



WORLD
RESOURCES
INSTITUTE

MAKING BIG IDEAS HAPPEN

WORLD RESOURCES INSTITUTE | 2011-2012 ANNUAL REPORT

OUR 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.

ON THE COVER Kolkata, India from the series "Metropolis," 2008 by Dutch photographer Martin Roemers. Roemers' Metropolis series underscores the critical need to steer the force of rapid global urbanization in ways that improve people's lives and reduce pressure on Earth's scarce resources.

MAKING BIG IDEAS HAPPEN

2011/2012 was a transition period as WRI said goodbye to President Jonathan Lash and welcomed new President Andrew Steer. With ample wind in our sails from eighteen years of Jonathan’s leadership, the Institute’s accomplishments—many captured in this report—reflect both the strength and versatility he instilled in the organization.

The energetic collaboration among a highly motivated leadership team, staff and Board of Directors yielded strong results. WRI experienced its sixth consecutive year of growth, with a 12 percent increase in its budget in 2011. We expanded our China office and signed a memorandum of understanding with NDRC, China’s main planning agency, to work together on low carbon city development and related issues. We took the seminal step in India of establishing a trust and a distinguished board chaired by WRI Director Jamshyd Godrej.

WRI will invest considerable effort over the next five years working at the city level in China, India and Brazil on sustainable transportation and road safety, renewable energy and clean water. As centers of intellectual capital, talent, and entrepreneurship, cities are proving to be at the vanguard in tackling global climate change and a broader array of sustainability challenges.

Our commitment to protecting the environment and improving people’s lives remains as strong as ever. The combined stress of rising and volatile commodity prices, ecosystem degradation, and global warming disproportionately affects poor and vulnerable communities, who rely on natural resources for their livelihoods and well-being. WRI will redouble its efforts to make the economic case and demonstrate through its work that sustainability and poverty reduction—and more broadly economic growth—go hand-in-hand.

The challenges facing the planet and people are epic in proportion. WRI was founded to pursue big ideas and make them happen. We remain optimistic that our efforts, amplified with hundreds of worldwide partners, are shaping a more sustainable planet for all people.



James A. Harmon
CHAIRMAN OF THE BOARD



Andrew Steer
PRESIDENT AND CEO



Manish Bapna
INTERIM PRESIDENT
(MAY 2011 – JULY 2012)
MANAGING DIRECTOR

OUR PROGRAMS, APPROACH, *and* ENGAGEMENT

WRI's work is organized around five programs, each of which has supporting five-year objectives and multiple projects. In addition, we are exploring a new program on cities, which would link our sustainable transport program with a growing body of work around urban sustainability focused on China, India, and Brazil.

PROGRAMS

CLIMATE + ENERGY | 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 + ACCESS | Empower people and strengthen institutions to foster environmentally sound and socially equitable decision-making.

MARKETS + ENTERPRISE | Harness markets and enterprise to expand economic opportunity and protect the environment.

PEOPLE + ECOSYSTEMS | Reverse rapid degradation of ecosystems and assure their capacity to provide humans with needed goods and services.

SUSTAINABLE TRANSPORT | Improve the quality of life in cities by catalyzing and helping to implement sustainable transport solutions.

VALUES

Our values define WRI as an institution. Our values are not rules, but shared ideals and understanding that bind us together. Along with our mission and our commitment to excellence in everything we do, they articulate who we are and what we believe, influence our work, guide our actions, and help us to explain our aspirations to others.

1) Integrity

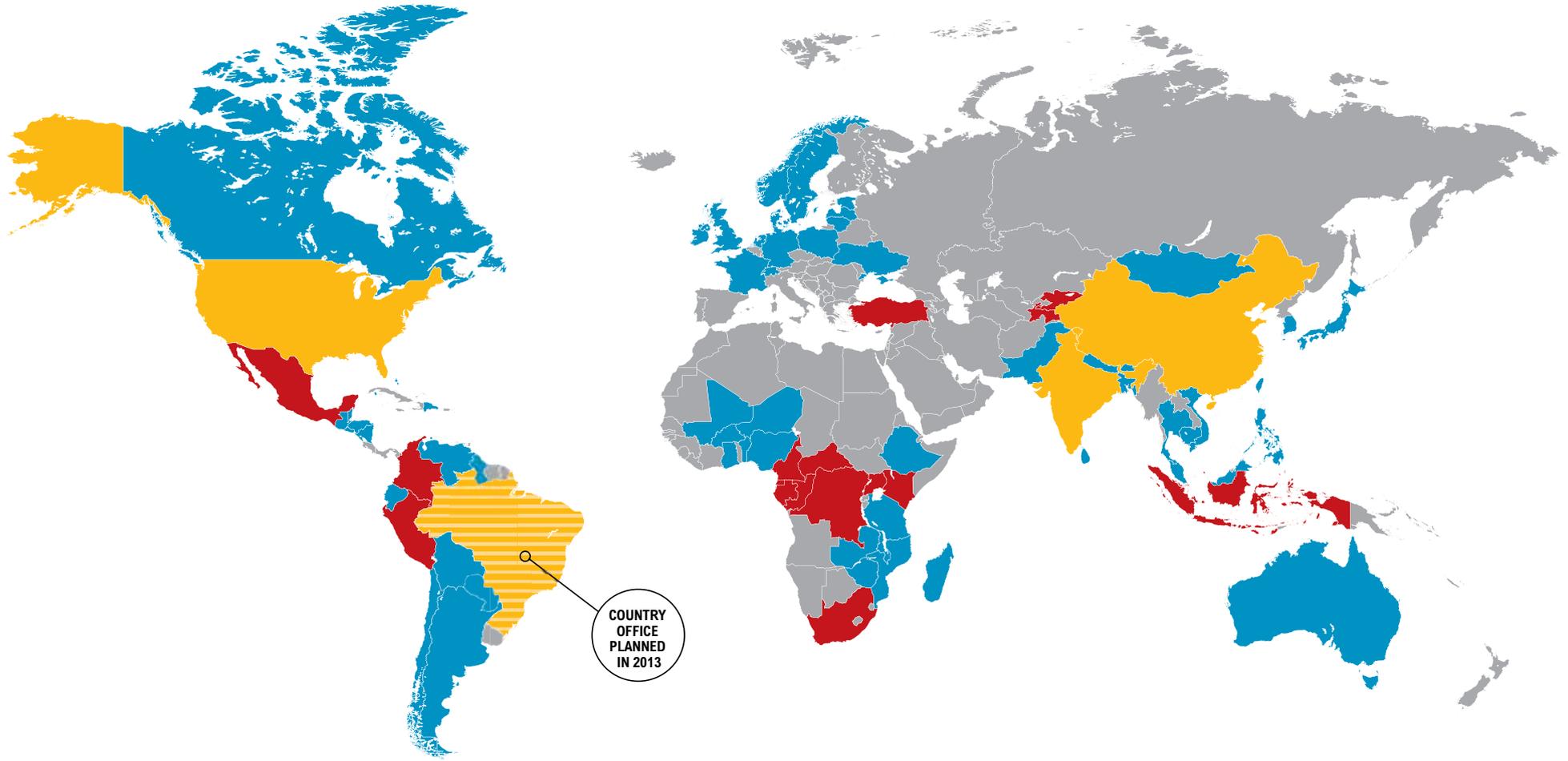
2) Innovation

3) Urgency

4) Independence

5) Respect

WRI ENGAGEMENT ACROSS *the* WORLD *(as of September 2012)*



- INSTITUTIONAL OFFICE
- PROJECT STAFF ON THE GROUND, DEEP PARTNERSHIPS, AND/OR PROJECT OFFICE
- IN-COUNTRY PARTNERS (PROGRAMMATIC OR FINANCIAL)

OUR APPROACH

“WRI is globally credible on data, analysis, and ideas. The trick is to make sure those ideas get to the right decision-makers. We judge ourselves not by the number of reports we write or the beauty of our analysis, but by the impact on the ground.”

