

NEWSLETTER

SUMMER 2005



NATURAL CAPITALISM SOLUTIONS

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A Note from Hunter

Success . . .

To laugh often and much; to win the respect of intelligent people and the affection of children; to earn the appreciation of honest critics and endure the betrayal of false friends; to appreciate beauty; to find the best in others; to leave the world a bit better, whether by a healthy child, a garden patch or a redeemed social condition; to know even one life has breathed easier because you have lived.

This is to have succeeded.

(Attributed to Ralph Waldo Emerson)



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A Note From Hunter Cont'd . . .

Can it really be August?! We've been so busy *doing*, it's been hard to find the time to tell you about it all. As a solution, we propose to do a longer newsletter once or twice a year, and keep you apprised of our activities as they occur through faster, shorter e-alerts. Regardless of the timing, I hope that you will agree that the significance and scope of the work that you make possible is growing.

It feels to me as if we are at a tipping point in this work, making sustainability a central operating principle of business and government. I got this sense last May when Jeffrey Immelt, the Chairman and CEO of GE, and Jonathan Lash, President of World Resources Institute, co-wrote an article in the Washington Post, announcing that GE was committing to developing the cleanest possible energy technologies. They wrote, "Shareholders are more demanding than ever, and they want dividends, not 'the vision thing.' But we have reached the point where solving energy and environmental problems is not only the right thing to do but a profitable one as well. Green technologies are moving into the black, and the returns will improve further as economies of scale emerge."

Just after that I was at DuPont to keynote their celebration of the awards they give annually to the teams in the company who have made the greatest contributions to sustainability. DuPont's CEO, Chad Holliday, has led such implementation for more than a decade. He and other senior management were understandably annoyed that GE was getting all the media ink for an announcement that meant less than what DuPont does daily. That's OK, I said, if Immelt wants to trump Jack Welch, the man widely credited for saving the company, by saying he's going to save the world, DuPont can regain the leadership by actually doing it. I suggested that DuPont ensure that

all of their operations are sustainable, and that their products contribute to developing a world in which all people have sufficiency and the opportunity to participate in a sustainable economy. The folks at DuPont seemed to think that a worthy goal.

Next I keynoted the Business Education Learning Leadership conference at Cornell University. Hosted by Stuart Hart, author of the new book, *Capitalism at the Crossroads: The Unlimited Business Opportunities in Solving the World's Most Difficult Problems*, this conference explored the role of sustainability in helping developing countries. I spoke about our work in Afghanistan, and the thesis in my recently published article in *World Affairs Journal* (see pages 8-9) and said that this approach should become the new model for international development.

The clincher for me was in mid-July when I flew to Edmonton, Canada, to address 300 mayors, city council-people and municipal staff from essentially every town in the province of Alberta. They are developing sustainable strategies

for their towns. My keynote sought to convince them that this is not just good business, but will also lead to a higher quality of life for their constituents. As with everywhere I go, the questions were not about whether the opportunities that I profile are a good idea, but how to implement them. Listening to the enthusiasm in the room, I thought to myself, if the cowboy culture of Alberta can do it, an economy now booming because of its reliance on oil, gas, tar sands, industrial agriculture, forestry and other forms of resource extraction, sustainability can be implemented everywhere.

"At the heart of this assessment is a stark warning . . . human activity is putting such strain on the natural functions of Earth that the ability of the planet's ecosystems to sustain future generations can no longer be taken for granted."

(cont'd)

A Note From Hunter (cont'd . . .)

So I think we are winning. The ideas of sustainability have an unstoppable momentum. That is not to say that all of the vital things that you do in your own life to contribute (whether raising children with sufficient vision to take over from us, or preserving some little piece of intact ecosystems so that the kids have a world worth inheriting, or working for social justice in your community . . . or even buying that more fuel efficient car . . . or bicycling to work) are not vitally important. They are. The news from the Millennium Ecological Assessment^T released this April by the United Nations is grim. The study, by 1,360 experts in 95 nations (who drew on the work of 22 national science academies from around the world), reported that a rising human population has polluted or over-exploited two-thirds of the ecological systems on which life depends, ranging from clean air to fresh water, in the past 50 years.

“At the heart of this assessment is a stark warning,” said the 45-member board of the Millennium Ecosystem Assessment. “Human activity is putting such strain on the natural functions of Earth that the ability of the planet's ecosystems to sustain future generations can no longer be taken for granted.”

UN Secretary-General Kofi Annan added, “The study shows how human activities are causing environmental damage on a massive scale throughout the world, and how biodiversity—the very basis for life on earth—is declining at an alarming rate.” Even if slow and inexorable degradation does not lead to total environmental collapse, the Assessment found, the poorest people of the world are still going to suffer the most.

How we live our lives is endangering life on the planet. It is also already the source of conflict. As Lester Brown of the Earth Policy Institute points out, part of the reason that the world oil prices are now at record heights is that China has entered the world oil market. He observes that if the Chinese used oil at the same rate as Americans, by

2031 China would need 99 million barrels of oil a day. The world currently extracts 79 million barrels per day and may not be able to lift more. If China's coal burning equaled current U.S. levels (nearly 2 tons per person) China alone would use 2.8 billion tons annually—more than the 2.5 billion tons the entire world now uses. To meet the needs of the planet using stuff as inefficiently as most Americans do would require three earth's worth of resources. That's not going to happen. Although there is the old saying, “Earth first, we'll mine the other planets later . . .”

So don't for a moment think that we can rest on our laurels. There's a lot of work to be done, and all of the ways that you help are important. We need to take the message of Natural Capitalism^T to communities, companies and countries around the world.

To that end, we have just finished putting the finishing touches on the syllabus for the class that Paul Sheldon and I will teach beginning this August on Principles of Sustainable Management to the new cohort of MBA students at Presidio World College. This will take the material that we've taught there in the last two years, and combine it with the lessons learned from teaching the Maymester course this spring on Sustainability for Engineers at the University of Colorado Boulder. Unlike some fields,

*There's a lot of work
to be done, and all of
the ways that you
help are important.*

sustainability is being created day-by-day by those of us doing this work. What may have been innovative a year ago is already out of date. Makes it a little harder to just kick back and go with what you've got, but it also makes class much more alive.

