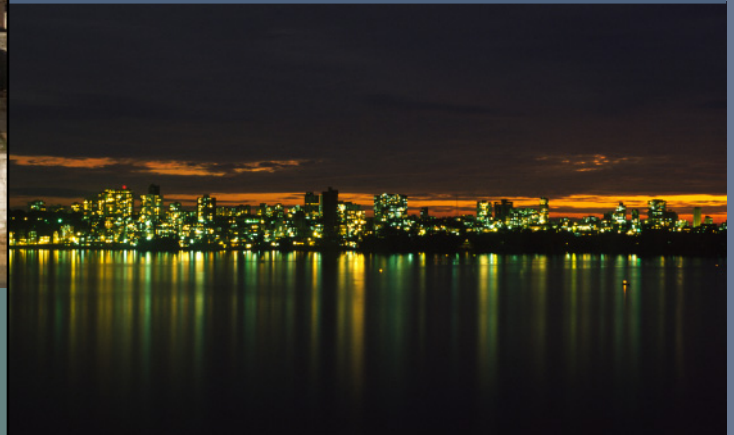




WORLD  
RESOURCES  
INSTITUTE

# Strategic Plan



A Sustainable Planet through Solutions for its People

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# Seizing the Moment

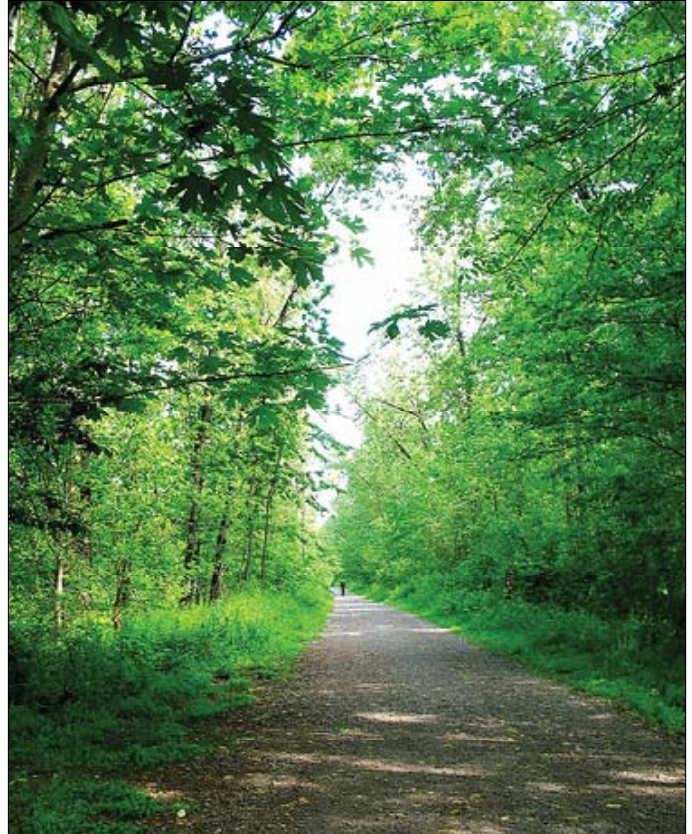
WRI was created just over 25 years ago with the goal of putting environmental issues on the international agenda. That foresight was informed by an understanding that the very nature of such emerging global issues required time... time to be understood by world leaders; time for the public to become engaged; time for science and technology to respond; time for policies to be changed and adopted; and time for change.

Time now seems an impossible luxury. The relentless demands of a \$60 trillion global economy are consuming and degrading ecosystems at an accelerating rate. The pace of global warming is creating a growing risk of catastrophic consequences. The issues on which we work—climate policy, ecosystem services, environmental governance, green markets, and sustainable transport—have moved center stage and into mainstream political, social, and business discourse. But in much of the world, and particularly in the United States, neither focus nor urgency has yet materialized much less catalyzed real changes in policy or behavior.

WRI's five-year strategic plan is a response to this crucial moment. We recognize the need to be clear and ambitious about our 'strategic intent' in order to more effectively pursue our mission. We seek to build on the core strengths cultivated within our institution for over 25 years. Our mission—"to move human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations"—remains as vital. Our vision is still global and long term. Our belief in and commitment to analytical excellence is undiminished. We are passionate about achieving and measuring results.

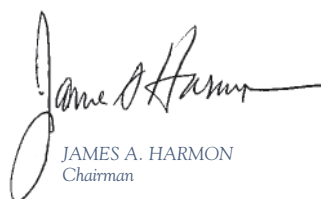
We know from experience that by engaging with partners around ideas, analysis, and information we can create change. We work with organizations in every part of the world, and from every part of society—NGOs, governments, businesses, and academic institutions—whoever can create the change that is needed. Our impact depends on our credibility, and our credibility is rooted in our independence, our integrity, our pragmatism, and the quality of our work.

This plan also signals changes. Sharpened focus will translate into more rigorous criteria for our work, increased synergies among our program areas, and tighter



geographic concentration. Enhanced engagement will mean a more active in-country presence in key emerging countries and greater flexibility to adapt to rapidly changing systems and cultures. An increased emphasis on the tools and culture of communication will expand our reach and understanding.

With the support of our talented and committed staff and Board, we confidently predict that WRI will emerge from this process, by 2012, a stronger and more effective institution.

  
JAMES A. HARMON  
Chairman

  
JONATHAN LASH  
President

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## A. 2008–2012 Strategy: Key Elements

The strategic plan will enable us to:

- Determine clear criteria for setting priorities.
- Engage more proactively and deeply in influential emerging countries.
- Communicate effectively in new ways and through new technologies.
- Encourage synergies and address gaps in our portfolio.
- Spur innovative strategies and solutions.
- Function productively in the fluid realities of a multipolar world.

## B. 2009 Key Milestones

The following steps are critical to the successful execution of the strategic plan. We intend to complete them no later than September 30, 2009:

- Apply the decisionmaking funnel rigorously to all existing and new lines of work.
- Establish an in-country presence in China and explore options in India and Brazil.
- Complete initial assessment of potential new work on water.
- Expand and deepen engagement with key audiences for at least six institutional objectives through improved communications.
- Identify and tap cross-program synergies — by explicitly integrating synergies into existing institutional mechanisms, creating incentives for advancing synergies, and appointing leaders to spearhead priority cross-cutting initiatives.
- Implement proposed staff retention program which would likely include flexible work arrangements, expanded training benefits, and performance-based incentives for key staff.
- Secure incremental funding for plan implementation at \$3–4 million/year.

# I. WRI at a Glance

## A Brief History

A quarter century ago, the founders of the World Resources Institute (WRI) displayed a prescient awareness of an urgent need for research and solutions to emerging environmental, resource, population, and development problems. The most serious of these global threats — deforestation, desertification and global climate change — had become clear in the 1960's and 1970's but were not yet considered priority issues for the governments of the United States and other industrialized countries.

WRI's trailblazing founders, however, found a receptive audience in the John D. and Catherine T. MacArthur Foundation of Chicago which provided \$15 million to help finance the first five years of a not-for-profit "major center for policy research and analysis addressed to global resource and environmental issues." The Institute was launched on June 3, 1982.

The founders, led by Gus Speth, laid down touchstones for guiding the new organization which hold true to this day. They perceived the need for an institution that would be independent and broadly credible. They insisted that the research it undertook on global environmental and resource issues, including their relationship to population and development goals, must be both scientifically sound and politically practical. They recognized that, to be effective, the Institute needed to have a broad reach, commanding both the respect of the scientific community and the attention of key public and private sector decisionmakers, in the United States and abroad. The Institute would not duplicate, they decided, but draw on the expertise already in place in academic and other centers here and abroad. Its priority objective would be to produce work that policymakers would find useful and realistic. It would also lead the way in building the constituencies — public and private — required to act on its analyses and recommendations.

Twenty six years on, WRI's staff has grown to 160 people, and its annual income to \$30 million. The Institute has achieved significant influence, in the United States and internationally, by following the path set by its founders.

## Our Mission

The World Resources Institute's mission is to move human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations.

Because people are inspired by ideas, empowered by knowledge, and moved to change by greater understanding, WRI provides — and helps other institutions provide — objective information and practical proposals for policy and institutional change that will foster environmentally sound, socially equitable development.

### WRI Timeline

- 1982 ● **James Gustave (Gus) Speth** establishes WRI with a major grant from the MacArthur Foundation.
- 1985 ● WRI helps organize **first international meeting** on build up of greenhouse gases in the atmosphere.
- 1992 ● WRI helps create **Global Biodiversity Strategy**, a major catalyst for the **Convention on Biological Diversity**.
- 1993 ● **Jonathan Lash** becomes President of WRI.
- 2000 ● WRI launches **Global Forest Watch**—first independent online network using satellite mapping to monitor forests.
- 2001 ● WRI and WBCSD convene 50+ companies to establish the **GHG Protocol** that measures and reports greenhouse gas emissions.
- 2001 ● World Resources Report helps catalyze **Millennium Ecosystem Assessment**, a 5-year, \$30M global examination of the condition of the planet.
- 2005 ● Mexico City launches its first Bus Rapid Transit Corridor, result of a partnership between the city and **EMBARQ: The WRI Center for Sustainable Transport**.
- 2008 ● WRI's 2008–2012 strategic plan launched.



## Our Core Values

In our day to day work, we are guided by our core institutional values. These are not rules, but shared ideals and understanding that bind us together and create a clear moral touchstone, influencing our goals and informing our thoughts and actions.

