Management Response to the 2012 External Review of WRI

1. An external review of WRI was conducted by *Philanthropy Support Services (PSS) Inc* between January and March 2012. The core purpose of the review was to assess WRI's progress in implementing the Strategic Plan 2008-2012, wherefrom lessons would be drawn to inform and improve future planning and strategies. The Review comprises two components: (**a**) an institutional assessment of progress made towards achieving intended goals and results set out in the Strategic Plan, and of the quality of internal systems to ensure effectiveness, efficiency, strategic focus and research excellence; and (**b**) an in-depth review of a subset of institutional objectives.

2. This note is the response of WRI's management to the main findings and recommendations of the External Review Report. Beyond assessing WRI's achievements and performance over the past five years, the External Review offers some observations and suggestions on "*where WRI c/should be heading*" as it enters its fourth decade with a new President at its helm. These are highlighted and tentatively discussed in this note, and merit fuller consideration and deliberation in the year ahead as WRI's next Strategic Plan (2013-2017) is developed and rolled out.

Implementation of the Strategic Plan 2008-2012

> "*The Strategic Plan is comprehensive and credible and is based upon a thoughtful assessment of global mega-trends. Interesting and insightful sections on the multipolarity of power and the multiplicity of voices set the groundwork for the single most important new direction charted by the Plan: the establishment of an in-country presence in China, India and Brazil.[...] WRI has made impressive strides over the last four years in implementing this ambitious Strategic Plan. [...] As is to be expected, some objectives and "target outcomes likely before 2012" have been met, some are on track to be met, still others have faced challenges and delays, and a few have either failed or been dropped. WRI's internal review procedures have been effectively used to track progress and make adjustments when necessary*."
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> External Review Report, p 13

3. The External Review (ER)'s assessment of WRI's progress towards achieving the goals set out in the Strategic Plan is broadly consistent with WRI's internal self-assessment of the same. Management was pleased to note the ER's top line assessment that "*WRI has made important progress on meeting the goals and objectives set out in the Strategic Plan*" (p 80) and its observation that "*WRI has built a solid reputation as an excellent source of policy research and analysis produced in ways that influence practical outcomes and* [...] *has built up a staff of excellent, highly motivated and highly diverse specialists unparalleled elsewhere in the world"* (p7). A brief review of WRI's performance and progress against key institutional objectives set out in the Strategic Plan follows.

4. ***China, India and Brazil: Going Global by 2012*** – WRI has fulfilled the central ambition set out in the 2008 Strategic Plan to establish active in-country presences in China, India and Brazil. Management agrees with the external reviewers remark that this was "*the most important new initiative to be undertaken by WRI during the Plan period. It represents a pivoting of WRI's view of itself and its place in the world that will have a profound transformative effect on the institution*".

- In **China**, WRI has an institutional office fully resourced and running, and recently signed a wide-ranging partnership agreement with the National Development and Reform Commission (NDRC), China's 'super-ministry' responsible for economic development planning. And WRI's first China Country Director has moved to a prominent position in NDRC, reflecting the deep trust that has been built between the two institutions.
- In **India**, the India Resources Trust (IRT) was established with a USD 550,000 start-up grant from a major Indian philanthropist. Key pieces of WRI's India-related work will eventually be shifted to the IRT. The External Review notes that: "*The slow and steady approach taken in*

India demonstrates WRI's sensitivity to local conditions, concerns and rhythms. We expect this will pay handsome dividends over the long term" (p16).

- In **Brazil**, extensive scoping and a steady programmatic build-up have laid the groundwork for the establishment of an institutional office in late 2012.
- Country strategies have been developed for China and India, and one is being developed for Brazil. The ER rightly observes that these country strategies represent "*WRI's first efforts at place-based, country-level coordinated planning across all of the Institute's programs*". Management agrees with the ER's suggestion that this practice be adopted in other priority countries/ regions.