I am reminded every day that good people are devoting their lives to bringing a sustainable way of life into being. Thank you for all that you do.

-- LHL



A Note From Christopher

Sometimes we are blessed with reminders that most of our sustainability mission is simply education, that if people know what is possible, they will do the right thing. This was reinforced last week at a new monthly breakfast series on sustainability hosted by Garrison Commander COL Michael Resty of the U.S. Army's Fort Carson Mountain Post. COL Resty, who'd never heard of the concept upon becoming the chief of a 60-year-old garrison housing 20,000 employees, reaffirmed his desire for Fort Carson to lead the Army's installations in sustainability performance. I had to smile to myself when he noted that sustainability "needs to become a way of life." He also called for implementing green building technologies featuring energy and water efficiency. My hat is off to the Fort Carson sustainability team that has painstakingly laid the groundwork for the garrison to become a national leader.

It continues to be my great personal privilege to help lead this effort for Fort Carson, saving taxpayer dollars and helping educate thousands of soldiers and civilians about how sustainability is simply "better management." Our NCS partners now include Steve Mullen of ForeSee Consulting, who is helping Fort Carson use the powerful Community Viz tools for sustainability-based expansion planning, and Ann Oatman-Gardner, who helps local government officials become educated about and adopt sustainable development indicators that align with Fort Carson's goals.

Current Pentagon plans for relocating Army personnel may result in Fort Carson hosting an additional 10,000 soldiers within two years—more than a 60% expansion. Tens of millions of dollars will be spent accommodating the soldiers with new buildings, houses and transportation systems. Fortunately, our Sustainability Team has developed principles for smart-growth planning that were quickly adopted by garrison leaders. We have a long way to go, but we are on our way . . . with traction.

-- CLJ



Congratulations to Christopher's daughter Emma, a sophomore at Clark University, for helping lead the global Youth Stakeholder group to the United Nations' Commission on Sustainable Development meetings in New York in April

"Sustainability needs to become a way of life."

— *U. S. Army
Ft. Carson Mountain Post
Garrison Commander
Colonel Resty*

Presidio World College[™] Graduates its First Class

By Dedee Delongpre (Executive Director of Sustainable Alachua County[™] Florida)

“Time flies when you’re having fun.”



Dedee Delongpre

It is difficult to believe that my 20 pioneer classmates and I have finished the last semester of our MBA program. It seems like yesterday that I listened, captivated, to Hunter as she gave us our first lecture on the Principles of Natural Capitalism.

Two years later, I am deep into creating my own future in sustainable business.

Presidio World College’s MBA in Sustainable Management turned out to be an “MBA and a half.” Not only did we study traditional MBA courses (using many of the traditional text books my friends in Stanford’s MBA program have used) but we also learned how principles of environmental stewardship, economic vitality and social justice can and should be woven throughout standard business principles and practices. Hunter was hired by the school’s founders to co-design this fully integrated curriculum. It has been an ongoing work in progress to which we all—students, administration, and faculty—have given our hearts, minds and spirits.

In our final semester, my class was charged with creating “ad-venture” plans that address our individual “calling.” No small task. This was an opportunity for each of us to develop our sustainable dream venture with the

support and mentoring of academic and business leaders in the field. In the opening lecture for this venture planning class, Hunter promised each of us that she would be a mentor for life. This quality of access to professors and individualized attention will surely become a hallmark of this program.

Through Presidio’s commuter program, I attended from across the country and completed an internship with a local Florida non-profit, Sustainable Alachua County. I also serve on the economic development strategic planning committee for the City of Gainesville’s Healthy Communities Initiative. The latter experience affords me the opportunity to test out what I have learned about sustainable economic development in a mainstream setting.

I now recognize that my classmates and I are akin to first-born siblings: heading out into the world with the reputation of this leading edge business school resting squarely on our shoulders. We are as diverse a group as you can imagine. Our goals range from anchoring a major new television offering called Ethical Marketplace, to designing sustainable clothing,

sustainable investing, creation of sustainable home building supply stores, social accounting ventures, leadership consultancies and social justice non-profits. Each of us will contribute to the development of a more sustainable and just economy and, in doing so will create opportunities for many future classes of Presidio graduates to come.



Presidio World College MBA Graduates 2005

Afghanistan: Solar Power for 800 Orphans

By David Elliot

Dear Hunter and Nat Cap Family:

Hello from the fort.

I'm sending this little slide show^T to you for your advice or help to find some money for a small but perhaps worthwhile social project.

Asian Development Bank has obtained some interesting solar hot water heaters that can produce about 4,000 liters of hot water, even in winter, and after some investigation, we have settled on installing them at a boys orphanage in Kabul—but there are no funds for the required construction and plumbing work.

I went there recently and I can tell you, they badly need some help to fix up the bathroom . . . and the kitchen is a pretty extraordinary sight too. Perhaps that can be next . . . There are about 800 kids, and I've rarely seen a classroom display so much attention, respect and interest in learning. We need about \$15,000 to repair and build out the shower-room and toilets and septic tank—we'll take care of supervision and logistics . . . any bright ideas or contributions are welcome.

Cheers,

David



David Elliot with the Deputy Minister of Energy and his Assistant
Kabul, Afghanistan



Afghan kids outside Kabul

While we have promised to ask for operational support only once a year, this is a bit different. By donating to this project through NCS, you still get a tax deduction, but none of the money will stick to our fingers. All of the funds raised for this project will go with Hunter to Afghanistan for the orphans. We have already raised about half of the necessary funds. Because of the early generosity of Angela and David Hoxley, Audrey Levine of Paradigm Nouveau Enterprises and Jack Canfield, David may have been able to get USAID, and/or the U.S. Embassy to pay for putting the solar collectors up. Presuming he is successful with them, all money we raise will go to restoring the kitchen, bathrooms and other facilities at the orphanage. We deeply appreciate any help you can give.