—Andrew Steer
President and CEO

OUR APPROACH

FOCUS ON RESULTS | We organize all our work to produce powerful and practical strategies, tools, and policy proposals for the public and private sectors.

ANALYTICAL EXCELLENCE | We identify problems, drivers, economic incentives, and consequences to arrive at comprehensive, incentive-based practical solutions.

PARTNERSHIPS | We work with scientists, governments, businesses, and nongovernmental organizations and international institutions worldwide to create incentives and pressure for change.

COMMUNICATION | We foster change by disseminating our ideas and solutions to influence targeted audiences.

MANAGING FOR RESULTS

WRI’s focus can be summed up in a single word: results. We define these as significant actions by government agencies, corporations, policy-makers, or civil society taken as a result of our activities and influence.

We aim to ensure our staff and funding work as productively as possible to serve our mission. Our focus must therefore be devoted to the most strategic and potentially transformative efforts. Our Managing for Results system helps us to achieve this focus. First implemented in 2003, it serves multiple purposes, pushing WRI to: focus on and fundraise around fewer, bigger ideas; develop strong strategies with compelling theories of change; hold ourselves accountable for achieving what we set out to do; and learn from our successes and failures.



WELCOMING NEW WRI PRESIDENT ANDREW STEER

Dr. Andrew Steer is WRI's third President. He has three decades of experience working on international development on the front line in Asia and Africa, and at a senior level in international policy roles.

Andrew previously served as the World Bank's Special Envoy for Climate Change since 2010. In this role, he guided Bank efforts on climate change in more than 130 countries, oversaw the \$7 billion Climate Investment Funds, and led the Bank's engagement on international climate negotiations. He was a member of UN Secretary-General Ban Ki-moon's High Level Panel on Sustainable Energy for All and on the B20 Board on Green Growth.

From 2007 to 2010 he served as Director General of the UK Department of International Development (DFID). Prior to joining the UK Government, Andrew held several senior posts at the World Bank, including Director of the Environmental Department. There he oversaw a major expansion of the Bank's environmental program. For a decade (1997-2007) he was resident in East Asia, where he directed World Bank operations in Vietnam and Indonesia. Andrew has a PhD in Economics, and has taught and lectured at several universities.

PROGRAM //
**CLIMATE +
ENERGY**

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 >



MAKING BIG IDEAS HAPPEN // CLIMATE + ENERGY

NEW STANDARDS HELP COMPANIES PUT A NUMBER ON EMISSIONS

For years, companies seeking to curb their greenhouse gas emissions have faced a frustrating problem. There was no standard way of calculating the amount of climate-warming gases released throughout their value chains or over the whole life cycle of a specific product. Now, two new standards developed by WRI and its partners are helping end the exasperation. The Corporate Value Chain and Product Life Cycle standards, unveiled late last year, will help generate “key data to drive strategic business decisions regarding greenhouse gas reductions,” says Kelly Semrau, a senior vice president with Wisconsin-based SC Johnson, one of 60 major companies in 17 nations that helped test and fine-tune the accounting methods during a three-year development process.

The standards are the latest practical tools produced by the pioneering Greenhouse Gas Protocol (www.ghgprotocol.org), a decade-long partnership between WRI and the World Business Council for Sustainable Development. The GHG Protocol had already created now widely used methods for tallying direct and indirect emissions

from company operations (known as Scope 1 and 2 emissions). The new standards will help companies measure a broader set of emissions known as Scope 3 emissions. The Corporate Value Chain standard, for instance, enables businesses to identify “hot spots” in supply and customer chains that can stretch across continents. And the Product Life Cycle standard allows companies to add up the emissions inherent in making, using, and disposing of a product, whether it is a toaster or a truck.

In essence, the standards recognize that businesses can’t manage what they can’t measure. Putting reliable numbers on the table, however, will help companies focus on the bottom line: curbing emissions and improving financial performance. That’s one reason the standards are already gaining traction around the world. For example, the Consumer Goods Forum, which represents more than 400 consumer goods companies and retailers with a combined \$3 trillion in sales, has embraced them, as has the Global e-Sustainability Initiative, a consortium of leading information and communication technology companies.

80%

OF A
COMPANY'S
EMISSIONS
(ON AVERAGE)
ARE CLASSIFIED
AS SCOPE 3

(sapsustainabilityreport.com/downstream)

12k

FAMILIES IN
BOLIVIA
AFFECTED BY
HEAVY RAINS

*(National plan launched
to assist thousands affected
by flooding across Bolivia,
IFRC.org, March 7, 2012)*

THE NEXT CHALLENGE // CLIMATE + ENERGY

HELPING THE WORLD'S POOR PREPARE FOR CLIMATE CHANGE

Even under the best circumstances, they are complicated decisions that can have long-lasting implications: Where is the best place to plow a new field; build a home or community; or construct a factory, road, or power plant? Now, with climate change poised to shift rainfall patterns and even shorelines, such decisions have become even more critical for the people most vulnerable to a changing climate—the world's poor and marginalized. They tend to live in the places most exposed to climate risks, such as low-lying urban slums and marginal agricultural lands. And they have the fewest resources with which to weather environmental and economic setbacks.

Increasingly, however, national governments around the world are recognizing the real risks that climate change poses to economic and social development. These governments know that their countries are vulnerable and will need to adapt. To that effect, WRI has launched a “vulnerability and adaptation” (V&A) initiative to help communities become more resilient in a changing world.

In practical terms, this means helping key government ministries—such as those responsible

for planning, agriculture, and social affairs—to look ahead and include consideration of V&A in core plans and practices. It means working with global agencies and governments to encourage more creative, efficient, and accountable ways of steering limited funds to the most important V&A programs. And it means empowering local people by providing them with the information they need to prepare and protect themselves from climate change. In many places, even basic information on weather, water flows, and markets can be hard to come by.

Initially, we will learn from working in East Africa and India and focus on a central issue: how land is—and will be—used for everything from farming to settlement. These efforts not only have the potential to catalyze local change, but also to demonstrate and accelerate the adoption of effective V&A policies around the world. Ultimately, our goal is ensure that the world's poorest citizens are benefiting from more resilient development strategies that are far less likely to be undone by a changing climate.



PROGRAM //
**GOVERNANCE +
ACCESS**

EMPOWER PEOPLE
AND STRENGTHEN
INSTITUTIONS
TO FOSTER
ENVIRONMENTALLY
SOUND AND
SOCIALY
EQUITABLE
DECISION-MAKING >



MAKING BIG IDEAS HAPPEN // GOVERNANCE + ACCESS

NEW ENVIRONMENTAL LAWS GIVE THE POOREST CHILEANS A GREATER VOICE

After voters in Chile elected a new president in 2010, public-interest groups sprang into action. Their goal: to make sure that a landmark effort to strengthen Chile's environmental laws, years in the making, didn't falter.

Happily, it didn't. With assistance from WRI and The Access Initiative (TAI), a global effort to ensure that citizens have a voice in environmental decisions, last year several Chilean groups, led by Corporación Participa, helped persuade officials to approve an innovative public participation regulation. It requires government agencies conducting environmental impact assessments of proposed projects, such as dams or mines, to actively seek out the views and participation of vulnerable and marginalized communities. A 2010 WRI report, *A Seat at the Table: Including the Poor in Decisions for Development and Environment*, provided key support for the measure.

"In concrete terms, this means that, for the first time, the poorest and often most remote communities in Chile will be able to participate in environmental decision making in a meaningful way," says TAI Senior Associate Joseph Foti.

Just a handful of other nations, including the United States, South Africa, and South Korea, have similar

environmental justice policies. But "to the best of our knowledge, Chile's would be the first such legally binding rules in the world," Foti says. It is also "the first time a Latin American country has brought the notion of environmental justice in public participation into standard practice with the full force of law."

