

# A note from Hunter...

10 April 2004

A bit over three years ago Dana Meadows, one of the greatest environmental writers of our time, passed away. Lead author of *Limits to Growth*, and *Beyond the Limits*, Dana was also a dear friend. I often asked her for advice. She gave a good piece of it to us all in her conclusion to *Beyond the Limits*:

*"We think a transition to a sustainable world is technically and economically possible, but we know it is psychologically and politically daunting. The sustainability revolution, if it happens, will be organic and evolutionary. It will arise from the visions, insights, experiments, and actions of billions of people. It will require every human quality and skill, from technical ingenuity, economic entrepreneurship, and political leadership to honesty, compassion and love. Are any of the necessary changes from resource efficiency to human compassion, really possible? Can the world actually ease down below the limits and avoid collapse? Is there time? Is there enough money, technology, freedom, vision, community, responsibility, foresight, discipline and love on a global scale?"*

*The world faces not a preordained future, but a choice. The choice is between mental models. One model says that this finite world for all practical purposes has no limits.*

*Choosing that model will take us even further beyond the limits, and, we believe, to collapse within the next half century.*

*Another model says that the limits are real and close and that there is not enough time and that people cannot be moderate or responsible or compassionate. That model is self-fulfilling. If we choose to believe it, we will get to be right.*

*A third model says that the limits are real and close and there is just exactly enough time, with no time to waste. There is just exactly enough energy, enough material, enough money, enough environmental resilience, and enough human virtue to bring about a revolution to a better world.*

*That model might be wrong. All the evidence we have seen, however, from the world data to the global computer models suggests that it might be right. There is no way of knowing for sure, other than to do it."*

*(Dana Meadows)*

Will we muster the intelligence, and love, to craft a future that all living things can share? This is the choice each of us makes every day. Will we commit ourselves to bringing a more sustainable world into being? World events remind us all too well that humankind has at least as great a capacity for mischief as for wisdom.

The most recent indication is a Pentagon study finding plausible the fear that the flow of warm water past North Europe, that keeps it warm enough to be habitable, could cease—not in the time frame of hundreds of years that has been worrying climatologists, but within this decade. Last month *The London Observer* stated: "A secret report, suppressed by U.S. Defense chiefs and obtained by *The Observer*, warns that major European cities will be sunk beneath rising seas as Britain is plunged into a 'Siberian' climate by 2020. Nuclear conflict, mega-droughts, famine and widespread rioting will erupt across the world." As Dana pointed out, time is short.



Hunter Lovins

My recent travels of the world (7 countries, 40+ presentations in Nov-Dec 2003) have led me to believe, as Dana also pointed out, there is much cause for hope. I continue to meet inspirational leaders who are devoting themselves towards building that sustainable future—and I am ever convinced that the transition to more sustainable behavior is irrevocably underway!

In September I keynoted a meeting in Fremantle, Australia of seven hundred elected officials from local and national governments representing over 20 countries that have put forth action plans to implement sustainability. After the disappointment of the world's national governments in Johannesburg a year before, this was an enormously exciting meeting to attend. I stated that the torch has passed from national governments to the regions. This has become the rallying cry of what is now known as the [Fremantle Declaration](#), which calls on states and regions everywhere to put forth their own sustainability strategy and implementation plans.

This newsletter reports on that trip and many others. It describes meetings with business leaders, academics and ordinary citizens who are rising to the challenges before us. And it brings you up to speed on some organizational changes that ought to increase our effectiveness even more. Thank you for continuing to be a part of this journey!

## ***Meet Natural Capitalism, Inc. and Natural Capitalism Solutions***



[www.natcapinc.com](http://www.natcapinc.com)

[www.natcapsolutions.org](http://www.natcapsolutions.org)

Natural Capitalism, Inc. is our new for-profit company. Natural Capitalism Solutions is our new non-profit. Together these organizations form the foundation from which my colleagues and I will work to make the ideas of Natural Capitalism a dominant way of doing business. This commitment grew out of my frustration that the ideas presented in the book *Natural Capitalism* were not realizing their full potential to enhance sustainability. Published over three years ago, the book has sold more than 100,000 copies, been translated into more than a dozen languages, and has drawn praise from prominent business and political leaders, economists, and environmentalists around the globe. Although the book is an excellent guide, it is clear that, by itself, it will not change the way business is done.