Preserve the Arctic National Wildlife Refuge: Treasure America[™]

By Andrew F. Smith and Holly Coleman



Reducing the United States' dependence on oil will affect diverse aspects of American society. "Soccer moms" will save money on transportation with more efficient vehicle technology. Investment in alternative energy sources will create more jobs for American workers. At the same time, on a remote island in the Arctic, less oil industry development will challenge the small Inupiat village of Kaktovik, Alaska, to find new ways to create employment that do not depend on the oil industry funds. Kaktovik is the closest inhabited community to the threatened lands of the Arctic National Wildlife Refuge, and it is where the Treasure America Project (TAP) chose to launch its initial effort to reduce America's addiction to oil.

The TAP team visited Kaktovik to analyze the impact of oil development on a small subsistence community and to discuss economic alternatives to oil industry funded jobs. Over 90% of employment in Kaktovik comes from construction projects funded by oil industry monies and from government service jobs with the city and the local school which also depend on oil industry tax dollars. Virtually no local entrepreneurship exists in this "top-down" economic model which mirrors the economic structure seen in former socialist economies.

The TAP team worked with community members to identify non-oil industry business opportunities that could create employment for Kaktovik residents while protecting the surrounding terrain and the local customs of the Inupiat tribe. Diversification of

business activities is required in any healthy economy, large or small. Without the vibrancy and innovative thinking of small business, Kaktovik will remain beholden to the oil industry. No other economic opportunities will exist. Fortunately, a growing number of residents are realizing this. There is new interest in eco-tourism and increased recognition that oil industry development threatens traditional practices of subsistence living.

The team confirms, firsthand, that the Refuge is not a "blank, white, nothingness" as stated by Secretary of the Interior Gale Norton

Given the private nature of this village's approximately 250 inhabitants, the TAP team invested significant time to build trust and motivate community members to participate in the economic development seminars held for the village. Two of the project's contacts in the community, Robert Thompson, a local guide and a strong anti-drilling proponent, and Lon Sonsalla, the Mayor of Kaktovik, warned that seminar attendance would be low but that the team would be welcome guests to their community. After numerous one-on-one conversations, the project succeeded in bringing together five community members for an initial seminar to discuss new business development in the community. A short brainstorming exercise resulted in the identification of 18 different business ideas including: local guiding services, a crafts shop, a taxi company and a local greenhouse business to offer fresh produce to the community rather than fly it in from hours away. (Or weeks away in bad weather!)

(cont'd)

Preserve the Arctic National Wildlife Refuge: Treasure America (cont'd . . .)

The second TAP seminar involved a hands-on working session with local guides to discuss marketing strategies and community planning as well as training and partnerships needed to support new ventures. The TAP team's combined expertise of economic development and sustainable business practices steered participants toward viable business ventures which simultaneously benefited the community, the environment and individual bank accounts.

After a ten day trip experiencing the wilderness of the Arctic Refuge through a 120-mile raft trip, hikes in the Brooks Range and the observation of migrating caribou, the team returned, inspired, with first-hand knowledge of what lies above the ancient carbon reserves. The team confirms, firsthand, that the

Refuge is not a "blank, white, nothingness" as stated by Secretary of the Interior Gale Norton, but an enchanting wild area.

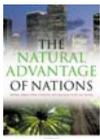
The short-term objective of Treasure America Project is to support the local people of Kaktovik in their quest for alternatives to the boom and bust seduction of the oil industry. The long-term vision of Treasure America is to move the United States away from its addiction to oil. Newer, cleaner technologies will deliver plentiful cost savings and increase job opportunities for Americans while protecting, not degrading, such national treasures as the Arctic National Wildlife Refuge.

www.treasureamerica.org



Beach Reading

Natural Advantage of Nations: Business Opportunities, Innovation and Governance in the 21st Century



Edited by: Karlson 'Charlie' Hargroves and Michael Harrison Smith of The Natural Edge Project, Australia

Forewords by: L. Hunter Lovins, Michael Fairbanks, William McDonough, Amory B. Lovins, and Alan AtKisson

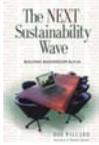
Published by: Earthscan (December 2004)

ISBN: 1844071219

The Natural Advantage of Nations collects the work of more than 30 leading thinkers, along with fresh evidence from around the globe, to show that the drive for an ecologically sustainable world need not be in conflict with economics and good business. This book draws a bold vision for the future integrating the lessons of competitive advantage theory and the latest in sustainability, economics, innovation, business and governance theory and practice.

The authors incorporate innovative technical, structural and social advances, and explore the role that governance can play in both leading and underpinning business and communities in the shift towards a sustainable future. Coupled with a companion website, this book builds on the business case for sustainability. Hunter's foreword describes how, in a tripartite world, business, government and civil society can work together to create better solutions. Go online for more information. ²

Beach Reading (cont'd . . .)

The Next Sustainability Wave: Building Boardroom Buy-in

Author: Bob Willard

Foreword by: L. Hunter Lovins

Publisher: New Society Publishers (April 15, 2005)

ISBN: 0865715327

Bob Willard is a leading expert on the business value of corporate sustainability strategies. In the last two years he has given over 100 keynote presentations to corporations, consultants, academics and non-governmental organizations. Following a 34-year career with IBM, he authored *The Sustainability Advantage: Seven Business Case Benefits of a Triple Bottom Line* (New Society Publishers, 2002). Bob has followed this with an insightful guide that helps sustainability champions to get the upper-level support necessary for meaningful progress. This new book emphasizes the importance of how sustainability is presented to corporate leaders, and presents Natural Capitalism as one of the leading sustainability frameworks used in the world. It stresses using the right language and avoiding threats to the status quo that may provoke corporate defense mechanisms. It applies effective selling techniques to reposition sustainability strategies as a means to achieve corporate ends, rather than as a cost center. It sells sustainability as a solution, a business strategy and a catalyst for innovation. The appendix is very useful and gives a version of the sustainability business case for small- to medium-level enterprises.

Willard notes that two emerging drivers are pushing companies to behave more responsibly: compelling business value and a “perfect storm” of market-based business threats. Willard describes how five mega-issues, including climate change, are meeting up with five categories of “increasingly demanding stakeholders” including “green” consumers, activist shareholders, NGOs, governments and the financial sector. Using interviews with 43 CEO’s Willard points out that change is no longer a luxury, but a business imperative.