The president's office is now finalizing the language before moving to implement the regulatory reforms, many of which aim to make it easier for people to learn about and participate in environmental assessments. Officials are working to simplify technical information, for example, and communicate using local languages and accessible formats (such as local radio ads on new projects). The officials are also moving to schedule meetings when busy workers and parents are able to attend, and hold them close to affected communities.

Ultimately, environmental advocates hope Chile's new rules will serve as a model for other nations. "Historically, Chile has been a bellwether for environmental reform in other Latin American countries," says Foti. "By codifying these principles in language specific to its legal tradition—a legal tradition shared by its neighbors—such principles could eventually become commonly implemented throughout the hemisphere."

83%

INCREASE
IN ROADS,
EXTRACTIVES,
AND ENERGY
IN THE LAST
FOUR YEARS
IN SOUTH
AMERICA

(Alternative Latin Investor,
*Infrastructure Investment
Latin America 2011*)

40%

OF UGANDA'S
POPULATION
SURVIVES ON
LESS THAN
\$1.25 PER DAY

(*NY Times*, 11/25/11 story
on oil and Uganda which
cites World Bank data)

THE NEXT CHALLENGE // GOVERNANCE + ACCESS ENSURING THAT FOREIGN OIL INVESTMENT MEETS UGANDA'S NEEDS

The Albertine Rift, a network of fertile valleys, sparkling lakes, and towering mountains, creates a 600-mile-long north-south corridor through five nations in central Africa. For decades, biologists have considered the rift to be one of the world's biodiversity treasure chests. More than half of Africa's bird species call it home, along with 40 percent of the continent's mammals and 20 percent of its amphibians and plants.

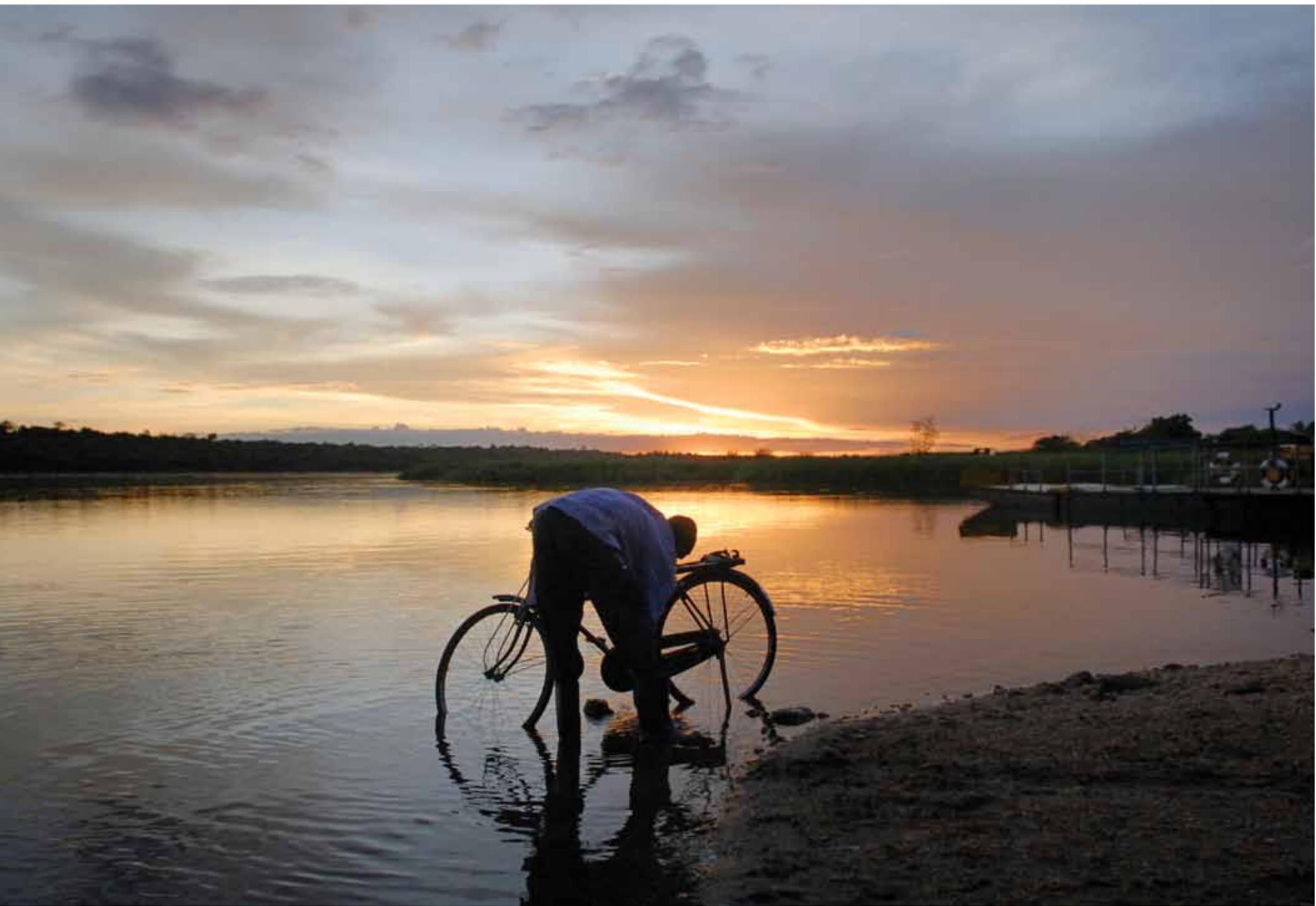
Recently, however, the Albertine Rift has become known for holding another kind of treasure: oil. It's a valuable resource that, if exploited appropriately, could help alleviate poverty in some of Africa's poorest communities. Without appropriate safeguards, however, oil development could also help fuel conflict in a region with a tragic history of violence.

A WRI project aims to enable one Albertine Rift nation, Uganda, to effectively manage investments in its emerging oil sector. Although the Ugandan government already has guidelines designed to incorporate social and environmental concerns into industrial development, they predate the discovery of oil and, as a result, don't fully address the unique challenges posed by oil development, which will include extensive

foreign investment. To ensure that Uganda's guidelines meet 21st century needs, the Equity, Poverty, and Environment project (EPE) and the International Financial Flows and Environment project (IFFE) of WRI's Institutions and Governance program will be working with foreign oil companies, government agencies, and civil society and nongovernmental organizations to revise and update the guidelines.

One goal is to ensure that foreign oil companies operating in Uganda better understand, support, and comply with the social and environmental standards established by Uganda, their home nations, and the international community. Another is to strengthen investor commitment to transparency and the implementation of policies and practices that address the social and environmental impacts of their investments.

Uganda is not the only nation facing the challenge of making the most of a newfound source of wealth. As a result, Uganda has an opportunity to become a model of how to tap potentially extensive oil reserves in a way that minimizes environmental impacts and social conflict while maximizing benefits to society as a whole.



PROGRAM //
**MARKETS +
ENTERPRISE**

HARNESS MARKETS
AND ENTERPRISE TO
EXPAND ECONOMIC
OPPORTUNITY
AND PROTECT THE
ENVIRONMENT >



MAKING BIG IDEAS HAPPEN // MARKETS + ENTERPRISE

AQUEDUCT CARRIES PRECIOUS INFORMATION ON WATER RISK

As one of southern Africa's longest waterways, the Orange-Senqu River plays a vital role in fueling the economies of South Africa, Botswana, Namibia, and Lesotho. But the 1,400-mile-long river is flowing toward an uncertain future as demand grows for its water. Aqueduct, a suite of interactive mapping and analysis tools created by WRI, is helping decision makers better identify these water-related risks and thus drive the development of early response and mitigation strategies.

Aqueduct enables companies, investors, and governments to visualize and explore issues that could affect water quantity and quality. Click into Aqueduct's online Water Risk Atlas for the Orange-Senqu River Basin, for example, and you can create color-coded maps that highlight regions that are likely to be facing water stress, flood problems, or unstable regulatory regimes.