- *Integrity...* Honesty, candor and openness must guide our work to ensure credibility and to build trust.
- *Innovation...* To lead change for a sustainable world, we must be creative, forward-thinking, entrepreneurial, and adaptive.
- *Urgency...* We believe that change in human behavior is urgently needed to halt the accelerating rate of environmental deterioration.
- *Independence...* Our effectiveness depends on work that is uncompromised by partisan politics, institutional or personal allegiances, or sources of financial support.
- *Respect...* Our relationships are based on the belief that all people deserve respect.

## Our Goals

WRI organizes its work around four key goals, each supported by strategic objectives and a portfolio of projects.

- **People & Ecosystems:** Reverse rapid degradation of ecosystems and assure their capacity to provide humans with needed goods and services.
- **Climate Protection:** Protect the global climate system from further harm due to emissions of greenhouse gases and help humanity and the natural world adapt to unavoidable climate change.
- **Governance:** Empower people and strengthen institutions to foster environmentally sound and socially equitable decisionmaking.
- **Markets & Enterprise:** Harness markets and enterprise to expand economic opportunity and protect the environment.

## Our Approach

WRI's approach is built on a passionate conviction that change is possible, knowledge is powerful, and people can make a difference. It contains the following four elements:

- **Analytical Excellence:** we identify problems, drivers, and consequences.
- **Partnerships:** we work with NGOs, governments, companies, and international institutions to build incentives and create pressure for change.
- **Practical Solutions:** we create realistic, economically sound strategies, tools, and policy options.
- **Outcomes:** we insist that ideas must lead to action.

## About this Strategy

WRI recently conducted an external survey of our relative strengths and limitations, a comparative analysis of who we are and what differentiates us from our peers and a meta-trends analysis of how global issues, individually and collectively, will affect our work (see Section I). This rigorous process has enhanced our confidence that WRI's mission, goals and objectives are on the right track, while pointing the way for more strategic focus in how and where we operate.

Our 2008–2012 strategy, described in sections II and III, encapsulates this new focus. It defines our strategic intent for the medium term; sets out a new decisionmaking funnel designed to sharpen our choice of projects; and describes six key areas for enhancing WRI's impact over the next five years: Focus on China, India, Brazil; Communications; Synergies; Innovation; Staffing; and The Board.

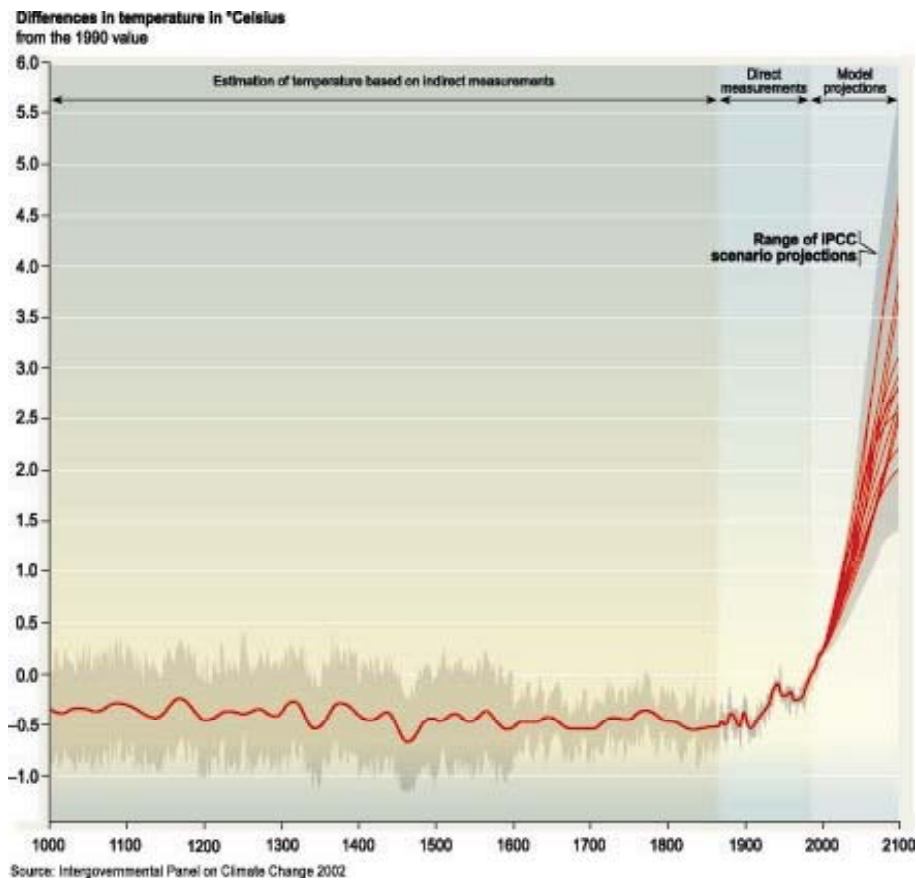
# II. Our View of the World

WRI was created to put global environmental issues on the world agenda. Today these issues are threatening to spin out of control unless critical changes are made in the very near future. Ecosystems are being degraded at an accelerating rate and global warming is bordering on the catastrophic. Our institutional challenge now is to find how we can make a transformative contribution to solving these issues within the short time frame scientists have given for the possibility of remedial action.

To help us in this process, we have assessed the state of the world through our institutional lens, focusing on people and the environment. The following is a distilled summary of the environmental, economic, political, technological, and social trends that most affect WRI's mission today.

## Global Warming: Attempting to Avoid the Catastrophic

The buildup of carbon dioxide and other greenhouse gases in the atmosphere is enormous — and intensifying. Unless we are able to engage cooperatively to control these emissions in coming years, warming will rise to very dangerous levels. We are already seeing the results of inadequate action: disastrous heat waves, multi-year droughts, and substantial changes in growing seasons with resulting stress on animal species, some near extinction. Around the globe, glaciers and sea ice are shrinking, lakes are drying up, and desertification is expanding. The implications of water scarcity for poverty eradication and human security are monumental, and will be exacerbated by rising



global temperatures. Abrupt change in weather patterns may become a common occurrence.

The economic and ecological costs of global warming are mounting. A report authored last year by British economist Nicolas Stern found that the costs of climate change could range from 5 to 20 percent of global GDP annually: a staggering price against which current mitigation expectations pale. With the kinds of damages the world is experiencing at about 0.6 °C (1 °F) of warming, the nature of future damages, at temperatures up to 2 °C and higher, are likely to be catastrophic.

### Accelerating Degradation of Ecosystems

As the groundbreaking Millennium Ecosystem Assessment revealed, the past 50 years of human development have threatened Earth’s ecosystems and their capacity to provide people with life-sustaining goods and services on a scale that dwarfs the previous cumulative impact of human history. For example:

- More land was converted to cropland in the 30 years after 1950 than in the 150 years between 1700 and 1850.
- Reservoir capacity quadrupled in the 40 years between 1960 and 2000 with the result that the stored water in them is now estimated to be three to six times as much as the water flowing freely in rivers.
- 20% of the world’s coral reefs have been destroyed over the last several decades — and an additional 20% degraded.

As the table shows, biodiversity, in particular, has been adversely affected by human activity.

Overall, nearly two-thirds of the services provided by nature to humankind are in decline worldwide. The degradation of natural capital such as fisheries, fresh water and forests puts these important systems at dire risk — often near the point of collapse. Half of all jobs worldwide depend on agriculture, forestry, and fishing. Ecosystem loss is devastating to vast segments of the world’s population, often the rural poor, who work in these sectors.

The impacts of an ever-increasing human footprint, rapidly transforming social, political, and economic systems, and scientific and technological innovations all have profound implications for the natural environment. But the outlook is not all bad. There are also fresh opportunities to create entirely new systems, attitudes, and aspirations that can benefit the planet.

### Growth and Inequality of Opportunity

The global economy has experienced unprecedented growth in the previous decades as markets have opened and connected capital with opportunity. But globalization is also producing clear winners and losers, dispelling notions that all ships will rise through economic liberalization alone. Global markets are also driving the unprecedented consumption of exhaustible natural resources, challenging the capacity of regulators to maintain social and environmental standards across long and complex chains of production. The coming decades will see global wealth continue to grow and concentrate in the hands of a few, including access to life-changing medical, informational, and recreational technologies. The extremes between rich and poor will become more apparent, as increasing numbers of the planet’s population migrate toward big cities.

### Multipolarity of Power

Globalization is tying the fates of nations ever more tightly together and changing the balance of economic and

**TABLE 1 The Condition of Ecosystem Services**

		DEGRADED	MIXED	ENHANCED
ECOSYSTEM SERVICES	Provisioning	Capture fisheries	Timber	Crops
		Wild foods	Fiber	Livestock
		Wood fuel		Aquaculture
		Genetic resources		
		Biochemicals		
		Fresh water		
	Regulating	Air quality regulation	Water regulation (e.g., flood protection)	Carbon sequestration
		Regional and local climate regulation	Disease regulation	
		Erosion regulation		
		Water purification		
		Pest regulation		
		Pollination		
Cultural	Natural hazard regulation			
	Spiritual and religious values	Recreation and ecotourism		
	Aesthetic values			



political power. Within years, Western economies will be competing with emerging ones, particularly China, India, and Brazil, in efforts to influence worldwide environmental and development policy such as the post-Kyoto framework to combat climate change. It is unclear whether multilateral institutions such as the U.N., World Bank, and IMF will help to moderate and build consensus among a wider diversity of powers. The relevance and legitimacy of these organizations will be in doubt unless their basic governance structures are reformed to reflect the growing economic and political power of developing countries.