If your organization is looking for how to use sustainability to increase profits, or your community is looking to improve its long-term economic health while balancing the market’s short-term competitive realities, Hunter recommends you read this book. Go online for more information. [I](#)

What's Hip, Happening and Happened, Natural Capitalism Exposed

Highlights

Go online to see a list of upcoming and archived events. [I](#)

13-14 Aug, Oregon, IL
 21 July, Ithaca, NY
 20 July, Edmonton, Canada
 3 July, Kaktovik, AK
 22-24 June, Guam
 22 June, Kaktovik, AK

8-13 June, Salzburg, Austria
 1-5 June, San Francisco, CA
 25-26 May, Portland, ME
 19 May, Pueblo, CO
 5 May, Colorado Springs, CO
 7 April, Stillwater OK
 21 March, Cookeville, TN

13 March, New York, NY
 9 March 05, Aimes, IA
 5 March, Sedona, AZ
 4 March, Prescott, AZ
 23 Feb, Longmont, CO
 9 Feb, Laramie, WY

Also, go online to read Hunter’s Web-log (Blog). [I](#)

What's Hip, Happening and Happened; Natural Capitalism Exposed (cont'd . . .) Aussies Leaping and Bounding Towards Sustainability

Hunter's travel schedule is usually intense enough to exhaust any five people, but this spring was particularly grueling. From early March until May she was home fewer than five days. As part of this run, Hunter spent three weeks in April with The Natural Edge Project[™] touring Australia, deepening partnerships formed on the 2004 tour and giving a nationally televised presentation to the Australian National Press Club (estimated audience of over a million). Hunter traveled to the Central Coast (Gosford), and the Northern Rivers country of Ballina, and Byron Bay. She visited Townsville in the far north of Queensland, where the mayor bought her the Australian cattleman's hat she now wears. She also made appearances in such capital cities as Sydney, Canberra, Brisbane and Melbourne. From Alice Springs she ventured deep into the outback to spend a weekend on a cattle station discussing organic agriculture with farmers from around the country.

Hunter gave dozens of public lectures from audiences of 1,000 in Townsville to a small group of business leaders in Alice Springs. She met with politicians, government officials, business people, the media, water utilities and students . . . anyone active in implementing Natural Capitalism.

It's a long flight down under, and a significant commitment of time, but Hunter loves doing the trip. For starts, the Australians grappling with these issues are some of the finest friends in this movement. People like Dr. John Cole, Director of the Queensland Environmental Protection Agency, and Dr. Peter Newman from Murdoch University are world class. Hatch Engineering, who again hosted



Australian Press Club 2005

Hunter to speak to a business audience, has a brilliant approach to sustainable minerals extraction. Molly Harris Olsen and Philip Toyne, who invited Hunter to supper at their wonderful home in the country outside of Canberra, are as insightful and competent at the political and business aspects of implementing change as anyone anywhere. The group sat late with academics, politicians and business leaders talking political theory, cutting

edge technologies and the human aspects of how to get all this done—over some very good Australian wine and delicious food.

Many people ask why no one has replicated the example of Village Homes in Davis California. This development, created in the 70's is, as they say, simply a better way to live. Solar housing, human scale

neighborhoods designed around pedestrian friendly green-spaces, capture and reuse of rainwater on site, and dozens of other sustainability technologies were so cutting edge that the local officials looked askance when the developers Judy and Michael Corbett proposed them. All have proven out, and Village Homes remains one of the most desirable neighborhoods anywhere. Well,

now, on the Gold Coast of Australia, the Currumbin Eco-village is emerging, based directly on the experience of Village Homes, with as many of the new technologies that have been developed since the 70's as they can fit in. It did Hunter's travel weary heart good to ride the property on a brilliant horse, "Skye," courtesy of a neighbor, Pip Rose.



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What's Hip, Happening and Happened; Natural Capitalism Exposed (cont'd . . .)

City of Boulder, Colorado

The City of Boulder, Colorado, enjoys cutting-edge leadership from both its elected officials and such staff as Environmental Sustainability Coordinator, Sarah Van Pelt. At their urging (and the occasional nudge from Natural Capitalism), Boulder recently joined Chicago and Portland as one of the first major U.S. cities to join the Chicago Climate Exchange. This initiative is one of many others the City has undertaken—it has already done ground-breaking work in requiring high performance (green) residential construction and has county-wide partnerships for pollution prevention. And Boulder had already committed to meet the goals of the Kyoto Protocol: reducing the community's greenhouse gases from all sources 7% from 1990 levels by 2010.

Boulder had already committed to meet the goals of the Kyoto Protocol

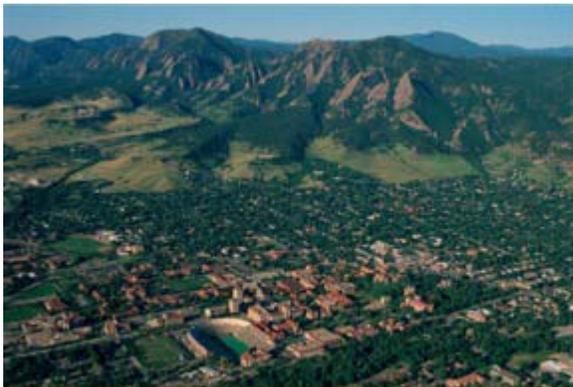


Photo from Boulder Convention and Visitors' Bureau

This is not a trivial accomplishment. Exchange membership represents a legal commitment to reduce greenhouse gases annually. Now the challenge is to fund the city's Climate Action Plan. NCS was delighted to be asked to help city staff, the Wirth Chair of CU Denver and the Shaw Group of Chicago to help lay out the funding strategy.

The results will be presented this fall, and should be useful to all U.S. cities that choose a climate-responsible development path. For more about Boulder's environmental initiatives and accomplishments, visit www.environmentalaffairs.com.¹

Colorado University, Boulder Maymester

The engineering profession will play a significant part in moving society to a more sustainable way of life. This May, NCS teamed with the Engineering for Developing Communities, Department of Civil, Environmental and Architectural Engineering at the University of Colorado to present Natural Capitalism for Engineers.