That kind of information can be critical for businesses and governments trying to make sound investment and water-management decisions. Unless existing infrastructure and management regimes are in place to mitigate such risks, it makes no sense, for instance, to site a water-intensive facility in a place likely to experience droughts—or where the facility might

compete for scarce water with people or wildlife. The maps can also help identify places that could potentially be in need of solutions to more sustainable water use.

“Water risk is becoming an issue that is on the tip of everyone's tongue,” says WRI's Rob Kimball, who helps coordinate Aqueduct. A 2012 report to the World Economic Forum, for instance, identified for the first time water supply as one of the top five risks facing the global community—right up there with systemic financial failure and debt crises.

We began building Aqueduct last year to help reduce that risk. We've already assembled a global database that holds information on everything from estimated water availability to storage infrastructure and have released an online atlas that provides a global overview of water risks. Developing finer-scale water risk atlases in river basins including China's Yellow, Africa's Orange-Senqu, and the United States' Colorado has helped us refine and improve our peer-reviewed water risk mapping methodology. In 2013, we will apply this methodology globally, releasing a powerful tool for mapping water risk worldwide. Ultimately, Aqueduct will help key leaders visualize the risks facing these important waterways and envision solutions.

50%

INCREASED
WATER USE
IN DEVELOPING
COUNTRIES
BY 2025

(UNEP, WWAP 2006)

20

MILLION
PEOPLE
AFFECTED BY
2010 FLOODS
IN PAKISTAN

*(World Resources Report
2011 on adaptation)*

THE NEXT CHALLENGE // MARKETS + ENTERPRISE CLIMATE FINANCE AND THE PRIVATE SECTOR—KEY FOR DEVELOPING NATIONS

Many of the solutions to addressing climate change are clear, such as developing new sources of energy that emit less carbon dioxide and building homes, factories, and vehicles that use energy more efficiently. How to pay for these advances, however, is a little less obvious, especially in developing nations. Experts, for instance, estimate that developing nations will need at least US\$400 to \$500 billion by 2030 to address climate change. The governments of developed nations have already said they'll help out by providing US\$100 billion. But developing nations will also need assistance from private investors—from banks to venture capitalists—to raise the needed funds.

WRI's new Climate Finance and the Private Sector Project aims to catalyze the private investment needed to close the gap. In particular, by working with governments, publicly funded financial institutions, and other funding institutions, we'll be working to build public-private partnerships that increase the flow of climate finance to developing nations.

We've already met with leaders from the public and private finance sectors to identify problems and

possibilities. All sides see opportunities to better leverage private capital to curb climate change. But they also agree that better coordination and collaboration are needed.

To build that teamwork, over the next year the Climate Finance and the Private Sector Project will be focusing its work in three areas. We'll be working with public financial institutions, such as government-backed aid funds, to identify how they can help catalyze private investment in climate projects. We'll be working with one of the world's biggest climate finance donors, the U.S. government, to help overcome barriers to scaling up private climate finance flows to the developing world. And we'll be closely examining the nitty-gritty organization and governance of existing public-private collaborations on climate finance, looking for lessons learned and ways to improve performance.

These efforts recognize that, although money alone can't solve problems, it is a critical ingredient to fueling progress on climate change. And by building bridges between the public and private sectors, our project can help steer resources to where they are needed most.



PROGRAM //
**PEOPLE +
ECOSYSTEMS**

REVERSE RAPID
DEGRADATION
OF ECOSYSTEMS
AND ASSURE THEIR
CAPACITY TO
PROVIDE HUMANS
WITH NEEDED
GOODS AND
SERVICES >



MAKING BIG IDEAS HAPPEN // PEOPLE + ECOSYSTEMS

GLOBAL INVESTOR STRENGTHENS ENVIRONMENTAL AND SOCIAL STANDARDS

Over the last few decades, the International Finance Corporation (IFC), a major global lender, has helped catalyze numerous projects, from new farms and banks to mines and power plants, that have helped reduce poverty and promote development in middle- and low-income nations. To minimize the impact that these projects can have on the environment and people, IFC lending has been guided by a set of Performance Standards on Environmental and Social Sustainability since 2006. Now, drawing on WRI's analytical work, IFC is stepping up its environmental and social reviews to ensure that its lending helps and not hurts.

"In addition to requiring more comprehensive assessments of how a project might affect climate change and indigenous peoples' rights, IFC has raised the bar for examining ecosystem risks and benefits," says Norbert Henninger, a senior associate in WRI's People and Ecosystems Program. "It could become a trendsetter."

IFC's new performance standards, adopted at the start of 2012, bolster project reviews in a number of ways. Experts inside and outside of IFC, for example, believed that the 2006 standards didn't

fully account for ecosystem services. For instance, although draining a wetland to plant crops or build a factory might seem worthwhile using a traditional cost-benefit analysis, the calculus changes if it includes the full value of the lost flood control, fish habitat, pollination and other ecosystem services. "You need to incorporate all the natural capital; you can't just ignore it," Henninger says.

The new IFC standard, developed in part with input from WRI experts, requires borrowers to show that planned projects will "maintain the benefits from ecosystem services." And although it is too early to know exactly how that requirement will shape projects, it could have a long reach: IFC alone is expected to lend about \$20 billion this year, and its practices are "widely influential among international financiers for managing environmental and social risks of projects in the developing world," Henninger says. More than 60 leading institutions have already said they will adhere to the IFC standards. Now, the challenge is to make sure those lenders transform that commitment into action.

\$2B*

CONTRIBUTED
TO WORLD
BANK'S FUND
FOR POOREST
COUNTRIES
SINCE 2007

(IFC Key Facts at IFC.org)

*US dollars

9.3

BILLION PEOPLE
ON EARTH
BY 2050

(United Nations, Department of Economic and Social Affairs, Population Division (2011). *World Population Prospects: The 2010 Revision, Highlights and Advance Tables*. Working Paper No. ESA/P/WP.220.)

THE NEXT CHALLENGE // PEOPLE + ECOSYSTEMS AGRICULTURE'S LOOMING CHALLENGE

At least 10,000 years ago, the world's first farmers sowed their seed and reaped the harvest. Today, agriculture remains central to our lives, but challenges loom. By 2050, experts predict that there will 9.3 billion people on Earth. How will we feed them all without exacerbating pressure on the climate, ecosystems, and freshwater? Can we expand food production and still alleviate poverty and improve the lives of women?

Achieving this "great balancing act" will require more than a single approach. So, over the next few years, we will be working to identify practical solutions to the grand challenge of feeding the world without undermining our future. Along the way, we'll be sharing what we've learned in a new and innovative edition of the World Resources Report, WRI's influential resource on the environment and development.

Since 1986, 13 volumes of this authoritative "big book" have helped shape how the world thinks about and addresses critical issues. For our 14th

edition, we are taking a somewhat different approach. Instead of a single volume, we will be releasing a series of short, solution-focused installments from 2012 through 2014. Each will take on one piece of the food-environment problem and identify solutions that can be tailored to different circumstances, because what works in Texas might not be right for Tanzania. "There is a lot of good research on the problems, so our focus will be on solving them," says Craig Hanson, director of WRI's People and Ecosystems program.

It's an approach that recognizes that knowledge is power but that a big challenge doesn't have just one solution. Agriculture not only accounts for 70 percent of the world's freshwater consumption, for instance; it also produces about one-quarter of the world's greenhouse gases. It is also a major contributor to water pollution and habitat loss. Meanwhile, many of the world's poorest people are farmers, and nearly one-half of these are women. Helping these farmers meet the coming challenge will be essential for all of us.