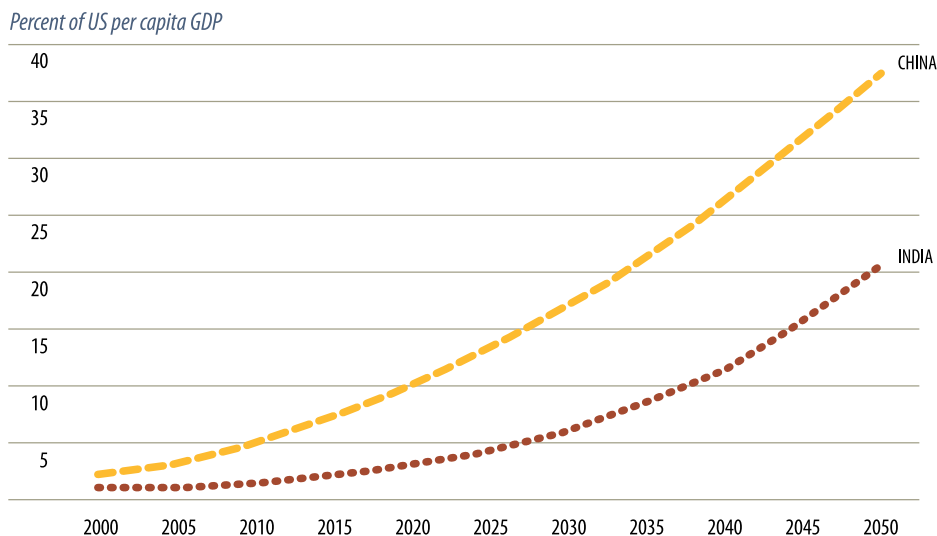
- Governments, and the institutions they create, will vie for power and influence with non-state organizations.
- Transnational corporations will increase their domination of world markets, producing essential information, as well as products and services, and challenging the regulatory capacity of governments.
- As resources grow scarcer, environmental issues will become a more central part of heated ideological discourse. This will create new conflicts and alliances among those concerned about sustainable development.

## Multiplicity of Voices

The global middle class is exploding. China and India will account for half of the global middle class by 2030. The decisions they take — as voters, consumers and shareholders — will have profound implications on the global environment. The modern environmental movement, founded essentially on the principles of Western liberal market democracies, will need to reach out to these new constituencies with new worldviews. They will soon become the new stewards of the planet.

- Consumption patterns of developed countries will be replicated in this fast-growing group. This may further exacerbate the unsustainable trends threatening the planet's health and ability to support humanity or a new understanding of shared global responsibility will emerge.
- An increasingly urban population around the world will reshape our shared perceptions of what it is we value and seek to preserve in nature. Decreasing numbers of urban dwellers will experience nature firsthand.
- Innovation in information and communications technologies will continue to empower civil societies to express their views in new and unpredictable ways.

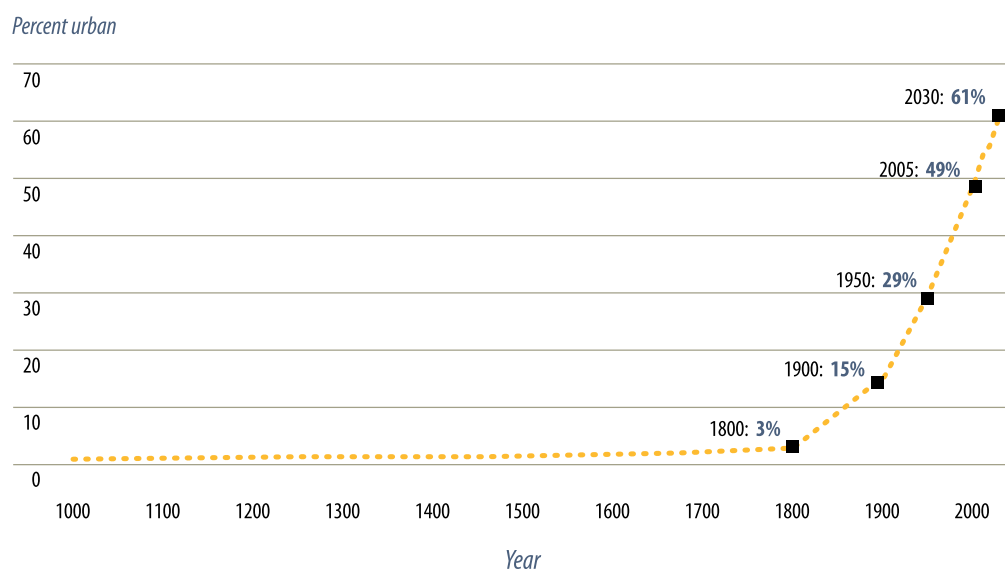
## CHINA'S AND INDIA'S PER CAPITA GDPs RISING AGAINST UNITED STATES



Source: Goldman Sachs

## A MILLENNIUM OF URBANIZATION

### Percent of World Population Urban, 1000–2030



Source: United Nations Population Division

## Technological Transformation

In science and technology, a revolution is under way. Scarcity of natural resources and other ecological pressures are driving innovations that will improve the lives of many — but not all.

- Advances in biotechnology, nanotechnology, and information technology will improve our capacity to monitor, preserve, and support natural systems. They will also transform our perceptions of the environment, as ecosystem services are increasingly managed to meet human needs and aspirations.
- Ownership of essential technologies will continue to be concentrated in the hands of large corporations but control over these technologies will be contested by the ingenuity to reverse engineer and “open source” innovation.

## In Summary

These global trends present increasingly urgent environmental challenges of unprecedented breadth and magnitude — challenges we face with humility and determination. Responsive policies and investments can, however, offer an array of opportunities for innovative solutions. Selecting those challenges and solutions best suited for WRI requires rigorous focus, even as we remain versatile in response to worldwide trends.



# III. Charting a Course to a Sustainable Planet

## A. Strategic Intent

We believe that the following medium term statement is a unifying synthesis that captures WRI's ambitions, point of view, and forward momentum. Highly aspirational, its aim is to focus the institute on how to achieve a major step change in our work and impact. Its ambitious content exceeds our current resources, but we believe that we can play a modest role in helping achieve its aims within the next 15–20 years.

### “A Sustainable Planet Through Solutions for its People”

There are two major, defining characteristics of our strategic intent.

#### ‘A Sustainable Planet’

WRI is a forward-looking think tank committed to tangible, real-world results. The problems facing the planet are long-term and complex and our analyses are rooted in a scientific understanding of the ‘big picture’. To fully engage in the global nature of these problems, however, we recognize the need to expand our sphere of influence from *unipolar to multipolar* systems of power. In practice, this means engaging more deeply in influential countries worldwide. To achieve this over the next five years, WRI will establish in-country presences in China, India, and Brazil. Being on-the-ground in these countries will bring many benefits for our work worldwide:

- It will help ensure that our vision and strategies reflect a deep understanding of what today's diversification of economic and political power actually entails and enhance our ability to achieve the global impact we seek.
- Our local credibility in these countries will be enhanced by deepening our understanding of *how* change takes place and of *who* to work with to effect change.

- In collaboration with local partners, we will engage policymakers in these countries, where decisions taken — due to size of population and wealth of natural resources — will substantially impact the world's environment. Our work must not only *adapt* to this new landscape of power, but also *contribute* to its shape and direction.
- WRI's strategic priorities will be profoundly informed by the knowledge and firsthand insights we acquire by placing staff on the ground in these key countries. Ensuring this two-way exchange of ideas and information is critical to tapping the full power of this new focus.

#### ‘Through Solutions for its People’

While always working toward an understanding of the environmental ‘big picture’, WRI's analyses will continue to be grounded in economic reality and the achievement of practical outcomes. Our efforts focus on putting ideas into action through robust strategies, usable tools, and deep partnerships. We believe that viable solutions must recognize the inextricable link between people and planet: all of our work is situated at this dynamic nexus.

- Solutions we strive for today must move us toward the transformative changes we need to see down the road.
- Our models for action — the Greenhouse Gas Protocol, Access Initiative, and US Climate Action Partnership among them — must significantly alter existing trajectories in order to demonstrate our success.

Our ‘managing for results’ approach holds us accountable for concrete results and will be reinforced by our renewed strategic intent.



## B. Program Goals and Objectives

WRI's work is based around four program goals, each with supporting five-year strategic objectives. These objectives, and the projects that make them up, provide meaningful steps toward the attainment of each goal.

Two of our goals address the most critical *issues* facing human society today: global climate change, and global ecosystem degradation — the deterioration of the ecosystem base upon which all our lives depend. The other two goals confront the *mechanisms* by which human society organizes itself. The governance goal empowers people and strengthens institutions to foster environmentally sound and socially equitable decisionmaking. The markets and enterprise goal harnesses markets and enterprise to expand economic opportunity and protect the environment.

Our goals and their respective objectives are described below. Our new institutional strategy will support and enhance the achievement of these goals and objectives and the efforts of our staff to attain them. The following section also highlights illustrative examples of target outcomes by 2012 in each of our four program areas.