In the summer of 2002, I teamed with social and business entrepreneurs Walter Link, David Elliot, and Wyatt King to take the ideas of sustainability to the business community. Together we created the Natural Capitalism Group (NCG), under the aegis of Global Academy (GA), the working name of the Walter Link Foundation. GA kindly sheltered this work until it could get established on its own. NCG will continue to house the work that I will do with Walter Link, and will be a joint venture between Global Academy and our Colorado operations. Contributions can still be made to this work either through Global Academy or Natural Capitalism Solutions. This will include such on-going projects as founding and teaching at Presidio World College, developing curricula in sustainable management, and writing our book *Human*

*Dimensions of Natural Capitalism.* To simplify accounting and accountability, however, the center of my work will shift to the new organizational forms of NCI and NCS.

One of the challenges of working with the business community as a non-profit is that listeners rightly ask whether an outfit that "begs for its living" knows much about the bottom line. Of course, all well run non-profits pay just as much attention to good management as any business, but it is still a valid question: if all this makes such good sense, why don't you make a business out of it? So we have. In fall 2003, I incorporated Natural Capitalism, Inc. as a for-profit business that is meeting this challenge head on.

There remains much about working to bring about a more sustainable world that rightly belongs in the non-profit world. Hence, I have also formed Natural Capitalism Solutions (NCS), to conduct research and education in areas that are not yet ready for the test of the marketplace.

Be sure to check us out on the web: [www.natcapinc.com](http://www.natcapinc.com), [www.natcapsolutions.org](http://www.natcapsolutions.org) and, of course, [www.theglobalacademy.org](http://www.theglobalacademy.org).

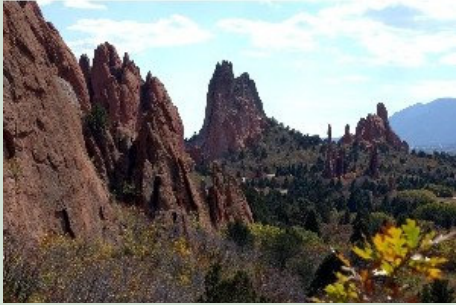
Whatever the form, the message remains the same: most businesses and communities still behave in wasteful, destructive ways. The loss of natural and human capital, often caused by people conducting "business as usual," continues unabated around the world. A few visionary companies have gotten the message, but they're a minority. Clearly, much more is required to get the Natural Capitalism approach adopted on a wide scale. We need: "a little less talk and a lot more action."

The Natural Capitalism team is committed to just that—action in the form of education; action in the form of strategic consulting with corporate and government leaders; action to enable the rest of the world to implement ideas. The team is helping companies and communities implement strategies to enhance prosperity while behaving more responsibly toward people and the planet. Action is the top priority as we seek to make Natural Capitalism a central organizing principle of business and society, worldwide.

## ***Natural Capitalism Projects***

### **Strategic Consulting**

- Last spring, a team led by David Elliot worked with leaders at the [International Finance Corporation](#) (IFC), the private investment arm of the World Bank, to help them assess the effectiveness of their current sustainability initiatives and identify areas for improvement. NCI is now in discussions with the IFC to create a network of sustainability experts. IFC hired me to help develop a training program for IFC personnel in sustainability issues. Working with experts at IFC, I developed and delivered a curriculum in sustainability for IFC staff.
- In September 2003, I ventured "down under," accepting an invitation by the [Government of Western Australia](#) to keynote the Regional Government Network for Sustainable Development, and the Academic Network of Regional Government for Sustainable Development. While there I consulted with business leaders, government officials, and leading academics. Western Australia is now one of the world leaders in putting forth not only an ambitious sustainability strategy, but in accompanying it with an implementation plan announced by the Western Australian Premier, Geoff Gallop.