5. ***Communications: Engagement and Impact in a Multi-polar World*** – WRI has made significant progress in creating a communications culture in WRI and boosting the impact of our work by harnessing the power of information technology and social media. As the External Review noted "*there has been very important progress made in upgrading WRI's communications capabilities*. *One element of this has been technical: updating the website, entering the modern era by starting to proactively use social media, and rethinking publications in the digital age. A second element, arguably much more important than the first, has been what the Strategic Plan referred to as the "Institute-wide transformation" needed to achieve the communications objective of "engagement and impact in a Multipolar World*." The latter has involved a sustained effort over time to instil in staff across the Institute an understanding of the need to systematically and strategically think about communications and influence strategies in every piece of work that WRI undertakes. Each program now has a designated communications liaison. And all WRI research publications are required to be complemented with an influence plan.

6. ***Synergies: Maximising 'Win-Win' Cross-Program Collaboration*** – In the last five years systematic efforts have been made to foster synergies across WRI's five programs. The ER notes that "*WRI takes synergy and cross-program collaboration seriously. There are a variety of institutional mechanisms designed to facilitate this. Progress has been made during Strategic Plan period. Significant examples can be cited at both the program and project level"* (p 20). WRI's organizational structure was refined specifically to foster synergies among projects and their staff. Developing country strategies for multi-program presences in China, India and Brazil also facilitated thinking about cross-program work at the country level. As the reviewers point out, WRI's new Forest Initiative and Vulnerability and Adaptation objective provide further opportunities for cross-program integration. Management agrees with the ER that "*WRI cannot rest on its laurels"* and to pursue *"even more structured and systematic attention to this issue"*.

7. ***Innovation: Staying Ahead of the Curve*** – Management agrees with the ER's observation that "*WRI strives to push the boundaries on innovation in its work. This is increasingly challenging in the context of belt-tightening and heightened demands for quick and tangible deliverables from WRIs donors. Unrestricted (framework) funding provides more scope for innovation. Bilateral donors, foundations and corporate sponsors all need to be reminded of this*." Notable examples of successful innovation over the Strategic Plan period include: (a) reinventing WRI's flagship World Resources Report, combining traditional research with a collaborative 'open architecture' approach involving over 100 experts / practitioners from over 30 countries; (b) innovation in communications across WRI's four programs through the 'communications innovation grants'; (c) contributing mould-breaking analysis to ensure governance considerations are framed centrally in the UNFCCCC debate on REDD+. Much more can be done at the institutional level to support greater innovation, and this will be am important focus going forward.

8. ***Staffing: Attracting and Retaining the Best*** – As noted by the ER, WRI's targets for improving staff retention are being met. The Review report captures the main achievements as follows: "*The HR Unit has managed the staffing-up well. Meetings with a group of international staff in Washington and with the WRI/IRT India staff in Mumbai lead us to the view that WRI continues to be very successful in attracting bright, talented and highly motivated staff [...] exit interviews with departing staff indicate*

that 98% of them would recommend WRI as a place to work. This is a very impressive number. It speaks volumes about WRI's internal culture and external reputation." The ER also rightly notes that *"WRIs staff is rapidly becoming more diverse and international*": over half of WRI's staff today are non-US nationals.

In-depth review of select program objectives

9. The second component of the ER consists of in-depth reviews of select institutional objectives. This provided an opportunity to scrutinise more closely WRI's internal systems for ensuring research excellence and management for results. The ER team selected two program objectives for in-depth review: the Forestry Landscape Objective (FLO); and the Mainstreaming Ecosystem Services Initiative (MESI); and two for lighter reviews: The Access Initiative (TAI) and the Equity, Poverty and Environment (EPE) Objective.

10. The ***Forest objective*** – WRI's 5-year "Forest Landscapes Objective" (FLO) was ended in 2011. As the reviewers noted, WRI has become "*a trusted provider of information and analysis about forests and helps to convene others around particular issues*."(p94). An example of this is WRI's forest information work, which has "*improved transparency and the prospects for greater scrutiny and accountability in Congo Basin countries and Indonesia*"(p94). The ER also commented on emerging elements of WRI's next 5 year forest strategy that is being developed.