### GOAL: Climate Protection

*Protect the global climate system from further harm due to emissions of greenhouse gases and help humanity and the natural world adapt to unavoidable climate change.*

Global climate change is now recognized as one of the most significant challenges humanity has ever faced. Scientists worldwide have documented a steady and rapid increase in anthropogenic greenhouse gas (GHG) emissions, which has led to an alarming rise in average global temperatures. The climate goal seeks to help establish policies, processes, and markets that transform the global economy and reduce greenhouse gas emissions to safe levels. The goal's objectives are summarized below:

- **U.S. Climate Policy:** To pass strong U.S. climate legislation, with recognition of our country's contribution to global warming and acceptance of its key role in catalyzing commitments by other nations to reduce emissions. Focuses on shaping and gaining support for new federal climate policy by providing policymakers with timely research and analysis on key policy questions, as well as by conducting legislative briefings and testifying before Congressional committees. Instrumental in developing state and re-

gional initiatives to control GHG emissions, including the Regional Greenhouse Gas Initiative in the Northeast and, most recently, the Midwest Greenhouse Gas Accord between nine Midwestern states. Works to leverage successes in this area to build support for passing strong federal climate legislation. Collaborates with policymakers, leading businesses and NGOs to strengthen U.S. climate policy — such as through the U.S. Climate Action Partnership which has been established to advocate for a national cap-and-trade policy.

#### Target outcomes likely before 2012 include:

- ◆ The United States enacts mandatory federal climate policy that will significantly reduce domestic greenhouse gas emissions and includes: incentives for and investment in renewable energy and energy efficiency; effective cost containment mechanisms that do not jeopardize the environmental integrity of the program; a constructive partnership between federal, state, local and regional governments; a design that promotes re-engagement in the international climate negotiations; and funding for adaptation to the effects of climate change.
- ◆ The United States ratifies an international climate agreement, agreeing to mandatory domestic curbs on GHG emissions.
- **International Climate Policy:** Supports a new level of international cooperation in addressing climate change. Contributes significantly to ongoing discussions for an international climate agreement, in particular through close advice to major negotiating Parties and to the Presidency of COP15 (Denmark). Promotes policies to help vulnerable countries implement measures in preparation for likely negative climate impacts (adaptation). Works on avoided deforestation, dovetailing with forest-related work in other goals, aims to preserve and expand highly valuable and efficient carbon sinks. Works with major developing countries, particularly China, India, and Brazil, to create tools, build constituencies for change, and enhance policy to address emissions. Develops solutions with the private sector to accelerate clean technology deployment in the power sector. Provides economic and policy analyses as support and guidance for business and policy communities in both developed and developing countries.

#### Target outcomes likely before 2012 include:

- ◆ COP15 in 2009 results in a new international climate agreement including all major emitters and providing for a range of commitments for measurable, reportable,

and verifiable emission reductions in a post-2012 Kyoto framework, including provisions for adaptation and forest protection.

- ◆ Significant new international funds are mobilized, including through U.S. climate legislation, for adaptation, technology development and deployment, and enhanced protection of forests.
  - ◆ The U.S. and China agree on international cooperation to leverage private investment in carbon capture and storage and concentrating solar power technologies.
- **Transportation and Environment (EMBARQ):** Anticipates the threat of growing wealth on sustainable urban transportation: Traffic congestion created by the world's burgeoning middle classes disadvantages the poor by constraining economic growth and exacerbating health problems from air pollution, while contributing to GHG emissions.

**Target outcomes likely before 2012 include:**

- ◆ Emarq is instrumental in helping at least 10 cities in the developing world to create sustainable transportation systems (several are scheduled to come on line in 2008).
- ◆ Emarq is influential in fostering national policies in four countries for reduced greenhouse gas emissions from the transport sector, including incentives for non-motorized transport, transit investment, vehicle demand management, and improved technologies.



**GOAL: People and Ecosystems**

*Reverse rapid degradation of ecosystems and assure their capacity to provide humans with needed goods and services.*

This goal responds to the Millennium Ecosystem Assessment finding that, in the last half of the 20th century, humans degraded ecosystems more rapidly and extensively than in all previous history. By necessity, the goal has a strong people focus, aiming to reverse ecosystem degradation while improving human well-being. The goal's objectives are summarized below:

- **Mainstreaming Ecosystem Services:** To reduce ecosystem degradation by helping governments, businesses, and development agencies integrate ecosystem services into their policies, strategies, and investments. Our strategy is two-fold: (1) Provide decisionmakers with information and assessment tools that link ecosystem health with the attainment of economic and social goals; (2) Develop economic incentives and policy options that restore and sustain ecosystems.

**Target outcomes likely before 2012 include:**

- ◆ The governments of the United States and other countries restore their wetlands in order to protect shorelines from storm surges and to mitigate flooding in floodplains.



**Examples of Past Climate Protection Results**

- 2005 Moving the Masses Sustainably in Megacities:** Mexico City launched its first bus Rapid Transit Corridor along Avenida Insurgentes, one of the longest avenues in the world. Eighty low-pollution buses began carrying 250,000 passengers per day, replacing 350 dirty and dangerous buses and reducing CO<sub>2</sub> emissions by 35,000 tons annually.
- 2006 A New World Standard:** The Greenhouse Gas (GHG) Protocol and the framework for carbon-offset project accounting are now internationally accepted mechanisms for measuring, reporting, and managing business GHG emissions.
- 2007 Accelerating the U.S. Response to Climate Change:** The politics of climate change experienced a tectonic shift when the CEOs of ten major corporations and four national environmental groups — including WRI — jointly called on the US government to quickly enact strong national legislation requiring significant reductions in GHG emissions. WRI was instrumental in the formation of the US Climate Action Partnership (USCAP) whose bold proposals have advanced the policy debate in Congress. As the USCAP membership grew — to 31 participating organizations, representing over 2 million people in membership and over \$2 trillion in market capitalization — so did the number of climate bills introduced.

- ◆ Developing countries increase funding for forest restoration and sustainable management in order to enhance livelihoods of the rural poor and their ability to adapt to climate change.
- **Forest Landscapes:** To increase the ability of governments, businesses, and civil society to act upon better, more widely shared information to protect intact forests, manage working forests more effectively, and restore deforested lands. Focuses on forest-rich regions, using spatial and other forest-related information to stimulate, support, and monitor action that promotes more sustainable forest management.

#### Target outcomes likely before 2012 include:

- ◆ Indonesia publishes a credible deforestation baseline and formulated, workable policies for reducing deforestation as well as a program to distribute funds from reduced deforestation credits.
- ◆ Democratic Republic of Congo produces and shares accurate, up-to-date maps on all forest titles, allowing only capable and responsible companies to legally convert their old logging titles into new forest concessions; ensures a credible way of engaging local communities in consultations on this process.

#### Examples of Past People and Ecosystem Results

- 2005 Millennium Ecosystem Assessment:** WRI launched the idea of the first ever scientific audit of the health of the world's ecosystems. This catalyzed the four-year, \$30 million effort called the Millennium Ecosystem Assessment that involved more than 1,300 scientists and other experts from 95 countries. Its findings provide powerful data about ecosystems that continue to inform and direct policies, research, and investments by governments, NGOs, and business.
- 2006 New Maps Inform the Protection of the Amazon:** WRI and its Brazilian partner, Imazon, created a new set of "human pressure" maps which Brazil used, together with our analysis, to establish federally protected areas and state forests covering 9.5 million hectares of important intact rainforest.
- 2007 Fighting Illegal Logging in Central Africa:** WRI, in collaboration with the International Conservation Union and the Inter-African Forest Industries Association, developed a set of legality standards that assessed whether timber products produced in and exported from Central Africa are legal. These legality indicators are now being used by governments of forest-rich countries in Central Africa for establishing their own national standards.



#### GOAL: Governance

*Empower people and strengthen institutions to foster environmentally sound and socially equitable decisionmaking.*

Reversing the decline of the planet's ecosystems, assuring they continue to provide people with essential goods and services, and preventing catastrophic climate change depend upon an informed and empowered civil society as well as responsive and accountable government institutions. Efforts to promote democratic reform and to advance the fulfillment of human rights are most likely to succeed when they engage people and deliver on issues that matter to them, such as clean air, safe drinking water, and productive land and forests. The goal's objectives are summarized below:

- **Access:** Works with a broad-range of partners around the world to assess and improve the quality of procedures and institutions entrusted with environmental decisionmaking. Our partners work with relevant government agencies to identify and fill gaps in policies and practice designed to ensure the public's right to access information, to participate in decision-making, and to access the courts.

#### Target outcomes likely before 2012 include:

- ◆ Fuller implementation of 'Freedom of Information Acts' in several Latin American countries, including Chile, Paraguay, Mexico, and India, providing affected communities access to key data on air and water pollution.
- ◆ Enactment of 'Freedom of Information Acts' in several African and Asian countries, including Philippines, Indonesia, and Cameroon and of new laws and regulations strengthening public participation in decision-making in several countries including Ecuador, Sri Lanka, Nepal, and Thailand. Communities will have a greater voice in decisions about natural resources on which they depend.
- **Equity, Poverty, and the Environment:** To reduce poverty by promoting policies that more equitably distribute environmental benefits and costs. Focuses on the distribution of nature-based public revenues, private profits and market shares from natural commodities, and select ecosystem services. Advances the reform of policies that help alleviate rural poverty (75% of the planet's over 6 billion people live on less than \$2 a day), by engaging their self-interest in improving resource stewardship.

**Target outcomes likely before 2012 include:**

- ◆ Government of Uganda adopts new oil policies, instruments and/or investments that reflect the importance of distributional equity in local development and poverty reduction. Our partners, ACODE and UWS, will guide the development of these innovations.
- ◆ Government of Cameroon develops new regulations and guidelines that improve the implementation and enforcement of the benefit-sharing provisions in the national Forestry Act. Our principal partner — NES-DA-CA — will guide the development of these innovations.

**Additional projects under the Governance Goal:**

**International Financial Flows and the Environment:**

Aims to improve the accountability of international financial institutions for the social and environmental impact of their public and private investments. Place-based work

in Peru to protect community rights and the Amazon ecosystem in the face of oil and gas extraction complements core focus on the multilateral development banks, export credit agencies, and private (Equator Principle) banks.