View from Garden of Gods of Pikes Peak near Ft. Carson Army Post (photo: [NATO](#))

- Christopher Juniper, who runs the day to day operations for NCI and NCS, is now the lead consultant for a long-term sustainability plan being implemented at Ft. Carson Army Post in Colorado Springs, a base that directly includes over 100,000 employees, contractors, and army personnel. Christopher and I will be working together to help implement the Fort's sustainability indicators, develop and conduct sustainability training, and develop and implement a Sustainable Environmental Management System. Ft. Carson is using a backcasting model of inviting community-based task forces to develop 25-year goals and 5-year objectives for operating sustainably. Long-term goals include 100% sustainable energy resources; 40% reduction in vehicle-miles traveled on post; 100% of procurement supporting sustainability and zero waste disposal.
- This complements work that I have been doing with the Army, Air Force and Navy. In December I keynoted the first training in sustainability offered by Fort Lewis, outside of Seattle, Washington. The Fort invited commanders from military bases around the Pacific Northwest. In May I will return to help further their efforts. The Department of Defense 2005 proposed budget is over \$400 billion, the military has over 350 major installations and just using military fuel more efficiently could not only save billions of dollars each year but also would directly improve fighting forces efficiency in conflict situations. Reflecting on these points, consulting with the military on sustainability seems a wise investment of time. These projects with Fort Carson and Fort Lewis are integrating the core concepts of sustainability into the operations of our armed forces.
- Christopher also served on the 2004 DuPont's Sustainable Growth Excellence awards judging panel, which evaluates various businesses sustainability initiatives. The twelve winning projects (from over 400 submittals) will receive \$5,000 to donate to a non-profit organization.
- Christopher's other recent projects include: completing a ground-breaking sustainability strategy for the Colorado Springs Economic Development Corporation--the first in Colorado; being named to the Colorado Springs Utilities' Technical Advisory Group that will assist development of a Renewable Energy Strategy and Demand Side Management Plan; and presenting Natural Capitalism to the national Public Interest Environmental Law Conference in March. Also, in partnership with the City of Burlington (VT), we will present his Sustainable Economic Development Planning Model in July 2004 to the Sustainable Communities 2004 International Conference.
- Christopher and I are also working with The Natural Step (TNS) to integrate our sustainability approaches through an article, tools such as the "road-map" and ongoing communication. Sissel Wagge, Director of Research at Natural Step, and author of the excellent recent book *Ants, Galileo, and Gandhi*, also graciously lectured to the Presidio class. Such cooperation between our two organizations is an example of the synergistic integration of ideas that is essential to making sustainability "user-friendly."

## International Development

- In November I led a multi-disciplinary team to Jamaica to work with the Dolphin Head Trust (DHT), a tiny but very capable grassroots NGO working to protect Jamaica's Dolphin Head Mountains. I wrote to a friend while there:

*From the famous resort of Montego Bay, the team journeyed into the Jamaican interior with DHT Executive Director Paula Herlock. As the roads grew windy and narrow, the forests of the Dolphin Heads closed around us. Tiny towns dotted the slopes, with subsistence farms cut into steep hillsides. Ferns, wild tumeric and ginger lined the roads, with native pimenta (all-spice) trees above. Potentially lucrative crops, these are not currently harvested. Paula described her dreams of enabling local entrepreneurs to harvest and process these and other specialty crops. Jamaica, once one of the Spice Islands, now imports all-spice, while it grows wild in the Dolphin Heads.*

*The road ended in a beautiful forest glade. We walked up an old logging road into a forest teeming with wild orchids and trees that grow nowhere else in the world. These mountains have the highest rates of species endemic to the Caribbean but are suffering rapid species decline, deforestation and natural resource loss due to harmful human activity. Treated to stunning views of Lucea Harbor from breaks in the forest cover, we were then dismayed to break out into the scars of clear cuts, clearings to grow illicit crops, that are briefly "farmed" then abandoned, as the cultivators avoid remaining too long in one place. Paula instructed us in the fine points of traversing such country: "No, mon, we can't take that trail. My guides have never taken me that way. There's a reason."*

*As adventure tourism, this was doing just fine.*



Dolphin Head Trust Jamaica  
(Photo: Hunter Lovins)

