mr. Werksman and Ms. Morgan spoke about the situation coming out of Copenhagen and WRI's role in a new project working to increase accountability for different country's climate commitments. Mr. Lash said the only reason there were commitments made in Copenhagen is because civil society pushed so long for so many years. The Board discussed the new project and offered advice.

Project 17+ (Domestic Climate Strategy)

Mr. Lash introduced Project 17+ which is WRI's analysis of what GHG reductions the EPA and States can accomplish if Climate Legislation fails. Ms. Morgan introduced Mr. Litz and Mr. Bianco who briefed the Board on this project. The Board discussed the options for the States and EPA, and discussed what was happening on the transportation front. Mr. Lash noted that the analysis was working to determine what levers are available without Federal policy.

China Committee Report

Ms. McGinty reported on the actions of the China committee. She praised the forward thinking work of WRI to open an office in China. She reported that the committee was working to determine what WRI would do in China, who WRI would work with, and how to pay for it. Ms. McGinty spoke about Zou Ji and said he was focused on climate, energy, and water. She also briefed the Board on the China Advisory Committee and said that Ms. Cook could help to understand the complexities of fundraising in China.

Dr. Zou spoke about the work of the China office and WRI partners in China. He would like to create guiding principles for the work in China that will allow the office to focus on priority work reflected by stakeholders. Dr. Zou briefed the Board on the members of the China Advisory Committee. Ms. Cook spoke about the China budget and showed revenue projections over time.

The Board discussed fundraising strategy for the China office and ways to connect with potential Chinese donors. Mr. Oberhelman spoke about Caterpillar's operation in China. Ms. Chase asked how the office measures success for its programmatic work. Mr. Bapna and Dr. Zou discussed WRI's programmatic strategy and goals for the China office.

The Board went into Executive Session at 3:30pm ET.

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