Christopher Juniper, Janet Graaf of the CU Business School, and Robyn Sandekian of the Engineering Department and The Natural Edge Project's Charlie Hargroves taught the course. This course was supported by a range of Engineering-related material in *Natural Capitalism* and *The Natural Advantage of Nations* (see above).

Taught in the Maymester (a semester delivered in a month) the course provided engineering students with a basic understanding of sustainability issues and the opportunities for society. Natural Capitalism Solutions' Hunter Lovins and

Dr. Bernard Amadei, founder of Engineers Without Borders—USA and Professor of Engineering at CU, reports that the students raved about the course. He has invited us back to teach it next May.

Go online for more information.

What's Hip, Happening and Happened; Natural Capitalism Exposed (cont'd . . .) Backbone Campaign[ⓧ]



NCS has no political affiliation, does not lobby and is avidly non-partisan (Hunter even serves on the National Republican Congressional Committee's Business Advisory Council). Perhaps to balance the equation, Hunter has been nominated for the "Backbone Cabinet"

Secretary of Commerce position; as of this writing she leads a field that includes former Senator Bill Bradley, Robert Reich, David Korten, Paul Krugman, Michael Porter and Jim Hightower. (Hunter insists that someone must have voted more than once.)

The Backbone Campaign, the Progressive Government Institute and a coalition of grassroots organizations have initiated a process to empower citizens to nominate, comment on and rate progressive

leaders to serve as a virtual Progressive Parallel Administration. Created to demonstrate that the progressive movement is not an opposition, but a propositional movement, it seeks to show that progressives are preparing to run the country. This Project has initiated "Conversations with the Cabinet," a weekly webcast conference call and podcast, designed to create links between grassroots activists and our most effective policy and movement leaders. Hunter recorded a podcast, titled: Progressive and Profitable Too: Building a Sustainable Shadow Economy, which aired Monday, July 18th.

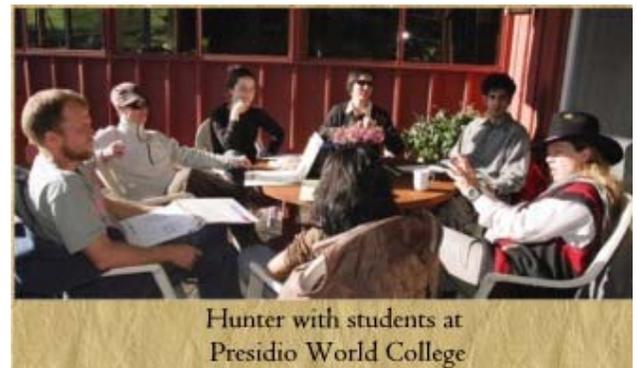
Hunter discussed how Natural Capitalism Solutions is making the concept of sustainable development a central operating principle of organizations around the globe by promoting resource efficiency, biomimicry and sustainable business practices.

Sustainable Business Management Training Sessions[ⓧ] with Paul Sheldon

Hunter Lovins and Paul Sheldon (read more about Paul below) are available to help your businesses or organization increase profitability and efficiency while becoming more environmentally and socially responsible.

NCS trainings show organizations how to create and implement a whole-systems approach unique to their situation. They show you how using resources more productively and operating in ways that are restorative of people and the planet can deliver increased profitability and greater competitive advantage in all industries. Hunter and Paul can train groups of any size and expertise; from senior executives, engineers, designers and accountants, to an entire staff. Sessions are rich in lecture-delivered content, but emphasize interactive dialogue. Session lengths can range from half-day workshops to five-day intense charrette formats to ongoing implementation consultation.

Natural Capitalism works with organizations to manage their "integrated bottom line," combining profitability, environmental awareness and social responsibility, while fostering greater levels of operational effectiveness. Go online for more information.[ⓧ]



What's Hip, Happening and Happened; Natural Capitalism Exposed (cont'd . . .)

“Development as if the World Mattered”

Published in the World Affairs Journal



The NCS Holiday Letter that Hunter wrote from Afghanistan elicited an invitation from World Affairs Journal to write an article about her proposals for international development. The thesis discussed in this article (summarized below) has been a topic of speeches Hunter has been giving for months now. Some of the participants in this discussion have included participants at the UN’s World Environment Day in San Francisco, CA, the BELL Conference in Ithaca, NY, City Club attendees in Boulder, CO, and private gatherings in homes around the Boulder area.

Article Summary ^T



In the West Central Highlands of Afghanistan an empty diversion canal for a micro-hydro electric power plant is emblematic of what’s wrong with international development and what needs to be done.

Abandoned since the Soviets stripped the turbines from it, the diversion could supply a megawatt of power to the city of Bamiyan and to the thousands of rural people around it. It could sustainably bring power, critical for development, to that region of the poorest country in the world outside of Africa. Instead, the U.S. is funding a multi-million dollar powerline from the north to Kabul. Other proposals call for spending billions to build coal plants across the north of the country to feed more power into that tenuous line. Clinics are built with U.S. tax money with no regard for solar orientation, and no energy budget. The doctor borrowed a diesel generator but has no money to buy fuel.

Around the world, aid money tends to create perverse versions of a welfare society . . .

The world desperately needs a new model of development. Most of the world’s people are stuck in poverty, and all major ecosystems are in decline. Spending more money, however, will not by itself

solve the problems. The answers must include fundamentally rethinking international development so that it implements world best practice in sustainable development technologies in ways that promote the creation of locally controlled, viable businesses.

In 2000, the Millennium Development Goals set targets for eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, improving maternal health, reducing child mortality, combating HIV/AIDS, malaria and other diseases, ensuring environmental sustainability and developing a global partnership for development by 2015. Jeffrey Sachs, the

Director of the Millennium Development Project, a recent Time magazine article called for the wealthy nations to meet their development pledges as the recipe for meeting the Goals.

But more money, alone, will do little good. Unless there are changes in how development money is spent, and how development is done, such increases will not decrease poverty.