*We climbed through the wet limestone ecosystem. It misses being a rain forest because it gets three dry months a year, a distinction I didn't think would impress many folk. It sure looked like a jungle to me.*

*We topped out at the home of Teachaman, a wise old dweller in the forest, who treated us to fresh papaya slices, and stories of how he is making the transition to growing scallions and native peppers, all ingredients in specialty Jamaican sauces. He proudly spoke of the local Rastafarian heritage, and hoped that we would help Paula bring tourists to the area so he would be able to share his culture with them.*

*Now, most tourists who visit Jamaica stay in what are called "all inclusives." These walled facilities are booked over the Internet, with most of the money never reaching Jamaica. Visitors are met at the airport and vanned to the site where every effort is made to keep them apart from locals. They eat, party and buy souvenirs inside. As a result, few tourist dollars benefit ordinary Jamaicans, who understandably feel that this model perpetuates a "master and slave" mentality.*

*In contrast, Teachaman and his compatriots from the local towns of Kingsvale and Lucea were very excited at the prospect that they might have a chance to share their way of life with visitors who are seeking a more authentic experience of Jamaica. We gave a presentation on the concept that night to a community meeting in the little one-room school-house high on the ridge in Kingsvale. Local artists were enthused that they might gain a new market. Local women said that they could cook the traditional foods for such guests. The excitement was palpable.*

*Not only is such experience-based travel the fastest growing form of tourism, itself now the world's largest industry, it is the only form that could possibly benefit the people of the Dolphin Heads.*

*We accepted a consultancy to work with the Dolphin Head Trust to develop business plans for enterprises that will bring greater prosperity to this very poor part of the Island, while giving residents an incentive to manage their lands in ways that will preserve and enhance the natural and human capital. Back in our offices in Eldorado Springs Colorado, with snow drifting by the windows, we searched the Web to pull together the numbers that will convince donor agencies that Paula's vision can become a reality.*

*We wrestled with descriptions of business models to create viable ventures in eco-tourism, sustainable agriculture, and bamboo production—businesses that will provide income-generating alternatives to the activities that are destroying the forest. There is no doubt of the need for such business models, nor of the capacity of Paula and her staff to pull this off. The question is whether we can convince development agencies to provide the seed funding necessary to enable the people of Lucea and Kingsvale to build a sustainable future for themselves.*

## Education

- Last August, Walter Link and I stood before the very first class of the first accredited business school of sustainable management. Presidio World College, which was described in the last newsletter as a gleam in the eye, enrolled its first MBA class this fall. Unlike traditional MBA programs that might offer an elective in corporate responsibility, Presidio World College weaves sustainability throughout such conventional business topics as economics, accounting, finance and strategy. It offers the first accredited MBA in sustainable management. Having helped create the program, we are now intimately involved in the exciting process of re-designing traditional MBA curriculum from the ground up, integrating the principles of Natural Capitalism and the human dimension into all aspects of business training. Walter and I are currently teaching the inaugural class. For more information or to join us as a student visit [www.presidioworldcollege.org](http://www.presidioworldcollege.org).
- Creating two new university courses from scratch turns out to be a whole lot of work. That's what Walter and I are finding as we produce a curriculum for our classes at Presidio World College. Exploring the interrelationships of complex issues with our students is yielding fabulous questions—and we often don't have the answers. So before the next class we get to go do the research on that issue—which often then raises even deeper questions. The process is exciting.
- In a very exciting synergy, the class is now helping Walter, Christopher, and I refine a proto-type roadmap that Wyatt King and I developed for a company that, having heard of the concept of sustainability, wanted to know how to become more sustainable. As part of a cooperative relationship with The Natural Step and the Australian Natural Edge Project, we are now taking this tool to the next level and are nearing the point at which this road map will be a publicly available document.
- The sequel to Natural Capitalism *The Human Dimensions of Natural Capitalism* is also moving forward. Walter Link and I continue to develop the concept, and on my upcoming trip to Australia, I will be meeting with people who are wrestling with these same concepts. Many have expressed interest in contributing a chapter. Work on this project has been delayed, while we finish the MBA curriculum in sustainable management for Presidio World College, but will pick up again in May.