- Management recognizes that in the past, the links and integration between the forest work and other aspects of WRI had not been exploited to their full potential (p95). Management also recognizes that "*WRI's work on forests has a lower international profile now than it did some years ago. FLO as a whole, as opposed to its components, does not have a clear identity which people outside WRI can recognize. There has been no very visible championing of the portfolio as a whole and few publications that have really made a stir*." (p95).The recruitment of a Director of Forests Initiatives and the development of a new forests initiative aims to address the concerns raised by the ER: the new initiative will be Institute-wide by design, drawing upon the skills of all program, and it will draw more heavily upon in-country partnerships WRI has developed with other organizations around the world.

11. ***Mainstreaming Ecosystem Services Initiative*** (MESI) – Following the release of the Millennium Ecosystem Assessment, WRI developed a program of work designed to mainstream ecosystem service considerations into public and private sector decision-making. The external reviewers commend the Initiative for the "excellence" and "high quality" of its research and decision-relevant tools. WRI has made good progress towards meeting the objective to have 25 large companies, 10 governments, and 2 development agencies implement ecosystem service-based strategies, policies, and investments that reduce ecosystem degradation and foster more robust economic development. To date, WRI has recorded success with 23 large companies and industry associations, 4 government bodies, and a few development agencies.

- Management agrees with the ER's suggestion that greater strategic prioritization is needed. The team is currently in process of refocusing the MESI strategy around *ecosystem services for food and water security*. Management is pleased to note that the ER's acknowledgement that WRI's new thinking in that regard is "*on target*".
- Management notes the ER's suggestion to "make haste slowly" in defining a new "cutting-edge set of projects" under MESI, waiting for the findings of the next World Resources Report (WRR) on Food Futures (due to be completed in 2013) and for new directions to emerge from the new Vulnerability and Adaptation program (p91). The current MESI objective is undergoing a periodic review and is being revised to incorporate lessons learnt from the past 3.5 years of implementation. There will be an opportunity to reflect on and incorporate findings from the 2013 WRR and the Vulnerability and Adaptation program when the MESI portfolio is next up for review in 18-24 months time.

12. ***The Access Initiative and the Equity, Poverty and Environment initiative (EPE)*** – Management is pleased to note ER's appraisal that "*TAI and EPE are both impressive programs that have made important contributions in their areas of work and developed niches for WRI in the area of environmental governance. Both programs are innovative and provide interesting models for other WRI work… (and) deserve careful consideration as WRI develops its next Strategic Plan*."

- Management acknowledges that "*funding for some IGP programs remains a challenge (eg TAI, IFFE and EPE)*" and takes on board the suggestion that WRI "*needs to redouble its efforts to insure that these programs – considered by the ERT to be among WRIs most innovative and important – not only survive but thrive*." (p29)

Looking forward

> *"Our bottom-line message is that the Institute needs to stay focused. WRI's comparative advantage is not in dispersed programs working on many different things. It is in relatively small programs focused on up-stream analytics of high-priority, high-potential-impact emerging issues supported by field testing and influence strategies that move WRI results into the hands of others to implement at scale."*
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> *External Review Report, pages 8 and 78.*

14. **Focus vs flexibility** – Management recognises the importance of being disciplined and focused while also noting the tension between focus and flexibility and the need to create space for experimentation and innovation. Finding the right balance will be crucial to maintaining WRI's comparative advantage as an organisation tackling 'tomorrow's issues'. Management agrees with the reviewers' observations that WRI has carved out distinctive niches in its work with the private sector and its work on governance. The reviewers' recommendation that "*the MEP mandate be expanded to include a more active role in all business and market-based program elements across the Institute*" is in line with current thinking and plans over the next five years to expand and build on this work as we seek to promote scaled up business and investor activity that promotes and finances sustainable development.

15. ***WRI's positioning along the think tank/ do tank continuum*** – Management agrees with the ER's recommendation that WRI carefully review the Think Tank/Do Tank balance in each of its programs. WRI is more involved than before in the real-world testing and demonstration of solutions; however this need not distract from original research. Indeed the ability to draw upon experiences on-the-ground brings greater practical relevance, originality and credibility to WRI's intellectual outputs. The increased emphasis on sharpening the *do-tank* aspects of WRI's work reflects a natural evolution and its focus on results: in its early days WRI's contribution was in helping put global sustainability issues onto the international agenda, however it soon became clear that excellent research alone was not sufficient to catalyse change. Management recognised the need to move from 'agenda-setting' to 'making the case', which in turn required demonstrating how research could be wired into a change process. Management intends to revisit the question of whether the right balance has been struck between research and demonstration, and will consider where there may be emerging opportunities to undertake ground-breaking agenda-setting research.