PROGRAM //
**SUSTAINABLE
TRANSPORT**

IMPROVE THE
QUALITY OF
LIFE IN CITIES
BY CATALYZING
AND HELPING
IMPLEMENT
SUSTAINABLE
TRANSPORT
SOLUTIONS >



MAKING BIG IDEAS HAPPEN // SUSTAINABLE TRANSPORT

MAKING STREETS SAFER: BRT IN MEXICO AND BRAZIL

With more than one million people a year killed in road crashes worldwide—and another 50 million injured—road safety is an important issue for WRI’s EMBARQ Center for Sustainable Transport. With support from Bloomberg Philanthropies, EMBARQ works with partners in Mexico and Brazil to improve bus rapid transit systems (BRTs), which help shorten commutes and reduce congestion and pollution.

Rio de Janeiro’s first BRT corridor—called Transoeste—is improving quality of life for millions of people. Planners predict Transoeste will carry 220,000 passengers per day in an area that previously lacked high-quality rapid transit. EMBARQ Brazil provided technical support to improve the system’s implementation and marketing, guided road safety audits, and identified operating and design issues. Such assistance “was only possible through a partnership with EMBARQ,” said Rio de Janeiro Mayor Eduardo Paes, during a Rio+20 Conference event with New York City Mayor Michael Bloomberg.

EMBARQ also worked to ensure that planned urban infrastructure improvements in Brazilian cities last beyond two upcoming mega-sporting events: soccer’s 2014 World Cup and the 2016 Summer Olympics. For example, EMBARQ Brazil recommended ways to improve safety at “black spots” along 7 busway corridors in Porto

Alegre. It is also working with Belo Horizonte, the host of soccer’s 2013 Confederation Cup, to reshape downtown construction plans to better accommodate BRT, cycling and walking.

EMBARQ is also working in Mexico to improve sustainable transport. EMBARQ Mexico was instrumental in starting the Metrobus BRT system in Mexico City, which now consists of four lines serving 690,000 passengers per day on 95 km. EMBARQ Mexico played a major role in developing the city’s new Line 4 in the historical district.

Mexico City officials adopted more than two-thirds of EMBARQ’s recommendations to improve road safety and operations, from improving pedestrian safety at crossings to controlling vehicle speeds. In partnership with FedEx Corp., EMBARQ Mexico conducted safety training for Line 4 drivers. Now, EMBARQ Mexico is replicating this work in other cities, such as Chihuahua.

Using lessons learned from crash data analysis and road safety inspections on BRTs, EMBARQ developed a set of guidelines, Traffic Safety on Bus Corridors, for transit agencies, cities and development banks around the world, to ensure that all new BRTs integrate the best practices on pedestrian and traffic safety.

50

MILLION
PEOPLE
INJURED
WORLDWIDE
PER YEAR IN
ROAD CRASHES

(WHO World report on road traffic injury prevention. Geneva, 2004)

229

MILLION
RICKSHAW
PASSENGER
TRIPS PER DAY
ACROSS INDIA

*(WRI's Sustainable Transport
in India, 2012)*

THE NEXT CHALLENGE // SUSTAINABLE TRANSPORT WHEN RESEARCH MEETS THE ROAD: AUTO-RICKSHAWS IN INDIA

In India, the rickshaw is a three-wheeled icon.

Modern “auto rickshaws”—which are powered by a motor and not pulled by a person—are a popular and dependable form of transit. Now, EMBARQ, the WRI Center for Sustainable Transport, is helping translate research into real-world efforts to make rickshaws an even more important part of India’s transport system.

Rickshaws can help achieve the twin goals of sustainable transportation: promoting the use of public transport, and reducing the reliance on private motor vehicles, notes a recent EMBARQ research report, *Sustainable Urban Transport in India: Role of the Auto-rickshaw Sector*. It found that auto-rickshaws make it easier for people to reach and use of other types of public transport, and serve as an effective door-to-door alternative to private motor vehicles. Well run rickshaw fleets can also improve road safety and reduce environmental impacts.

To maximize those benefits, EMBARQ India is helping green entrepreneurs launch rickshaw services. In early 2012, for instance, it organized a “Rickshaw Rising” summit in Mumbai. It featured

Indian entrepreneurs sharing lessons learned from running fleets, global experts highlighting technological innovations that could help rickshaw owners, and policy makers and local decision makers discussing nitty-gritty issues such as how to get start-up loans and permits. The event was part of a Catalyzing New Mobility project supported by the Rockefeller Foundation.

EMBARQ India also assisted Rajkot, a city of 1.3 million people in Gujarat State, in launching the “G-Auto” rickshaw service. Like many cities, Rajkot has thousands of rickshaws with unreliable services and informal fare structures. The G-Auto fleet, the first of its kind in the city, developed in partnership with the Nirmal Foundation, aims to address such issues. The fleet was officially launched in July 2012 by Nitinbhai Patel, Minister of Urban Development. The service features a unified brand, metered pricing and even a “dial-a-rixa” (call-in) service. The fledgling fleet is expected to reach about 500 auto-rickshaws within a year, improving quality of service for passengers, as well as quality of life for drivers and city resident.





WRI IN INDIA

WRI IN INDIA

INDIA'S PROFOUND ROLE IN GLOBAL SUSTAINABILITY

A central aspect of WRI's strategic plan is our commitment to focused, sustained interaction with countries emerging as global leaders—economically, politically, and environmentally. These leading nations—especially China, India, and Brazil—will play a profound role in shaping the future sustainability of the planet.

Our first step in executing this strategy was opening a WRI office in Beijing in 2009. In India, WRI helped establish a trust, an important step for scaling up our work in-country, focusing around promoting sustainability in cities. Guiding this organization is a distinguished board of trustees led by WRI Director Jamshyd Godrej, one of India's foremost business and sustainability leaders. Other trustees include Ashok Khosla, founder of Development Alternatives, and Bharath Jairaj, a noted environmental lawyer who directs WRI's Electricity Governance Initiative in India. A generous financial contribution and in-kind office space in Mumbai from Jamshyd Godrej has significantly moved us forward and provided an important financial foundation for expanded work in India.

WRI has a fifteen-year track record in India, and has built strong relationships with civil society, government and business. In 2011, WRI's EMBARQ India partnered with the city of Jaipur to reorganize that city's bus service, a crucial first step toward a modern, sustainable transport system. The Access Initiative, a network of civil society groups formed by WRI in 1999, has helped ensure that India's National Green Tribunal, a court formed in 2010 to deal with environmental disputes, receives the necessary infrastructure, staff, and judges to begin operations.

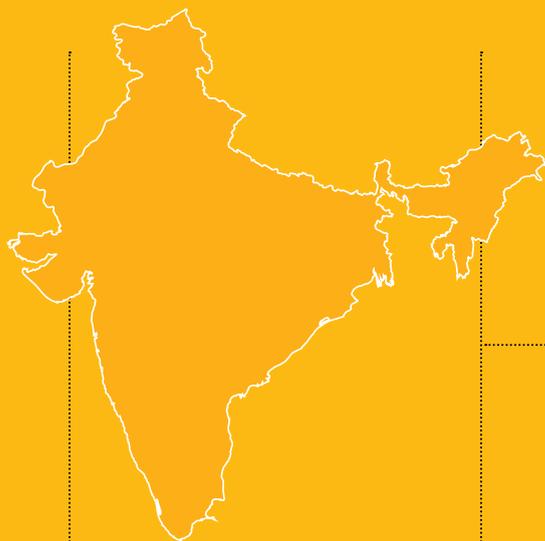
While our work will focus on sustainability in cities, our engagement will continue to span a wide range of issues: strengthening governance in the electricity sector; developing sustainable urban transport and road safety solutions; engaging business through greenhouse gas accounting tools; promoting access to information, participation, and justice in environmental matters; and building trust between India and the U.S. on climate change.