What's Hip, Happening and Happened; Natural Capitalism Exposed (cont'd . . .)

“Development as if the World Mattered” (cont'd . . .)



Around the world, aid money tends to create perverse versions of a welfare society, dependent on big western contractors and foreign NGOs. When the money runs out and the westerners leave, the people struggle on in poverty. Each “crisis du jour” repeats the process—money pours in to aid the afflicted people, but winds up in the pockets of developing country contractors.

Natural Capitalism and a growing array of other books prove how the rapidly emerging best practice in sustainable technologies can meet basic human needs around the world and solve most of the environmental problems facing the planet at a profit.

Imagine, a world in which no family needs to burn smoky dung or wood or oil lamps for light, where wireless digital communications are available to everyone, and where women and young people have illumination to become literate, to be able to see a brighter future reflected in the solar cells that power this vision. This model of development starts its business planning from the bottom up. It asks how much does a farmer have to spend? What will your

product do to increase an urban dweller’s income? In India, SELCO is showing how, without subsidies, even poor families can afford solar electricity. In China “Eco-machines” of living plants are cleaning the water in polluted canals, while creating habitat and beautiful community parkways. SEKEM, in Egypt, is using private enterprise to lift thousands of people out of poverty, deliver quality organic food to European markets, and now, to create a University.

Collectively, the array of sustainability practices such as efficient and renewable energy supplies, green building technologies, efficient water treatment and delivery systems, and sustainable approaches to providing food and health care can do a better job of meeting development needs in Afghanistan and other developing countries than the conventional approaches offered by the western consulting firms with whom USAID typically contracts.

Our tax dollars are funding the current system of “development done wrong.” We deserve better, and the rest of the world desperately needs it.

Contact us if you can help circulate this article.

Go online for more information. [i](#)

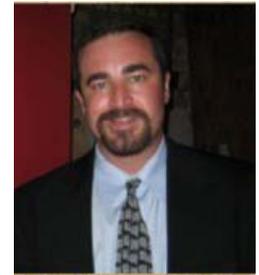


Meet the Gang New Nat Cap Staff

Stephen M. Self

Operations Director

Stephen joined the Nat Cap staff in February 2005 as Operations Director. A recent transplant to the Boulder area from Florida, he brings a wonderful sense of balance and organization to our office. Stephen received a Bachelors of Arts in Cognitive Psychology from Pennsylvania State University, and a Masters of Arts from St. John's College in Maryland. When he is not keeping the NCS office on track, he enjoys mountaineering, hiking and building yurts. If you call our office, chances are you'll be talking to this great addition to our staff.



Stephen M. Self

Paul M. Sheldon

Sr. Consultant

Paul Sheldon not only helps Hunter teach the Principles of Sustainable Management Course at Presidio World College, he assists in delivering the Sustainable Business Management Training Sessions (described above). Paul has BA and MA degrees in Human Development from Pacific Oaks College in Pasadena, CA, holds a lifetime college teaching credential in Business and Industrial Management and serves on the faculty of Presidio World College, the first fully-accredited MBA program in Sustainable Management at Alliant International University. He specializes in organizational development, staff training, non-profit fund raising, board development and philanthropic advising and has served as a motivational consultant to General Motors, Bank of America, Muzak and the City of Aspen, Colorado. He also works as an Underwriting Consultant to California's State Workers' Compensation Insurance Fund.



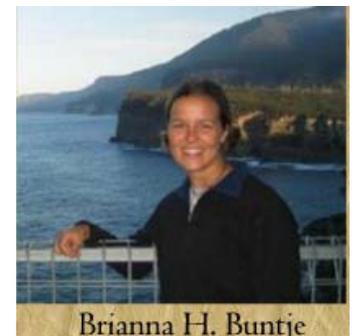
Paul M. Sheldon

In addition to his work in business, he helped to organize Rocky Mountain Institute, the Los Angeles-based TreePeople, Friends of the Los Angeles River and many other non-profit organizations. 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 and Workforce Investment Boards in Colorado and California, and has led folk dancing with more than 150,000 people on three continents. He was Treasurer of the Trinity Institute for Appropriate and Sustainable Technology and Research, a think tank and appropriate technology demonstration center in Northern California, and sits on such advisory boards as www.commonwealinstitute.org and www.sustainableventures.us.

Brianna Buntje

Research and Administrative Assistant

Brianna was born and raised in Minnesota and earned a BS from the University of Wisconsin-Madison with a major in Psychology and a minor in Business in 2004. Since joining NCS in May of 2005, Brianna has been helping develop and archive presentations as well as conducting research for pending publications with the Chicago Climate Exchange and other articles and books that are in the works. She has previously worked in financial advising, retail, mortgage banking, market research, psychology laboratory research and as a natural science instructor. Her passion for sustainable business was sparked at a course at New South Wales University, Australia when she was studying abroad in 2004. When she's not working for NCS, Brianna loves to travel, hike, explore and otherwise be challenged.



Brianna H. Buntje

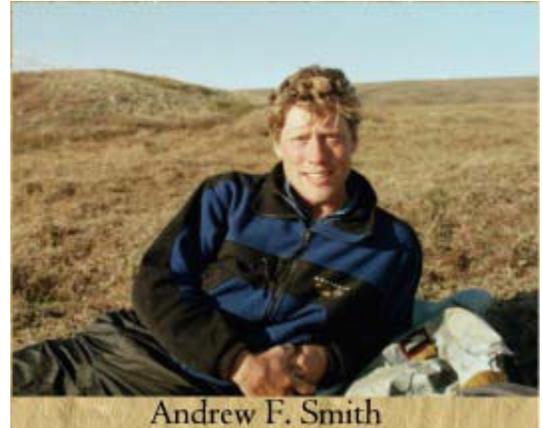
Meet the Gang (cont'd . . .)
New Nat Cap Staff (cont'd . . .)