15. ***WRI's positioning along the environment/development continuum*** – ER's recommendation that WRI needs to maintain its positioning firmly at the intersection of environment and development is noted. Management acknowledges that WRI's external communications need to reflect this more consistently, specifically that "*Development needs to be reinserted into the words WRI uses to describe itself*" (p 88). Over the Strategic Plan period, WRI has made a substantive shift towards the development side of the sustainability equation, as evidenced in the deepened presence in developing countries and the initiation of new development-focused work-streams, including (**a**) the Vulnerability

and Adaptation project; (**b**) the new program on ecosystem services for food and water security; (**c**) the engagement with financial institutions in China and Brazil to improve the development impact of their investments in Africa, (**d**) the new work on sustainable cities; (**e**) the next World Resources Report on Food Futures. Moreover, our strategies are increasingly oriented towards engagement with development, finance and planning agencies and decision-makers. Management recognises that further attention is needed to more systematically address poverty and development concerns across programs, particularly as WRI deepens its roots in large emerging economies and in Africa.

16. **Global vs local issues** – The ER suggests that WRI's main focus and contribution should be on analytical work at the global scale. Management believes that it is essential that WRI continues to work on 'connecting the dots' across different geographical scales because its ability to do so is core to WRI's value addition and because the issues WRI tackle require multi-scalar responses. WRI's experience and successes indicate that its leverage is greatest in demonstrating solutions at the national level – through collaboration with local partners – which can be taken to scale and replicated through global mechanisms. The Access Initiative, the Governance of Forests Initiative and the 'Embarq' sustainable transportation program offer some compelling examples of how locally-based work can be effectively scaled up to influence global agendas.

17. ***Geographic focus and expanded attention to Africa*** – Management agrees with the ER's recommendation to continue strengthening WRI's in-country presence in China, India and Brazil as a first priority and then to strengthen WRI's presence in Africa. WRI has significant work already in Africa and management intends to scale up WRI's work in Africa over the next Strategic Plan period. As the ER observes, the EPE work "*provides a solid platform from which to begin exploring broader engagement in Africa*", and that "*the launch of a new objective on vulnerability and adaptation can "serve as a building block for a more coherent strategy of engagement with Africa"*. WRI will undertake a scoping exercise to determine which countries and regions in sub-Saharan Africa we will focus on in the coming five-year period. Our work on the continent will continue to focus on governance, poverty reduction and environmental management and will increasingly focus on the natural resources and ecosystems that are critical to rural populations (land, water, forests) and that drive national economies (agricultural commodities, extractive resources). WRI will also expand its investments to strengthen institutions and establish governance systems that are responsive to citizen needs and effective in its delivery of goods and services.

18. ***Cross-cutting themes*** – The ER recommends that increased attention be paid to the themes of poverty, equity, gender, indigenous voices, consumption and water in future work. Management agrees while noting that there are substantive bodies of work currently addressing poverty, equity and water issues, which provide a strong base to build upon. The ER rightly notes that "*EPE is ahead of the rest of WRI on integrating gender and indigenous voices into its* programming". Indigenous people's rights has also been a focus of WRI's work to help strengthen the IFC's framework for community engagement. The next World Resources Report and new programs of work centred on land, food and water security will bring greater attention to poverty, gender and water issues. And equity is a central theme in WRI's future work on International Collective Climate Action.

19. ***Continuous learning and improvement*** – The ER noted that: "*development of a comprehensive Managing for Results (MFR) system over the last several years has been a major accomplishment [...] WRI is well ahead of many NGOs in this regard. The ERT has some concerns about the MFR and suggestions on what might be done to address them*." Management is always open to ideas for improving WRI's internal processes and takes on board the ER's suggestions to simplify the 'managing for results' and publications review systems, and to standardise external evaluations of major projects and initiatives. In addition, management is considering conducting internal assessments of its portfolio every two years, to track progress towards meeting strategic objectives.