**Electricity Governance Initiative:** Supports strategies for greater public participation in reform of the power sector in emerging economies. Significant improvements in electricity governance in Thailand and the Philippines have resulted. Efforts are now being expanded into Southern Africa and Brazil.

**Governance of Forests Initiative:** Provides a systematic and replicable framework for assessing the governance of forests. Engages civil society, sector actors, and governments to ensure that Reducing Emissions from Deforestation in Developing Countries (REDD) and other forest-related mechanisms approved under the Bali Action Plan promote good governance of forests and demonstrate long-term emissions reductions.

**Examples of Past Governance Results**

- 2005 Holding Legislators Accountable for the Environment in Uganda:** Based on the recommendations of a WRI-sponsored study in Uganda with the Advocates Coalition for Development and Environment on legislative environmental representation, the Ugandan Parliament began recording legislators' votes. Up until then citizens of Uganda had been unable to track how their government representatives were voting on particular bills which made it difficult to hold legislators accountable.
- 2006 Public Participation in Indonesia:** Indonesia joined Partnership for Principle 10 (PP10), a growing coalition of governments, civil society organizations, and international organizations committed to giving citizens an "environmental voice". Membership in PP10 helped Indonesia increase public involvement in Environmental Impact Assessment processes, incorporate public participation guidelines in new local environmental regulations, respond to public grievances in environmental cases, and publish more environmental information on the Internet. WRI helped launch PP10 and up until 2008 functioned as the secretariat.
- 2007 Giving Citizens Voice in Ecuador:** WRI and Ecolex, a nonprofit organization in Ecuador focused on sustainable development, identified weaknesses in Ecuador's laws related to public access to environmental information, participation, and justice. This assessment led to important new legislation that addressed these limitations.



**GOAL: Markets and Enterprise**

*Harness markets and enterprise to expand economic opportunity and protect the environment.*

Many deteriorating global environmental trends can be traced to industry's extraction of natural resources, releases of pollution, and an overall large environmental footprint. Industrial activities can impact human health as well as restrict access to resources upon which communities depend. In its roles as both a provider of solutions and a source of problems, the private sector has a critical role to play in moving society to live in ways that meet the needs of current and future generations. The markets and enterprise goal uses a wide array of analytical and business engagement strategies to help make this happen. The goal's objectives are summarized below:

- **Enterprise & Innovation:** Supports small and medium enterprises (SMEs) that deliver business solutions to address environmental and social problems. Our work has helped facilitate the transfer of over \$100 million to sustainable SMEs. It includes consideration of how small businesses serve basic needs of low-income communities in a sustainable way, targeting key sectors such as energy and water.

**Target outcomes likely before 2012 include:**

- ◆ \$400 million in new investment capacity is formed to target sustainable SMEs in emerging economies.
- ◆ New Ventures operations are launched in five additional countries, bringing the total annual pipeline to 200 companies per year.
- ◆ Five New Ventures enterprises go public, increasing their sustainability impacts and drawing more attention to the opportunities offered by sustainable sectors.
- **Invest:** Promotes sustainable investment and improved corporate environmental performance through a body of financial research and related activities. Our work aims to achieve a tipping point in the private sector at which sufficient mainstream investors and corporations are embedding environmental considerations into their core business strategies that it becomes standard practice.

**Target outcomes likely before 2012 include:**

- ◆ A large institutional investor changes its investment model and rebalances its portfolio to reflect a solutions-oriented investment strategy for sustainable development.
- ◆ An influential equity analyst in Mumbai begins to factor environmental and social risk and opportunities into his investment analyses and recommendations.
- ◆ Improvements are made in the quality and quantity of corporate disclosure of environmental and social information in Asia.

**Looking Ahead: Deepening our Work in Water and Cities**

In undertaking our trends analysis, we identified two areas where we may deepen our work in the near future: water and cities. These issues are tackled to varying degrees in current programs, but more ambitious objectives and clearer strategies may be justified given their relevance to fulfilling our mission.

**Water:** Water issues present some of the most pressing environmental and social challenges facing the world today — and for the next several decades. The increasing scarcity of accessible fresh water is ever more visible. According to projections from UNEP, the percentage of people living in water-stressed countries could rise to 65% by 2025. Agriculture, residential, and industrial interests — all with competing needs — clamor for access. Pollution diminishes useful water sources and climate change will considerably exacerbate the problems we now face.

**Examples of Past Markets and Enterprise Results**

**2005 Climate Risks and the Clean Car Revolution:** WRI's collaboration with Merrill Lynch, one of the world's leading financial management and advisory companies, resulted in their report, "Energy Security and Climate Change: Investing in the Clean Car Revolution," used to advise their clients about investments in the auto industry.

**2005 The New Market of Poverty Reduction:** WRI devised ways to meet the needs of poor communities through pro-environment private sector strategies and catalyzing investments by companies and development agencies. This new approach was adopted by the Inter-American Development Bank (IDB), one of the largest development aid agencies working in Latin America, in a five-year, multi-billion dollar poverty reduction initiative.

**2006 Sustainable Entrepreneurship:** WRI's New Ventures project identifies, mentors, and provides small and medium-sized enterprises (SMEs) with access to investment. New Ventures operates in five of the world's most vibrant emerging economies — Brazil, China, India, Indonesia, and Mexico. Since its founding in 1999, New Ventures has provided comprehensive support to over 150 entrepreneurs and facilitated \$38 million in investments for sustainable enterprises.

WRI is well positioned to address this critical problem as we move forward. We are already active in a wide spectrum of work related to water. Projects range from improving water quality in the United States, to engaging investment banks in understanding and incorporating water-related risks, and to developing sector-specific water governance indicators to help inform policy on climate-induced water scarcity.

However, the sum of WRI's engagement with the issue lacks a coherent strategic framework at this point. We need to take a step back to examine the overall subject and thoroughly think through what it is that we can meaningfully and uniquely contribute.

**Cities:** Significant shifts are taking place in regard to cities. In 2007, the population of the world tipped from being more rural to more urban. This shift will continue: By 2020, more than half the population of *developing* countries will be urban.

According to some development economists, this is "good news" because urban centers have performed better than rural areas in meeting human needs such as education and





health levels as well as increased sanitation and access to clean water.

However, this urbanization trend also presents immense new challenges. Urbanization prompts significant changes in lifestyles and consumption patterns with corresponding impacts on the environment, health, and poverty. WRI’s current work on ‘cities’ is primarily focused on sustainable urban transport (EMBARQ). Over the next few years we will explore more broadly how WRI can propose and promote solutions to the new environmental problems posed by urbanization.

WRI will benefit from a more coherent strategy on both water and cities. We have set aside funds to examine these issues and will synergistically draw on the expertise of program staff already involved in addressing them as we explore potential new lines of work.

### C. Decisionmaking Funnel: Prioritizing What We Do

The choices we make in times of tremendous opportunity, such as in the period to 2012, are often more important than when opportunities are scarce. To sharpen the focus of our work, we have constructed the following decisionmaking funnel. This consists of four criteria that we began to use in 2008 and will systematically apply to our entire portfolio, both new projects and as part of the annual review screening process for existing projects. In doing so, we aim to align our work more tightly with our strategic intent statement and program goals. Ultimately, our ability to generate lasting results depends in no small part on our success in channeling sizable resources to a few, significant challenges.

- **Our Core:** alignment to mission, institutional goals, and values. Our work should help us fulfill our mission and build from its defining premise, namely the inextricable link between people and the environment. It should also tangibly move us toward realizing our four programmatic goals: climate protection, people and ecosystems, governance, and markets and enterprise. Finally, our work must be consistent with our institutional values: integrity, innovation, urgency, independence, and respect.
- **Our Approach:** analytical excellence, partnerships, solutions, and outcomes. Virtually everything we do incorporates these four elements. WRI is moved by a passionate conviction that change is possible, knowledge is powerful, and people can make a difference. WRI’s approach is built on this conviction.
- **Our Ambition:** commitment to significant results on some of the world’s toughest problems. Global environmental trends are considerably more troubling today than they were 26 years ago when WRI was established. Our responses must be transformative — commensurate to the scale of the problems the planet faces.
- **Our Role:** ability to provide unique value. WRI prides itself on its analytical objectivity and rigor. Our impact over time can in part be attributed to the distinct way in which we frame problems and formulate solutions. We will only work on those issues where we can clearly articulate our unique role in creating change.

All WRI work must now meet these four criteria which define *who we are* and help ensure selectivity in *what we do*. Both annual reviews of institutional objectives and the ‘go/no-go’ reviews of potential new lines of work offer discrete opportunities to apply this decisionmaking funnel to our portfolio.



# IV. How We Get There

## Building on WRI's Approach

WRI's strength is our ability to catalyze change through innovative, incentive-based solutions founded upon hard objective data. We engage participation from all sectors of civil society, business, and government — getting information to those who need it, and promoting decision making that is transparent and participatory. We seek solutions to environmental problems that can command public commitment and the political will needed to carry them out.

Building on these strengths, our strategic plan carries us forward, deepening our work in the following six areas: Focus on China, India, Brazil; Communications; Synergies; Innovation; Staffing; and the Board.