## Equator Network

- During the time that we were working with the International Finance Corporation (IFC), the world continued to turn. On June 4<sup>th</sup>, 2003, nine other banks announced that they would implement the IFC's standards of corporate governance, social and environmental responsibility. There are now over twenty banks that have formally signed on to these principles, now called the Equator Principles. Our team is in conversations with some of these banks, proposing the creation of a global "Equator Network" of experts and assessment tools that will help both lenders and borrowers increase the sustainability and profitability of their projects.

## Natural Capitalism, Inc. joins the Chicago Climate Exchange

Natural Capitalism, Inc. recently joined the foremost maker of markets in climate protection: the Chicago Climate Exchange (CCX). Chicago Climate Exchange is probably the best mechanism in the world to solve what is almost certainly the world's worst problem: climate change. In the book *Natural Capitalism* we describe how market mechanisms can profitably solve most of the world's environmental and social problems. Richard Sandor and his colleagues have created exactly such a market place. We are very proud to be a small part of it. Other core members of CCX include corporate sustainability leaders DuPont, IBM, STMicroelectronics, and Baxter Healthcare.

CCX is a self-regulatory exchange that administers the world's first multi-national and multi-sector marketplace for reducing and trading greenhouse gas emissions. CCX represents the first legally binding commitment by a cross-section of North American corporations, municipalities and other institutions to establish a rules-based market for reducing greenhouse gases. It enables members to receive credit for reductions, and to buy and sell credits to determine the most cost-effective means of achieving emission reductions.

Dr. Richard L. Sandor, Chairman and CEO of CCX noted: *"For years, Hunter Lovins has helped spur global interest in market-based solutions to environmental problems, Natural Capitalism, as a philosophy, has been important to the successful design and implementation of the CCX pilot program. We are honored that Hunter has chosen to add her own experience and expertise to CCX by committing NCI to Associate Membership."*

What an exciting addition to the tool kit of ways to solve this pressing problem!

## Upcoming travels

I am pleased to announce a partnership between Natural Capitalism, Inc. and The Natural Edge Project (TNEP). TNEP is an Australian based non-profit, focused on developing sustainability educational material; promoting and developing best practices in sustainable development; and assisting in the development of integrated approaches to facilitate and implement innovation to achieve a sustainable future.



Hunter with a Kangaroo in Western Australia Fall 2003

I will be touring with a packed schedule throughout Australia from March 25-April 15, 2004, with TNEP staff member Charlie Hargroves, speaking to Australian leaders in business, academia, government, green building and engineering. The tour will also promote the upcoming TNEP publication, *Natural Advantage of Nations – Business Opportunities, Innovation and Governance in the 21st Century*. Australia is increasingly committed to sustainable development. The *Natural Advantage of Nations* is bringing the ideas of Natural Capitalism to life in Australia and describing in detail how to implement them.

On return from Australia, I will be kept busy with a keynote speech at the SolFest in Scottsdale Arizona, speaking at various Earth Day events, meetings in Washington D.C. on the Equator Network, a presentation at the Green Festival in Jamaica, and speeches at the Arlington Institute's Conference on the Future, Northern Arizona University, the Institute of Noetic Sciences and at Presidio World College.

If you have any events at which you would like me or Christopher Juniper to speak, please contact us: [info@natcapinc.com](mailto:info@natcapinc.com).

## *Team Members*

As Natural Capitalism, Inc. and Natural Capitalism Solutions have continued to evolve, we are building a great team to enable us to further drive implementation and move forward.

**Christopher Juniper** is our Chief Operating Officer and a Senior Consultant. For the past eighteen years he has been an innovator in economic development and sustainability practices and policies as a consultant and economic development manager. Christopher has served in state level leadership positions in Oregon and Colorado and as the Managing Director of the Rocky Mountain Institute's Natural Capitalism practice, where he created a Field Guide for organizations to implement Natural Capitalism Principles for sustainability.