Andrew F. Smith

Treasure America Project Director

Andrew Smith joins NCS as the Treasure America Project director. He has a deep passion for wild places, global experience leading expeditions and a professional background in sustainable economic development. Within a few weeks of the U.S. Senate vote 16 March 2005, Andrew brought together a team of individuals to dedicate time, expertise and in-kind resources to launching the Project—taking a sabbatical from his international development work with On The Frontier Group (OTF Group). The Treasure America Project is an intensive two month effort to protect the Arctic National Wildlife Refuge from oil drilling by demonstrating how the American public, indigenous peoples, Alaskan citizens and corporate America can profit from preserving the Refuge in its pristine state. The Treasure America Project will help key decision makers and native Alaskans understand that:

1. economic future does not depend on extracting resources from the ground but on business innovation, resource efficiency and human capital; and
2. there are far faster, cheaper, cleaner and more profitable methods to address America's energy needs than oil drilling in the Refuge.



Holly Coleman

Treasure America Project Coordinator

Holly Coleman is an international business strategist. She has extensive experience in the information technology industry where she has helped grow start-up companies as well as educational institutions. Currently, she is pursuing her MBA in Sustainable Business Management at Presidio World College.

Holly's interest in community development and renewable technology led her to the Treasure America where she worked closely with the native people of Kaktovik to understand their aspirations as well as their challenges living in a remote village in the Arctic Refuge. (See group photo below.)

Emily Leary

Treasure America Fundraising Coordinator/Education Specialist

Emily has worked as a professional educator in the U.S. for the last nine years and holds a Masters degree in history. She has studied the transformation of American industry and communities over the last century, and understands the social challenge of transforming embedded, natural-resource-dependent industries. As the project's fundraising coordinator, Emily builds relationships with companies, organizations and individuals that understand the value of moving America away from oil dependency.

As the owner of a four-wheel-drive SUV, she enjoys the interior space and the access to the great outdoors which the vehicle provides her. However, Emily realizes that the latest hybrid vehicle technology will allow her to continue having the convenience of an SUV without degrading the pristine nature of America's far north. (See group photo below.)

Meet the Gang (cont'd . . .)

New Nat Cap Staff (cont'd . . .)



Karl Swingle, Ciaran Flannery, Nick Aster, Lawrence Klein, Holly Coleman, Emily Leary & Andrew Smith

Nick Aster

Treasure America Media Coordinator

Nick has been a professional online media specialist for the last 6 years and is now pursuing his MBA at Presidio World College in San Francisco. He is an entrepreneur and has a thriving consulting business for web-based media. Current and past clients include Silicon Valley Watcher & Moreover Technologies. As a media specialist, he has come to appreciate the many sides of communication and enjoys exploring as many sides of an issue as there are people involved.

Nick's interest in media led him to the Treasure America Project. He was fascinated that the few beneficiaries of oil drilling in Alaska (those receiving direct short term financial benefits) had convinced so many Americans that increased oil drilling was a good way to address America's overdependence on oil. (See group photo above.)

Karl Swingle

Treasure America Production Editor

Karl Swingle has worked professionally in the film industry for six years. With a graduate degree in film production, Karl has traveled the world working on documentary film projects, television features and full length films. He has built a portable film editing system that allows him to create films in remote environments—whether in the Kalahari Desert in South Africa or on the slopes of Mount Everest. With his experience and customized equipment, Karl provides the Treasure America Project unique media production capability. He is capturing the experiences of the Treasure America team while working with business leaders in U.S. cities as well as in the remote tundra of the Arctic Refuge. (See group photo above.)

Ciaran Flannery

Treasure America Production Producer

Ciaran Flannery has been working in television and film production since the first Bush administration's attempts to open up the Arctic National Wildlife Refuge. He has produced films and television series in locations as exotic as Argentina, Afghanistan, Africa and Aspen—so Alaska was a natural progression. Ciaran volunteered for Treasure America as a means of paying penance for producing a reality show starring an SUV. He currently resides in sweltering and smoggy Atlanta. (See group photo above.)

Meet the Gang (cont'd . . .) Nat Cap Interns 2005

Scott Leach

Scott translated his environmental studies at CU Boulder and his volunteer work for the CU environmental center's climate change activities into helping NCS with its climate change case stories and strategies. This Massachusetts native's great energy and efficiency will be a continuing help to us in the coming year.



Scott Leach

Sandra Iseman

Sandra joined NCS as an intern this summer, bringing a background in urban planning to help develop the NCS sustainable economic development planning model. She's made contributions to our climate change case studies, to the Fort Carson-sponsored Pikes Peak Sustainability Indicators Project, and was invaluable in conducting research for Hunter's recent sustainability speech in Alberta, Canada. Sandra is a Toronto-area native about to start the second year of her PhD at Bauhaus University (Weimar, Germany) in European Urbanistik Studies.



Sandra Iseman

Sean Calhoun

Sean is interning with NCS for six weeks before returning to Emory University in Atlanta, Georgia for his senior year. A Boulder native, he is focused on sustainable international development conducting research for our work in Afghanistan. Before joining NCS, Sean conducted on-site academic research on the evolution of democracy in Argentina and Chile.



Sean Calhoun

Join Us!

As always, we are looking for more good interns to work in the Eldorado office on all of our ongoing projects. If you'd like to spend the summer (or the rest of your life) implementing Natural Capitalism, [click here](#).

NCS is currently accepting applications for volunteer internships only.

Alumni

Michael Joseph



Michael, an NCS intern and staffer from April 2003 to July 2004 now works with Denver's Door To Door Organics, a home delivery service for organic fruits and vegetables. Door To Door was started on the east coast in 1996 and now services the Front Range of Colorado, Pennsylvania, New Jersey, NYC, Connecticut, Maryland, and Virginia / D.C. Their service is unique because it delivers fresh produce year-round and buys all its produce from local farmers. Go online [T](#) or call Michael at 303-297-3636 for more information.

Meet the Gang (cont'd . . .)
 Nat Cap Board of Directors

NCS held its second annual board meeting this June. Thank you very much to Norm Clasen, Janine Benyus and Anita Burke who have committed their time and energy to serving on our board of directors.

Norm has just opened his own gallery in Basalt Colorado (“Twilight” pictured here). Janine’s work in Biomimicry is gaining momentum, as she continues to travel and speak. Her work on the NSF database linking biologists and engineers is being beta-tested now and she’s focused this year on working with green chemists. Anita is currently writing, speaking internationally and advising governments, multinational corporations, NGO’s and green businesses on social responsibility, operationalizing sustainable development and practical actions for delivering on socioeconomic change. She is also a partner in several innovative green businesses in both North America and China.