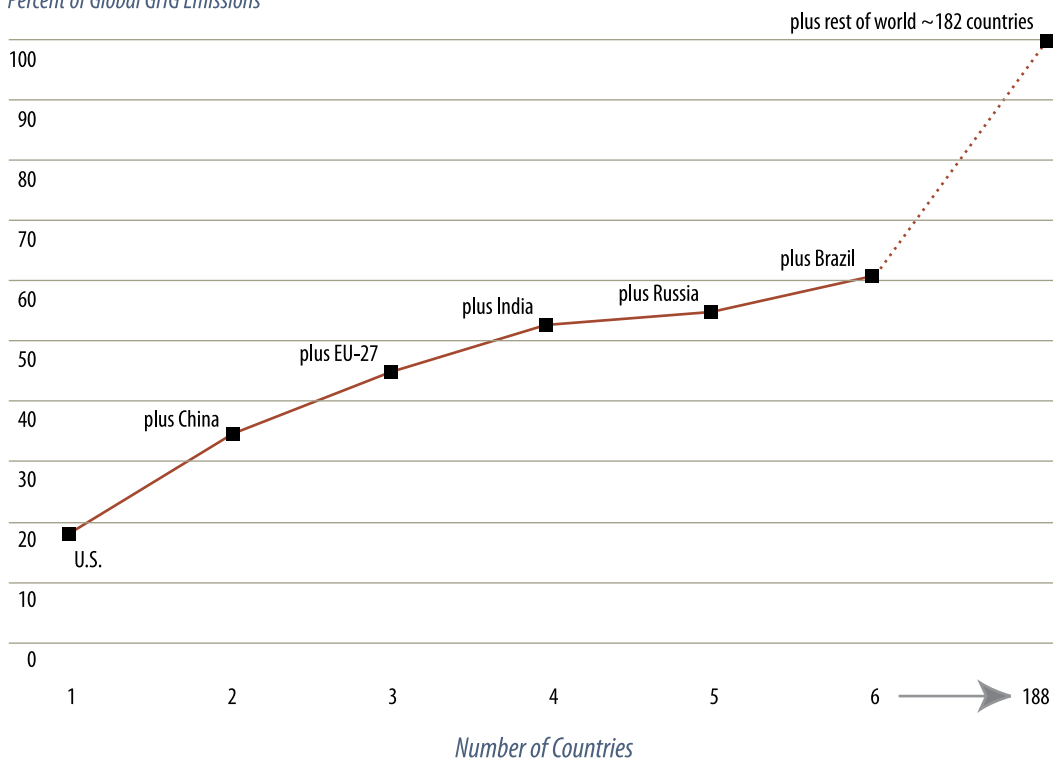
## A. Focus on China, India, Brazil

### 1. Establishing an In-Country Presence in China, India, Brazil

Throughout our first 26 years, WRI has been a Washington D.C. — based organization, working actively with local partners throughout the world, and providing varying degrees of financial support to endeavors that support our goals. We have sometimes hired overseas consultants to join WRI teams and, in certain instances, such as with EMBARQ and New Ventures, fully funded local NGOs to support design and implementation of our projects. Establishing an active in-country presence by opening overseas offices is new for us.

## AGGREGATE CONTRIBUTIONS OF MAJOR GHG EMITTING COUNTRIES

Percent of Global GHG Emissions



*Sources and Notes:*  
IEA, 2007. Moving from left to right, countries are added in order of their absolute emissions, with the largest being added first. Figures exclude CO<sub>2</sub> from land-use change and forestry.

In today’s rapidly changing world, serious, sustained interaction with China, India, and Brazil is now critical for WRI. These three countries are influential as global trendsetters — economically, socially, politically, and environmentally — and the decisions they take over the next 20 years will play a profound role in shaping the future sustainability of the planet. For example, below is a chart depicting global GHG emissions by country. Our climate goal cannot be achieved in the absence of active and sustained engagement from major emitters in developed as well as developing countries.

WRI needs to quickly expand its activities in these countries. We need to understand the multiple social, economic, and political realities and the sometimes nuanced factors creating their current positions and actions. Only by appreciating this can we learn where and how to adapt our strategies so as to be visible and both accomplish our institutional goals and inform our own strategic priorities. Ensuring this two-way exchange of ideas and information is crucial.

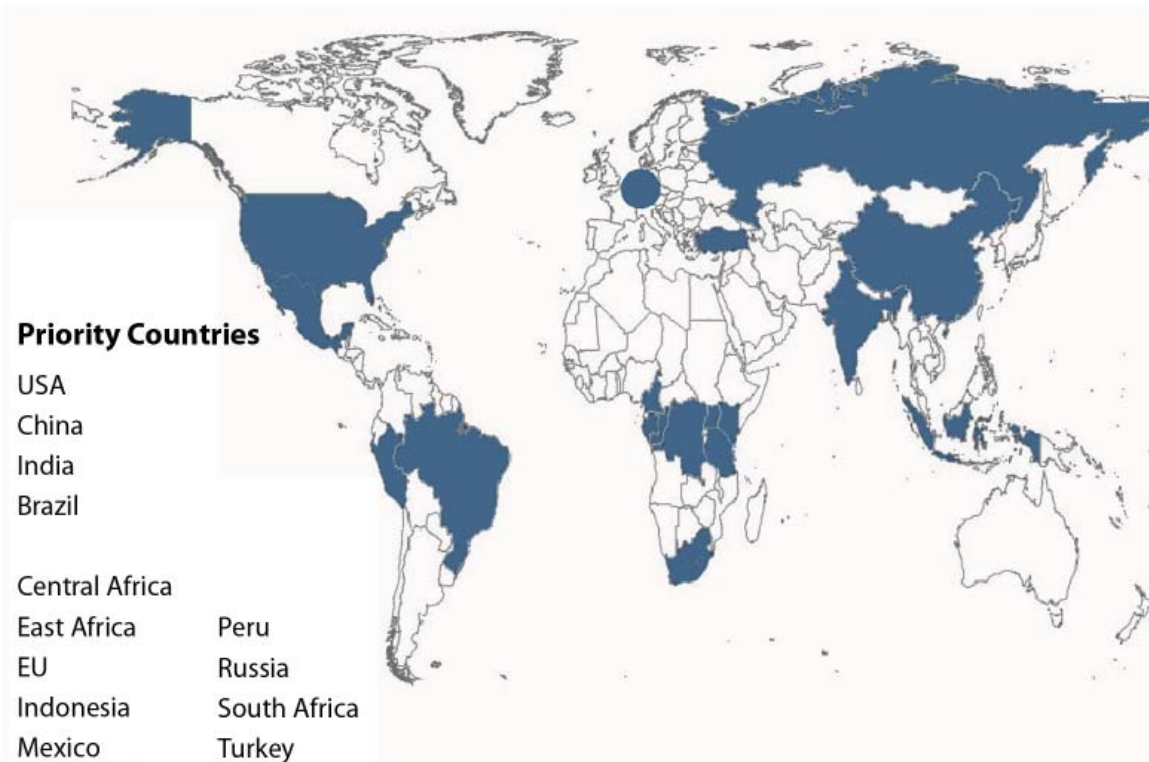
Understanding this, we plan to initiate:

- Active, *in-country presences* in China, India, and Brazil by 2012, starting with an office in Beijing, China in 2008 (see Box on WRI’s Engagement in China).
- Clear and compelling *country strategies* by 2010. With a greater concentration of WRI activities in China, India, and Brazil, we anticipate an exciting opportunity to identify and harness in-house, cross-program synergies.

## 2. Geographic Focus around the World

The scope of our mission and goals is enormous — commensurate with the world’s environmental problems. But we recognize that our resources are limited. We must carefully pick and choose our interventions and their locations to achieve maximum impact.

With that recognition, we have started to concentrate future work in 13 areas of geographic focus. These are highlighted blue in the map below.



## Vision and Guiding Principles for WRI's Engagement in China

With a 10 percent average annual GDP growth for the last three decades, China's economy has doubled every seven years. This phenomenal growth has been spurred by China's integration into the world economy — its international trade (imports and exports) accounts for 65 percent of its GDP. China is also the world's largest consumer of coal, grain, fertilizer, cell phones, and televisions. It is the top producer of steel and cement and processor of unsustainably harvested wood. By 2015, it will likely be the world's leading car producer. The environmental ramifications of this reality are enormous. China recently surpassed the United States in carbon dioxide emissions and together these two countries emit almost half of world emissions. China's production and consumption patterns will further degrade fragile ecosystems such as forests and freshwater resources domestically and abroad.

To sustain its economic growth in the face of such environmental challenges, China is increasingly ready to find effective solutions through dialogue with the rest of the world. It is particularly open to international partnerships aimed at improving two-way exchanges of ideas. If China can successfully achieve economic growth that is environmentally sustainable, it could provide an important alternative model for development. We don't believe we have answers to all the challenges China faces. However, by working collaboratively with Chinese partners, we are likely to craft solutions that will be of genuine interest not only to China but also to the world at large.

By 2012, we envision deeper, more intensive engagement with China across all our program goals. To achieve this, we will collaborate with government agencies both in Beijing and the provinces; universities, NGOs and other civil society organizations; and Chinese and Western companies. We will jointly conduct environmental research and policy analysis with the findings disseminated globally. We will introduce our Chinese

partners to partners in the United States and elsewhere in the world. We will jointly develop policy analyses and tools useful to Chinese decisionmakers. We will give Chinese policymakers more direct access to WRI research by communicating our materials in a Chinese-language website that is culturally sensitive. Our success will be measured by the uptake of our ideas and analyses, rather than wide recognition of WRI's brand. All of this will no doubt bring a more distinct Chinese point of view to what we do and how we do it.