Chief Knowledge Officer Christopher Juniper  
(Photo: Kate Hamilton)

**David Elliot** is a founding team member. An experienced entrepreneurial manager, he has started and grown numerous businesses. He has run marketing and business development in large and small companies on both sides of the Atlantic and also has worked as a strategy consultant with Cap Gemini in Europe. He brings a wealth of expertise in growing a consulting practice. David and I are managing the work on the Equator Network, and working to develop several projects in Afghanistan.

**Norm Clasen** assists with marketing and communications. He played a key role in making the book *Natural Capitalism* the success it has become. A gifted photographer, designer, and marketer, Norm was the Director of Communications at Rocky Mountain Institute until 2002. Norm's particular skill is presenting material so that it is easy to grasp, and enables the listener to use the information to make a difference.

**Nancy Johnston** is the Development Coordinator for NCS. She is a dedicated sustainability advocate who has helped institutions and non-profits obtain federal Department of Education grants and previously served as a development officer for Rocky Mountain Institute.

**Kate Hamilton** is a Program Assistant for both NCI and NCS. She graduated from the University of Michigan 2001 with a degree in International Relations and Environmental Studies. Her sustainability experience includes working for the International Council for Science (on preparations for the United Nations World Summit for Sustainable Development), the United Nations Association-UK, and conducting environmental education.

**Michael Joseph** is also a Program Assistant for NCI and NCS. A recent graduate from the University of Wisconsin with a degree in Economic Theory, his work experience includes Ehrens Motion Music, Sarvodaya USA and Made in the USA Foundation.

**Paul Sheldon** is helping us with the work at Presidio World College, fundraising and development. He is a private development consultant specializing in non-profit fund raising, board development, and philanthropic advising. He is also currently an Underwriting Consultant to the California State Workers' Compensation Fund. Previously Paul has served as a motivational consultant to General Motors, Bank of America, Muzak, and the City of Aspen Colorado. Paul is a former Board member of Colorado Mountain College, the City of Aspen Planning and Zoning Commission, the Aspen Lodging Association, and several Chambers of Commerce in Colorado and California

**Robbie Noiles** is our IT Specialist and Organization Manager. With over 15 years experience in business and management, he has also taught computer science. For ten years he was manager of human relations and IT at Rocky Mountain Institute.

**Ellen Drew** leverages resources for projects requiring specific tools, products, services and technologies that foster sustainability. She is a 'Green Industry' specialist with a strong background in environmental management, technology analysis, application, deployment, systems design, process development, capacity building, infrastructure development, community development, grant writing, leadership and training. Her projects have included hundreds of business and community applications, technical forums and educational outreach opportunities both domestically and internationally. She was the Executive Director of the Colorado Environmental Business Alliance and the Ambassador Program for many years and most recently co-authored the patent on the StEPP Foundation's Strategic Environmental Project Pipeline.

**The Global Academy staff of Walter Link and Tom Valente** work from San Francisco and Florida, respectively. Walter Link, an international businessman and social entrepreneur, has engaged in not-for-profit projects and socially responsible business ventures throughout Europe, the Americas and South-East Asia. His activities reflect his desire to understand the complexity of global life and to develop practical approaches to the creation of a more aware, humane and sustainable world. Tom Valente has for over 25 years been at the forefront of transformative and holistic education. From his role in the development of the Omega Institute to his current position as president of the Link Foundation and the Global Academy, he has distinguished himself as one of the premier developers and initiators of innovative educational programs.

## *Join us!*

Natural Capitalism Group completed its first year and accomplished its initial goals with pride. With the addition of Natural Capitalism, Inc. and Natural Capitalism Solutions, my work is continuing to evolve and expand. We are now building on this so that we can respond to the ever-growing interest in sustainability. You may wish to be a partner in making Natural Capitalism a reality. Join us in this endeavor! You can share and incorporate the values of Natural Capitalism into your business and community. You can invite one of us to speak to your local associations, and businesses. At the same time, your donations to our non-profit Natural Capitalism Solutions are always appreciated.



Eldorado Canyon (Photo: Kate Hamilton)

If you have ideas on how to further promote Natural Capitalism, please contact us. Together, we can leave a legacy that will answer Dana's questions affirmatively. That is the best way to remember her, and to give the gift of a better world to the future.

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