40%

OF INDIA'S
POPULATION
WILL LIVE IN
URBAN AREAS
BY 2030

(worldbank.org, 2012)



400

MILLION
INDIANS LACK
ACCESS TO
ELECTRICITY

*(India's Energy Policy and
Electricity Production,
The National Bureau of Asian
Research for the Senate Indian
Caucus, October 2011)*

THE NEXT CHALLENGE // WRI IN INDIA

BLACKOUTS HIGHLIGHT NEED FOR ELECTRICITY REFORM AND RENEWABLE ENERGY

As India's economy expands and its population grows, so too do its energy needs. While the government has been increasing its power generation capacity, the demand outstrips supply and is increasing even faster. This truth hit home in the summer of 2012 when 670 million people and hundreds of thousands of businesses were left without power after key energy grids broke down. Electricity supply in India is unreliable and generally of poor quality. And 400 million Indians lack access to any electricity at all. Coordination between supply grids is weak.

Helping India meet its energy needs will be a major focus of WRI's agenda in country over the coming years. We are working already with decision-makers to develop a holistic and participatory approach to electricity planning in two important states so as to provide sustainable energy access and reduce the gap between demand and supply. This entails improving transparency, accountability, and public participation in the planning process. It also means effective implementation of existing policies, regulations, and plans to better promote and scale up renewable energy and energy efficiency programs.

At the same time, we recognize that Indian companies and multinational corporations in India will play a decisive role in shaping the country's energy landscape. Their need for more electricity will further exacerbate the demand-supply gap. WRI is working with an emerging "green power purchasing" group of companies in Bangalore that aim to increase their own renewable energy use, help devise new procurement strategies, financing models, and contracting methods, and become business advocates for green power. WRI will leverage its successful experience establishing a Green Power Buyers Group in the U.S., which generated support for over 1,000 MW of new renewable energy among pioneering U.S. companies, when few companies were taking such progressive action. Companies will also tap into WRI's tools for reporting and tracking greenhouse gas emissions as a method for measuring success.

Clean electricity is critical to India's economic progress, energy security and a better quality of life. Citizens, decision-makers, and business leaders are chipping away at India's core electricity challenges as the nation's power demand is expected to more than double by 2035.



SUSTAINABLE CITIES IN CHINA



MAKING BIG IDEAS HAPPEN // SUSTAINABLE CITIES IN CHINA

LOOKING AHEAD TO SUSTAINABLE AND LIVABLE CITIES IN CHINA



Cities have been called humankind's greatest creation, bustling centers of creativity and innovation. But as more of the world's people live in urban areas, the challenge of creating environmentally sound cities is growing. That challenge is particularly apparent in China, one of the most rapidly urbanizing nations on Earth. Already, about one-half of China's 1.3 billion people live in cities, and experts predict that share will rise to 70 percent by 2030. By then, China is expected to have at least 220 cities with populations of 1 million or more.

Many of these new metropolises will be designed and built from the ground up over the next few decades. And a new WRI effort—the Sustainable and Livable Cities Initiative, launched last year at an event in Beijing—is aiming to help these emerging urban centers get off to a good start. Our goals are to help China's fast-growing cities avoid past mistakes in urban design, shift to environmentally smarter practices, and improve strategies for creating truly livable cities. In particular, by working closely with partners in China and around the world, we aim to show how

an “avoid, shift, and improve” approach can help cities save energy; curb greenhouse gas emissions; and improve water quality, urban mobility, and land use.

China has an extraordinary opportunity to pioneer and demonstrate innovative new blueprints for urban growth. Government mandates to improve energy efficiency and curb greenhouse gas emissions are creating opportunities to remake how cities are planned and built, for instance, and WRI is also working with the National Development and Reform Commission, a key planning agency that has initiated a nationwide effort to create sustainable low-carbon cities.

With support from the Caterpillar Foundation, WRI is focusing its initial work in the city of Qingdao in Shandong province, where officials want to improve the quality of life for more than 8.7 million residents. Soon, the lessons learned there in planning everything from transportation grids to water systems will be helping other fast-growing cities—in China and around the world—avoid the mistakes of the past and build a new city of the future.

690
MILLION
PEOPLE LIVING
IN CHINA'S
URBAN AREAS

(National Bureau of Statistics
of China, January 17, 2012)



THE NEXT CHALLENGE // SUSTAINABLE CITIES IN CHINA IN CHENGDU, SEEKING TO SUSTAIN ABUNDANCE

14
MILLION
PEOPLE LIVING
IN AND AROUND
CHENGDU

*(China Daily 7/7/2011 quoting
Chengdu municipal statistic)*

Nestled on a fertile plain once dubbed “the land of abundance,” the city of Chengdu is one of China’s most vibrant urban centers. The capital of southwestern China’s Sichuan province, the city boasts more than 7 million residents, with another 7 million living in surrounding areas. Surveys have picked Chengdu as one of China’s best places to invest and as one of its best places to live.

But with millions of new residents expected to arrive in coming years, can Chengdu sustain its vitality without worsening its environmental impact and quality of life?

That is the question that WRI and Chengdu officials are hoping to answer in the next phase of the Sustainable and Livable Cities Initiative. Building on initial work in the city of Qingdao, WRI is now working with city and regional groups in Chengdu to come up with an action plan for taking practical, significant steps to curb the city’s carbon emissions and improve transportation and water management.

Preliminary plans, for instance, call for the partners to develop a blueprint for low-carbon development that examines the city’s major energy uses and identifies promising opportunities for reductions. There is also interest in developing a sustainable transportation and water management system for the Tianfu New District, an entirely new community that could ultimately house millions of people.

For the moment, Tianfu is mostly bare ground. City officials must still take numerous steps, from finding development funds to laying sewer pipes, to make it real. But by thinking ahead—and learning from the successes and failures of other fast-growing cities—the Sustainable and Livable Cities Initiative hopes to make places like Tianfu world-class models for how to do urban development in the 21st century and help the Chengdu plain sustain its reputation as a land of abundance.



ACKNOWLEDGING OUR DONORS *(January 1, 2011 – August 1, 2012)*



Membership in **Corporate Consultative Group (CCG)** is the principal way for companies to stay up-to-date on WRI's corporate-relevant research, analysis and tools across all of WRI's programs. In the photo above, participants from 3M, Citi, Alcoa, Disney, PricewaterhouseCoopers, and Kimberly-Clark participate in a breakout session at the CCG's 2011 MindShare Meeting, hosted by Citi in New York.

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Due to space limitations in this annual report, we are listing only corporate contributions larger than one thousand dollars.

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 president and director
 of EMBARQ Brasil;
 and Clayton Lane,
 chief operating officer,
 EMBARQ; The WRI
 Center for Sustainable
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WRI Director and President of the Natural Resources Defense Council Frances Beinecke joins WRI's Director of WRI's Markets and Enterprise Program Kirsty Jenkinson in a conversation about workable climate policy solutions at the opening dinner for WRI's Corporate Consultative Group (CCG) annual MindShare meeting in New York.



WRI AND CATERPILLAR FOUNDATION LAUNCH SUSTAINABLE CITIES INITIATIVE

In late 2011, the Caterpillar Foundation announced a five-year, \$12.5 million grant to WRI to advance environmentally sustainable and livable cities in China, India, and Brazil. Work is underway in Qingdao, Chengdu, Bangalore, and Sao Paulo. The grant builds on the company's earlier support for EMBARQ—The WRI Center for Sustainable Transport, which is well-known for results that improve mobility, road safety, and land use in Mexico, Brazil, India, Turkey, and the Andes.

“Sustainable urbanization is challenging, and the World Resources Institute has a proven track record of developing innovative approaches to the world's biggest environmental and sustainability issues,” said Kevin Thieneman, Caterpillar China, India, and ASEAN Country Manager. “It is our hope that lessons learned in China, India, and Brazil will guide the world's urban centers toward more sustainable growth models that will generate practical solutions for managing rapid urbanization and improve the lives of millions of people.”

WRI Vice President for Development and Institutional Strategy Elizabeth Cook, Director General Su Wei of the Department of Climate Change from China's National Development and Reform Commission (NDRC), and Richard Lavin, Caterpillar Group President, at the launch of WRI's Sustainable and Livable Cities Initiative in Beijing, China.