WRI's China program will be guided by the following principles:

- We will seek practical ways to protect the earth and improve people's lives.
- We will provide information and analysis to policymakers around the world; maintaining our reputation for analytical objectivity and excellence.
- We will position ourselves in China as an environmental think-tank, rather than an advocacy NGO, which will help differentiate us from other international NGOs. But we will maintain our commitment to ensuring that our ideas are actionable. We will avoid projecting a donor or foundation image.
- We will engage in sharing that goes in both directions. We want our Chinese partners to participate in our U.S. and global discussions as much as we seek to participate in Chinese policy discussions.
- We will focus our efforts on the design of guidelines, protocols, and other tools to help ensure Chinese environmental targets are met.
- We will learn how to engage and communicate effectively in the Chinese context. Our products will be made available in the Chinese language. We will also support Chinese researchers not only on Chinese issues but on global issues as well.

The criteria for choosing these priority countries and regions include having: a large global or regional economy creating pressure on the world's environment; important and diverse ecosystems; strong geopolitical influence on a relevant issue (e.g. leader in climate negotiations); potential as a scale-up success leading to global impact; active partners for WRI; and attractive resource opportunities.

As described above, we will focus in particular on four countries, developing active portfolios in the United States, China, India, and Brazil.

This strategy's recommendations for implementing a new direction on geographic focus include:

- *Focus on Priority Countries:* We aspire to have our overall portfolio target the 13 priority countries and regions, with a goal of 80% of activities at the *objective* level focused in these countries by 2010. Work in non-priority countries can be justified if lessons learned are transferable or major outcomes can be achieved.
- *Alignment of Institutional Resources:* Development, External Relations, and senior management support will be aligned with work in priority countries.
- *Periodic Review of Priority List:* We will reassess the list of priority countries every three years to ensure that they remain relevant to realizing our strategic intent and institutional goals.

## B. Communications: Engagement and Impact in a Multipolar World

### Why Communications Matter

WRI's communications objective is to achieve impact for our mission and our programmatic goals. By communicating effectively with, and influencing, our audiences worldwide, WRI's research, analysis, and policy recommendations act as sources of sound decisionmaking and provide an enhanced understanding of issues. By expanding and fortifying WRI's reputation for excellence in objective, non-partisan, and scientific analysis, we can also communicate with increasing credibility among a multiplicity of important stakeholders — in government, business, civil society, academia, and in the mass media and blogosphere. Conversely, our work can have little impact if a wide audience in the outside world does not see and respond to it.

WRI is currently engaged in an Institute-wide transformation to achieve this communications objective. It is a central priority of this strategy to embed a communications culture at the institute, and to align these efforts with WRI's influence strategies in order to maximize our impact. Our newly articulated strategic intent can significantly advance our fundamental goal of transforming WRI's culture into one where "everyone is a communicator." Embracing this strategic intent, for example, will require greater engagement in a multipolar world, and offers opportunities for more intensive in-country reach.

### Moving Forward

WRI has pledged to transform our culture so that we become as much a communications organization as we are an outcome-based policy research institute.

- **Engaging audiences.** The way people access and use knowledge, and organize around ideas is changing exponentially. With the extraordinarily swift pace of change in technology, both the velocity of information and the pace of change in user habits must be addressed and its potential tapped.

WRI is scaling our capacity to the opportunities offered by a networked, information-rich world. We are expanding our communities of influence through broader dissemination of intellectual content, translations, and by forming interactive communities of interest and influence. By engaging more with our audiences, we can cultivate and connect communities of common purpose and communicate WRI content



so it may be brought to scale by citizens and decision-makers alike. To communicate effectively, however, it is essential to understand our audiences and their relationship to WRI. To this end, we will conduct research among our core and potential audiences.

- **Communicating effectively.** WRI's ambitious mission and broad portfolio have traditionally defied efforts to distill them into pithy language. An immediate priority is to craft language to reflect our strategic intent and communicate the essence of every aspect of WRI — from its institutional vision to individual programs.

We will create persuasive messages and descriptions for WRI as a whole; and ensure overall coherence and integration into all WRI products, presentations, media training, and other external communications. We will also communicate our work in more creative ways — through story-telling, graphics, and through visual imagery.

An overarching goal is to fully integrate communications strategies with program influence strategies. Influence strategies are the linchpin for connecting our intellectual content to concrete results.

We are also seeking more strategic partnerships for communications with organizations whose goals reinforce WRI's missions and programs. These strategic collaborations will serve as vectors to new key audiences for WRI.

- **Building communications skills.** WRI has greatest impact when policymakers and other influencers of environmental decisions are connected to our work and to our experts. An essential aspect of our commitment to Managing for Results is to build communities of common interest (and passion) around the issues we address.

To transform our culture so that we become as much a communications organization as we are an outcome-based policy research institute, communications must become an intrinsic part of our research, influence, and outcome strategies.

To imbue our capabilities at WRI with communications thinking and skills, we offer a Communication Curriculum to give program staff inspiration, training, tools, and incentives to be effective communicators. The Curriculum provides funding, technology, instruction in specific skills, and empowerment of staff with interactive tools to more effectively engage with our audiences. Each program will become adept at: Wikis, Photo/video libraries, project management tools, Internet writing capacity, blogs, RSS feeds, and more.

The opportunities are huge. By engaging our audiences, communicating creatively and instilling a culture of communications, WRI can more directly link its work to tangible results, and be recognized as a leading source of objective, high quality information, thoughtful analysis, and creative tools and solutions that move issues of global sustainability.

## C. Synergies: Maximizing ‘Win-Win’ Cross-Program Collaboration

### *Synergies Defined*

Synergies are opportunities to combine two or more forces within the institute so that their combined effect is greater than the sum of their individual parts — to make  $1+1=3$ . Our interconnected logo exemplifies the importance we attach to making connections across our work. Synergies come in many forms, including:

- Combining strategies to address an environmental issue that transcends individual programs, such as tropical deforestation, climate adaptation, and water.
- Creating country platforms to coordinate multiple WRI activities within a single country.
- Bringing together knowledge from different parts of the institute for the purposes of developing an integrated strategy for engaging a specific audience such as a business, donor, government agency, or the media.

### *Why Synergies Matter*

Exploiting synergies can help any organization use its resources and skills more efficiently and effectively. However, synergies are especially important at WRI for four reasons:

- **Complexity and interdependency of problems:** Most of the problems we work on transcend political boundaries, exist in a range of time frames, and involve multiple actors. The degradation of drylands in Africa, for example, contributed to the formation of dust clouds that drifted thousands of miles causing toxic algal blooms off the coast of Florida, coral reef erosion in the Caribbean, and respiratory problems throughout North America. Complex problems such as this require multi-faceted solutions.
- **Need for multiple strategies:** WRI has a diverse set of strategies in its repertoire. These include harnessing the power of markets, strengthening governance, convening stakeholders across levels, and providing timely policy analysis and other decision-relevant information. On their own, these strategies are rarely sufficient to move our agenda. They need to be deployed in combination.
- **Fragmentation of institutions:** At every level, the institutions charged with protecting the environment or advancing development goals are handicapped: sometimes by limited mandates or capacity; sometimes by lack of incentive to cooperate across geographical or political boundaries; and sometimes by the inability to consider the longer time frames needed to manage ecosystems effectively. WRI cannot address the problems in the same silos that created them.
- **Engaging staff in transformative solutions:** Our staff, our greatest asset, is united by a passion to be a positive agent for change in this world. This passion cannot be realized in the chains of organizational silos or narrowly defined projects and problems. The opportunity to join cross-cutting teams and contribute to transformative solutions to the world’s most vexing problems helps us attract and retain the highest quality staff.

### *How Do We Create a Nurturing Environment for Synergies?*

Much progress has already been made on fostering synergies, particularly within programs. The alignment of programs around four goals and the establishment of strategic initiatives focused on five-year objectives ensures staff

coalesces around common themes. We also have the advantage of being housed primarily at a single site. This, combined with a friendly working environment and a staff size where it is still possible to know everyone by first name, makes it conducive to identifying synergies. While we have done much to foster synergies *within* programs, more can be done to foster and manage synergies *among* programs. Three actions will be taken for this purpose:

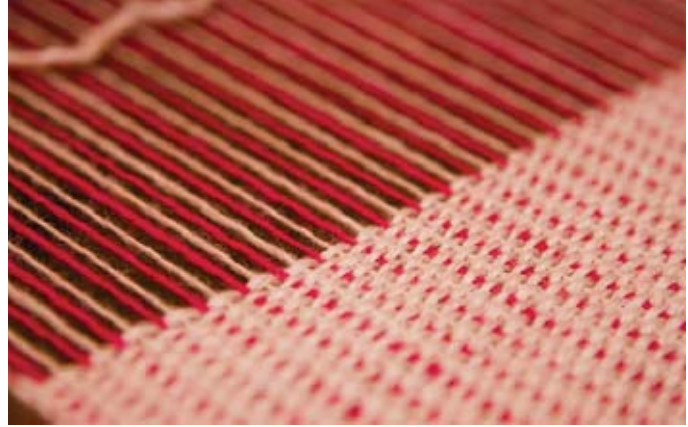
- **Explicitly integrate synergies into existing institutional mechanisms.** This includes adding an element on synergies to the formal approval and review processes for new and existing work; incorporating sessions devoted to synergies on the management and executive team agendas; and prioritizing synergies in the work plan of the Vice President for Science and Research.
- **Create incentives for advancing synergies.** Cross-program collaboration is already one of the criteria used for allocating resources from our Strategic Opportunity Fund. We will continue to use this mechanism, but will be even more explicit about supporting work at the intersections of our goals. This will include earmarking a portion of the funds for synergies. Collaboration with other programs and the development of joint work plans will also be included in the personal goals of all senior staff.
- **Appoint leaders to spearhead priority cross-cutting work.** Effective management of synergies requires assigning leaders with clear roles and responsibilities to avoid the “too many cooks in the kitchen” syndrome. For priority cross-cutting work areas we will assign specific leaders to advance integrated approaches. We will ensure that clear accountability structures are also in place to enable them to succeed.