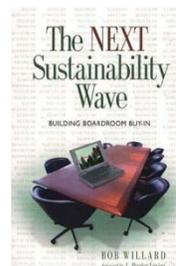
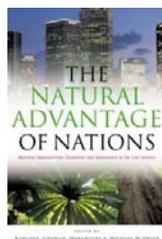
Take Action!

READ A GOOD BOOK

. . . AND SHARE IT WITH YOUR FAMILY, FRIENDS, LIBRARY OR COFFEE SHOP

GOOD BOOKS INCLUDE:

- NATURAL CAPITALISM (LOVINS, LOVINS AND HAWKEN)
- THE NEXT SUSTAINABILITY WAVE (WILLARD)
- THE NATURAL ADVANTAGE OF NATIONS (HARGROVES AND SMITH)
- THE LORAX (SEUSS)



Supporting Natural Capitalism Solutions [Ⓡ]

Special thanks to the following people [Ⓡ] who have donated since our last newsletter was published.

- | | | |
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| ■ John Gilpin | | ■ Dorothy & John Wolfe |

On behalf of Hunter and all Nat Cap Staff, we'd like to extend extra special thanks to a small handful of donors who have really made a significant impact on our projects.

Treasure America Supporters (*) are an amazing force. Thank you very much for your donations and your continued support. Follow this fast-moving project's progress at www.treasureamerica.org.

Anne and Mac Bell, John Gilpin, Stephen H. Johnson, Inga & Nick Karolides, Leslie & Mac McQuown, Hellen & Werner Muller, Diana & Jonathan Rose and Betty Williams have all made major contributions to the General Support of NCS, without which our work would not be possible. We are deeply grateful.

Special personal thanks go out to Sacha Millstone, a socially-responsible investment counselor of the

Millstone-Evans Group, and Audrey Levine, of Paradigm Nouveau Enterprises. Sacha and Audrey helped us launch our Green Afghanistan fund after hearing Hunter's Boulder City Club presentation in Spring 2005. Sacha insists that she is joining Hunter on a future Afghan trip to explore the country and how she can further help NCS work there. Angela & David Hoxley, and Jack Canfield have also stepped up and made contributions specifically towards our work in Afghanistan.

Natural Capitalism Solutions works with academia, government, international institutions and business to develop and implement sustainability and Natural Capitalism. NCS is a 501(c)3 non-profit corporation of the State of Colorado, status granted October 2004. The work of Natural Capitalism Solutions is made possible from the support of individuals like you.

We deeply appreciate your donations.



Links:

- NCS Summer 2005 Newsletter online http://www.natcapsolutions.org/newsletter_summer2005.htm
- p. 3 Millennium Ecological Assessment <http://www.millenniumassessment.org/en/index.aspx>
- p. 3 Natural Capitalism <http://www.naturalcapitalism.info>
- p. 5 Presidio World College <http://www.presidioworldcollege.org>
- p. 5 Sustainable Alachua County <http://www.sustainac.org/>
- P. 6 Afghanistan Slide Show http://www.natcapsolutions.org/publications_files/orphanage.pdf
- p. 6 Afghanistan on NCS site <http://www.natcapsolutions.org/projects.htm#AFGH>
- p. 7 Treasure America site <http://www.treasureamerica.org>
- p. 7 Treasure America Alaska photos <http://www.treasureamerica.org/trippphotos/>
- p. 7 Treasure America close up of phot http://www.natcapsolutions.org/news/V4/ANWR_trio1.jpg
- Bonus pictures, used in web version http://www.natcapsolutions.org/news/V4/ANWR_trio2.jpg
- p. 8 Treasure America close up of footer http://www.natcapsolutions.org/news/V4/ANWR_trio3.jpg
- p. 8 Purchase *Natural Advantage of Nations* through Amazon <http://www.natcapsolutions.org/resources.htm#BKS>
- p. 8 Companion site to NAON <http://www.naturaledgeproject.net/NAON.aspx>
- p. 8 Download Hunter's foreword http://www.natcapsolutions.org/publications_files/NAON_FWD_LHL.pdf
- p. 9 Purchase Bob's book through Amazon <http://www.natcapsolutions.org/resources.htm#BKS>
if you can't buy this book locally, a percentage of your purchase will be donated to NCS by using this link
- p. 9 More information on Bob's book <http://www.sustainabilityadvantage.com/wve.html>
- p. 9 Summary of Nat Cap Events <http://www.natcapsolutions.org/EventArchive.htm>
- p. 9 Hunter's Web-log (BLOG) <http://www.natcapsolutions.org/BLOG.htm>
- p. 10 The Natural Edge Project <http://www.thenaturaledgeproject.net>
- p. 11 City of Boulder Environmental Work <http://www.environmentalaffairs.com>
- p. 12 Backbone Campaign <http://www.backbonecampaign.org>
- p. 12 NCS' Sustainable Business Management Training <http://www.sustainabilitytraining.org>
- p. 13 World Affairs Journal <http://www.worldaffairsjournal.com/article2.html>
- p. 13 Article: Development as if the World Mattered http://www.natcapsolutions.org/publications_files/WAJ_May2005.pdf
- p. 15 Paul Sheldon advises these boards <http://www.commonwealinstitute.org/>
<http://www.sustainableventures.us/>
- p. 16 Treasure America Staff <http://www.treasureamerica.org>
- p. 18 Join Us <http://www.natcapsolutions.org/jobs.htm>
- p. 18 Door to Door Organics <http://www.denver.doortodoororganics.com/>
- p. 19 Norm Clasen's Gallery <http://www.normclasen.com>
- p. 19 Janine Benyus' work <http://www.biomimicry.org/>
- p. 19 Take Action http://www.natcapsolutions.org/TakeAction_V4.htm
- p. 20 Email NCS info@natcapsolutions.org
- p. 20 Support NCS <http://www.natcapsolutions.org/support.htm>



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