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 Laura McLuckie-Khandan, award for the Environmental Poetry Contest
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 James P. Rosenfield for Lee Schipper Memorial Scholarship
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 Daniel Sperling for Lee Schipper Memorial Scholarship
 Emma Stewart, PhD, in honor of Dan Hopkins for quality analysis to inform policy
 Reena Tiwari for Lee Schipper Memorial Scholarship



(TOP) WRI Interim President and Managing Director Manish Bapna presented the 9th annual “Stories to Watch” briefing to journalists and donors at the National Press Club in Washington, DC. **(BOTTOM)** WRI hosted a high-level Chinese official delegation to the U.S. to exchange ideas and information around low carbon development. During the visit, WRI and NDRC signed a memorandum of understanding to help increase collaboration on sustainable development activities in China. Pictured: Director General Su Wei of the Department of Climate Change from China’s National Development and Reform Commission (NDRC), WRI Deputy China Country Director and China Sustainable Cities Project Director Xiaomei Tan, WRI Chairman James A. Harmon, and former WRI China Country Director Dr. Zhou Ji.

COURAGE TO LEAD DINNER

WRI celebrated its 30th Anniversary on May 23, 2012, with the “Courage to Lead” dinner at the Mandarin Oriental Hotel in New York City



At the dinner, WRI recognized the contributions of its special guest, philanthropist and **Mayor Michael Bloomberg**; and honored **Stephen Ross**, chairman, CEO and founder of Related Companies; and **Jonathan Lash**, president of Hampshire College and WRI's former president, for their commitments to sustainability.

The dinner emcees were Joe Scarborough and Mika Brzezinski, co-hosts of MSNBC's *Morning Joe*. WRI President Elect Andrew Steer gave remarks.

The dinner **raised more than \$1 million to help the organization fulfill its mission** and respond to new and emerging challenges. Nearly 400 people, from a mix of government, business, non-profit, and philanthropic organizations, attended the dinner.

(Clockwise from top left) WRI Chairman James A. Harmon and WRI Vice Chair Hattie Babbitt. WRI Director and Related Companies Chairman and CEO Stephen M. Ross, New York Mayor Michael Bloomberg, WRI Director and President of Hampshire College Jonathan Lash, MSNBC Morning Joe Co-Hosts Mika Brzezinski and Joe Scarborough. Alisa Doctoroff and Bloomberg President and WRI Director Daniel Doctoroff, Peggy Duxbury, Bloomberg Philanthropies. Kara Ross, David Saltz, WRI Director and Related Companies Chairman and CEO Stephen M. Ross.

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Roger and Vicki Sant
Jeffrey and Paula Smith
Taconic Investment Partners
Sue and John Tierney
Glen and Lynn Tobias Family Foundation
Dan Tunstall
Jack Warner
Wolfensohn Family Foundation

(TOP) Author Michael Beschloss and WRI Director and Rock Creek Group CEO Afsaneh Beschloss. (CENTER) Dr. Liesbet Steer, WRI President Andrew Steer, Counselor for Spatial Planning and the Environment for Embassy of Kingdom of the Netherlands Janneke de Vries, WRI Director of International Cooperation Leo Horn-Phatanothai. (BOTTOM) WRI Director and Angeleno Group Co-Founder and Managing Partner Daniel Weiss, WRI Director and former Governor of New Mexico, former US Ambassador to the United Nations, former Energy Secretary Bill Richardson.



WRI BOARD of DIRECTORS

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Q+A WITH DANIEL CRUISE

What made you want to join the Board of WRI as opposed to other environment and development organizations?

WRI is action-oriented. It develops substantive, holistic approaches to today's most critical environmental issues and brings the right partners together to incite change.

How do the issues that WRI works on impact your work or daily life?

Sets an example for how sustainability and responsible resource management should be integrated into global growth.

In the fall of 2011, the world population hit 7 billion and the demand for resources is growing. How can we respond?

Engage policymakers, business leaders, and communities in creating a long-term vision and pragmatic solutions for sustainable development across diverse economies.

When thinking about the future, what inspires you?

Global capacity and potential for innovation-in partnerships, technology, and policy

If you had to pick one word or phrase to describe WRI, what would it be?

Catalyst

Q+A WITH JAMIE LERNER

What made you want to join the Board of WRI as opposed to other environment and development organizations?

I was influenced by the importance of the issues WRI focuses on, by the credibility of the institute, and by the seriousness of its work.

How do the issues that WRI works on impact your work or daily life?

They enable me to expand the focus of my work and to increase my knowledge about topics that are not part of my daily life but that deal with fundamental questions.

In the fall of 2011, the world population hit 7 billion and the demand for resources is growing. How can we respond?

We have to look at cities. For the first time the majority of the world's population live in urban areas, and they are responsible for about 75% of the greenhouse gases emissions. There is immense potential to make cities more livable, more efficient, more intelligent in the use of resources. Cities have to be understood as integrated structures of life, work and movement, and by investing on mobility, sustainability and identity/coexistence we can improve the quality of people's lives with better use of resources.

When thinking about the future, what inspires you?

Possibility. The possibility to change trends that are not desirable; the possibility to be more effective; the possibility to give more answers in the areas of sustainability, mobility, poverty, famine; the possibility to reduce waste. I'm inspired by the possibility that with good science the existing knowledge can be enhanced and used to change undesirable tendencies.

If you had to pick one word or a few words to describe WRI, what would it be?

Consciousness transformed into action.



Chen Jining

Professor and President, Tsinghua University (Beijing), China

Jonathan Lash

President, Hampshire College, United States, former President of WRI

Jaime Lerner

President, Instituto Jaime Lerner, former Governor of Parana, former Mayor of Curitiba, Brazil

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Managing Director, Strategic Growth, Weston Solutions, Inc., United States

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Bill Richardson

Former Governor of New Mexico, former U.S. Ambassador to the United Nations and former Energy Secretary, United States

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Vice President, Science and Research

Vivian Fong
Human Resources Director

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Chairman & Managing Director, Godrej & Boyce Mfg Co. Ltd

Ashok Khosla
Chairman, Development Alternatives President, International Union of Conservation Nature (IUCN)

Bharath Jairaj
Senior Associate, World Resources Institute



(LEFT TO RIGHT)
Jamshyd Godrej,
Ashok Khosla,
Bharath Jairaj

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Chairman of Environmental and Resources Protection Committee, the National People's Congress; Former Minister of MEP

Chen Jining
President, Tsinghua University

Qian Yi
Academician, Chinese Academy of Engineering; Prof. of Environment Science & Engineering Department, Tsinghua University

Zhou Dadi
Former President of ERI, NDRC; Vice-Chairman, National Energy Advisory Committee

Shi Dinghuan
Counselor of the State Council; Former Secretary-General of MOST

He Jiankun
Former Executive Vice-President, Tsinghua University

Wang Hao
Academician, Chinese Academy of Engineering; President of Water Research Institute, Institute of Water Conservancy and Hydroelectric Power Research

Peng Suping
Academician, Chinese Academy of Engineering; Director of State Key Laboratory of Coal Resources and Safe Mining, China University of Mining and Technology

Lu Mai
Secretary General, China Development Research Foundation

Xu Dingming
Counselor of the State Council and former Director of the Energy Bureau, NDRC

WRI staff at the third annual meeting of the China Advisory Committee.



ACCOUNTABILITY

WRI continues to meet the highest standards of accountability and use of donor funds from the Better Business Bureau and Charity Navigator. In August 2012, we were honored to learn from Philanthropedia/Guide Star that a group of 121 experts identified World Resources Institute as one of eighteen high-impact nonprofits working in the field of climate change in the United States.

Some of reviews experts had about our impact were:

“WRI brings strong research teams to bear on projects and issues, and has a significant reliance on hard science that strengthens its arguments.”

“They produce a lot of intellectual capital necessary for moving forward.”

“They have breadth of experience across the organization. Among other things, this includes work to develop methods for estimating emissions inventories, facilitating solutions with nations and states, and their international work and messaging about climate change.”