## D. Innovation: Staying Ahead of the Curve

WRI’s strategic realignment is intended to focus its activities to achieve larger impacts. But with a tightly-structured decisionmaking funnel and a more concentrated issue and country focus, WRI runs the risk of becoming less open to new ideas. We can avoid this by continuing to focus on fostering innovation in our culture, thinking, and programmatic work.

### *Innovation Defined*

Today’s world is one in which globalization, multipolarity and increased access to information is spurring rapid change and hence a need for faster innovation to respond



and remain competitive. Innovation, by definition, means changes in business processes, development or adoption of new technologies and tools, along with changes in strategy to focus on new markets or missions. Virtually every organization faces the need to continually innovate in the following areas: technology base; business or process models; partnering strategies and financing approaches; and operational strategies. The risk of not succeeding is being left behind. Some organizations, such as GE, do this with R&D departments or other structured innovation processes; others, such as Goldman Sachs, attempt to harness the entrepreneurial energies of their staff by fostering a risk-taking culture; still others, such as Nokia, are attempting open or networked innovation processes to learn from partners and clients.

### *Why Innovation Matters*

WRI has historically been a source of innovative policy research and novel practical interventions to address global environmental issues, often driven by new analytical approaches pioneered at the Institute. A continued supply of such innovations is important to WRI’s brand and the success of its programmatic objectives. To cause change in today’s interactive world, analytical and programmatic innovation must be coupled with innovative communication strategies. But WRI does not now have a deliberate, proactive innovation strategy.

An examination of past WRI experiences has shown that, while WRI has internally generated many analytical and programmatic innovations, the factors that led to their success were quite varied. They included entrepreneurial efforts by individual staff, group brainstorming efforts coupled with committed Board support, and strategic partnerships; most that succeeded had strong support from the President, as well as a committed staff champion. At

the same time, up to half of the innovation attempts at WRI failed to achieve their potential. As a result, there is now consensus that WRI needs a proactive innovation strategy.

### ***Elements of a Proactive Innovation Strategy***

Vibrant innovation requires focused effort — brainstorming processes, research, systematic re-examination of external trends and opportunities, recruitment of talented staff, incentives, and other activities integrated into a coherent strategy.

However, innovation requires more than just new ideas: implementation is often the critical component, and that usually takes both resources and management support. A critical aspect of a proactive innovation strategy for WRI involves management and Board efforts to identify or raise new funds to support innovation efforts on an ongoing basis — to pay for staff time, hire new talent, acquire new tools, if necessary, and incubate new activities to the point where they can compete for funding on their own. Management support for risk-taking will also be required, as well as a culture that accepts failure as the price of innovation.

A successful innovation strategy for WRI will include both processes and incentives. Processes include infusing existing review practices — such as our annual objective review processes, development of influence strategies, and program planning retreats — with distinct openness to, and active encouragement of, innovative thinking. Structured brainstorming will be a regular exercise through ‘innovation jams’ or along the lines of the 2006 Communications Charrette in which outside experts challenged WRI’s assumptions and suggested novel approaches. This was instrumental in beginning the transformation of WRI’s communications culture which is now under way.

Incentives, such as annual innovation ‘seed funds’ designed to encourage internal entrepreneurship, will also be used to motivate and cultivate greater innovation, especially among junior staff. Awards from the Strategic Opportunity Fund will help to support new programmatic innovations. In addition, consistent Board and senior management support for innovative ideas and for a risk-tolerant culture will also play an important role.

WRI’s innovation strategy will begin by piloting a number of new processes and incentives. The learning from these will inform development of a more integrated in-

novation strategy. In parallel, WRI will seek the resources required to fully implement the strategy over the next few years. Proposed activities for 2008-9 are focused on pilots, strategy development, and then raising resources for full implementation of the strategies. Specifically:

- We will initiate structured brainstorming activities with targeted internal groups, testing a number of different models. For example, one pilot will assist WRI’s governance program in exploring how to use information and communications technologies in novel ways to achieve their objectives.
- We will define and pilot an Innovation Jam, aimed in particular at junior staff, to encourage ‘out-of-the-box thinking’ and entrepreneurship. A panel of internal “Venture Capital” judges will respond to written and verbal presentations of proposals from the staff, and award unrestricted funds for pilot implementation of winning ideas. All staff will be encouraged to attend the event, to stimulate further innovative thinking and to help promote an entrepreneurial culture at WRI.
- WRI will undertake a brainstorming process to come up with, and refine, ideas for novel communications initiatives to replace the World Resources Report. One or more of them may be developed for sharing with external stakeholders and potential funders.
- We will undertake a Communications Charrette in China, with both local and international communications experts, designed to shape an innovative communications strategy for WRI’s new work in China.
- Intensive efforts to raise resources for innovation will be undertaken in 2008, in order to support implementation of a full-fledged innovation strategy.

## **E. Staffing: Attracting and Retaining the Best**

The two leading human resources challenges facing the institute in the next five years are (1) staffing up WRI to engage effectively in China, India, and Brazil, and (2) identifying and implementing effective strategies for recruiting and retaining the best staff while increasing current retention rates.

### ***Staffing Up WRI***

The goal is to be on the ground in China in 2008, and in India and Brazil no later than 2012. Critical decisions on organizational structure will need to be made so that each of these countries’ staff and projects can be seam-





lessly integrated into the institute. Integrating overseas offices into our organizational culture, structure, and management processes will require adaptation and greater sophistication in WRI's communications and technology systems.

Staffing up WRI will require us to broaden our network, recruiting people with language skills and cultural familiarity, as well as subject knowledge. Candidates will need an important blend in order to work across programs: management ability, depth of education and experience, and multi-disciplinary skills. WRI will rely on trusted partners and network colleagues with familiarity in best practices to assist in determining appropriate strategies and in identifying organizations and individuals with the needed political connections to make the greatest impact in each country. WRI already invests in foreign language training and translation but will be required to significantly increase spending in these areas. Additionally WRI will seek legal and tax advice to register each entity properly in each country.

Long-distance management poses built-in challenges, and some questions will need to be regularly re-examined and decided on a country-by-country basis. A significant amount of human resources and time will be spent to ensure that international office staff and projects are wholly integrated into the workings of the institute. We will ensure that all international employees in overseas offices have a shared understanding of WRI's vision, history, goals, and aspirations.

**Improving Staff Retention:** The key to successful growth is staff/professional development and maximizing retention. High staff turnover is a common problem in the

nonprofit world, including WRI. There are many factors that cause turnover, only some of which can be influenced by the employer. Research shows that staff departures are usually for one or more of the following reasons: work/personal life balance; manager not demonstrating interest or concern and his/her staff not feeling valued; lack of potential growth opportunities; lack of training opportunities (e.g. management training, skill development); and lack of resources. Based on staff focus group feedback and exit interview information, WRI's retention issues are comparable to other nonprofit organizations.

The most important issues that lead to staff departures at WRI can be summarized as follows:

- Fundraising pressures and issues related to our funding structure.
- Limited advancement opportunities and junior staff feeling underutilized, especially those with graduate degrees starting at entry level positions.
- Lack of management by staff supervisors.
- Need for somewhat more competitive salaries: Inadequate funds for program staffing, so that people are overburdened with heavy workloads.
- Excessive internal processes and administrative tasks.

WRI is committed to reducing attrition by emphasizing professional development efforts and by investing more in training and developing our staff at all levels. The creation of learning opportunities geared toward professional development and growth is an important incentive for staff to remain at the organization. It signals that we value staff and are providing them with the tools needed to succeed, while enhancing their careers. It further indicates our commitment to create a learning culture.

WRI is also looking at the possibility of offering flexible work hours and telecommuting on a broader basis across the institute. Allowing such flexibility has already helped us with recruiting a number of staff whose primary concern was balance of work and family, and being able to work from home for part of the week. HR staff will continue to work with staff and management to determine how the institute can address the staff's biggest frustrations. WRI's retention rates should improve if we are able to: improve people management skills in all supervisors across the institute; provide some performance based financial incentives to staff; and implement more flexible work hours and broader telecommuting.



## F. The Board: Agent of Change

WRI's board has been enormously helpful in shaping the contours of this strategic plan. The board can support its successful implementation in several ways.

- **Board Composition:** The nominating committee is endeavoring to improve international representation. More urgent attention will be given to adding directors from China and possibly additional representatives from India and Brazil.
- **Elaboration of Country Strategies:** Board members with networks, expertise, and interest in China, India, and Brazil can advise on how best to enhance our presence in these countries. Advisory groups for each country will be set up to provide guidance to staff. Board members from each country will be invited to convene and participate in these to ensure appropriate local collaboration and impact.
- **Strategic Communications:** Revitalizing the board communications committee is a priority. As ambassadors for WRI, the board can play an important role in brand development, road testing, and use. We will fully tap board talent to help guide WRI's transition to a communications organization.
- **Development:** Board members will be invited to spearhead focused "mini fundraising campaigns" for key strategic initiatives in the plan. Help with messaging and packaging pieces of the plan or its entirety will also be needed.
- **Staffing:** The quality of WRI's board is a selling point in attracting new staff to WRI. As we grow, we will need the board to help us find and recruit the best talent. Active board engagement in WRI's growth and success, and occasional mentoring of staff, will go a long way to making WRI a rewarding place to work.