ACCOUNTING // FINANCIAL OVERVIEW

The trust of our supporters is of great concern to WRI. We receive donations from individuals, governments, foundations, and corporations, and have stringent financial controls in place to ensure compliance with donors' wishes. We are efficient, for 2011 over 86 percent of our revenue supports program activities. To maintain our credibility and effectiveness, our income and expenditures are reviewed by professional auditors. >

STATEMENT of CONSOLIDATED ACTIVITIES (\$000s)

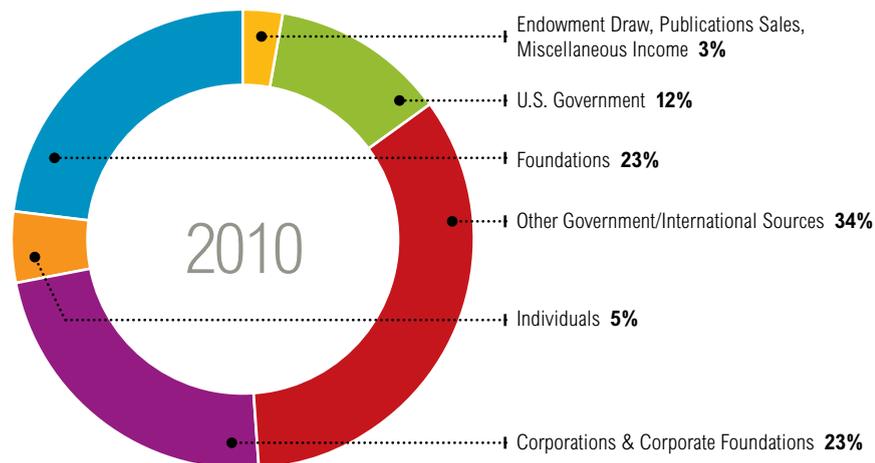
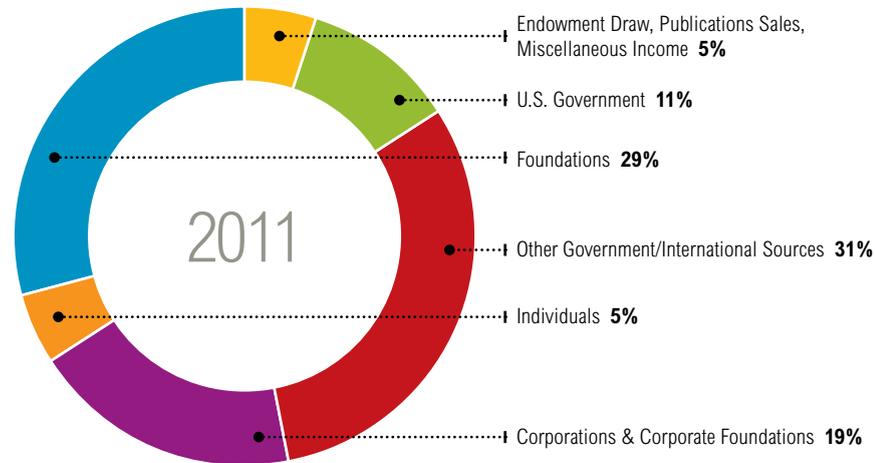
(At September 30, 2011, with Comparative totals for 2010)

OPERATING REVENUES	TOTAL 2011	TOTAL 2010
Grants/Contributions	\$34,148	\$31,658
Federal Grants	4,362	4,398
Support from Endowment Income/Publications/Others	2,241	1,320
TOTAL UNRESTRICTED REVENUES AND OTHER SUPPORT	40,750	37,376

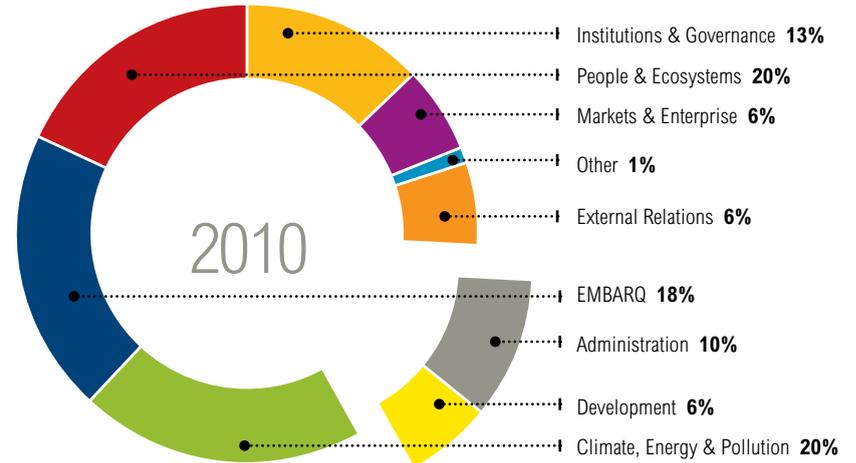
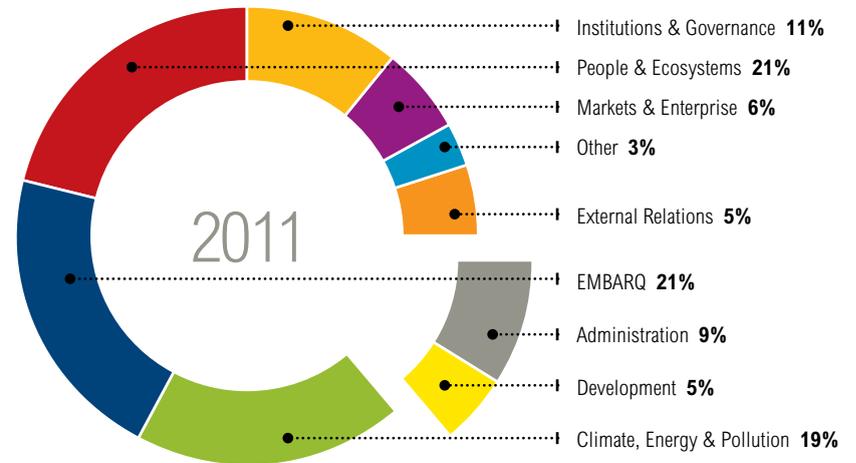
OPERATING EXPENSES		
Program Activities	34,831	31,472
General Administration	3,598	3,571
Development	1,994	2,333
TOTAL EXPENSES	40,423	37,376
OPERATING CHANGE IN NET ASSETS	328	0

Designated Unrestricted Revenue	0	184
Change in Temporarily Restricted Revenue	6,139	3,823
Ending Net Assets	59,902	53,435

OPERATING FUNDS



USE of FUNDS



SOCIAL MEDIA SNAPSHOT

We've developed a significant following on social networks like Facebook and Twitter, providing a place to engage with experts as well as the public, and provide up-to-the-date information on the rapidly changing issues we work on.

 8,347 LIKES

 34,566 FOLLOWERS

 27,349 VIEWS

JOIN OUR COMMUNITY

EXPLORE | Our free print and online resources provide objective, fact-based analysis of the latest data. WRI's blogs are a great introduction to our work and cover all our topics.

Check them out on WRI.org.

CONNECT | Our social media sites let you join the conversation about important issues and share ideas and information with your network.

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DONATE | We work with governments, companies and civil society to find solutions to urgent environmental challenges, and we rely on the generosity of our donors to help us achieve our results. To become a partner in our work, visit wri.org/donate and make a secure online donation.

STAY UP-TO-DATE | Our monthly WRI Digest email newsletter offers updates on the WRI community. [Sign up at wri.org/register](http://wri.org/register).

CORPORATE MEMBERSHIP | WRI's Corporate Consultative Group is a membership group for companies seeking to develop and implement strategies that align business growth with a sustainable planet. Companies stay engaged with WRI's latest tools and analyses, while learning from one another's sustainability strategies. Learn more at wri.org/corporate-consultative-group.

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