

The
Accountability
Group

**Boards and
Senior Leaders
Thinking
Frameworks
in Regenerative
Governance**

TAG RESOURCES

TAG

Reference Tools

RG2

Regenerative governance
is a living systems perspective
that grafts onto conventional
governance to support transition
from “business as usual”
towards thriveable futures.

— Lyn McDonell

Principal, The Accountability Group



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Intro1 | Regenerative Governance

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from “business as usual” towards thriveable futures.

Regenerative governance focuses on restoring and creating conditions for living systems vitality. The intent of regenerative governance is a two-fold shift:

1. Conditions

To create the conditions for organizational and whole systems health over time.

2. Transitions

To support the transition of people, organizations, communities, biospheres, and non-human populations through disruption.

Regenerative governance surrounds fiduciary duty with the context of the living world.

Restoring Vitality for Thriveable Futures

Grafting is a process by which a portion of the shoot system or root system of the same or different plants, brought into intimate contact, unite and grow together anatomically, and interact physiologically as a single functional unit (whole plant).

—Cornell University,
Horticultural Concepts and Definitions



TAG Thinking Frameworks in Regenerative Governance: *Regenerative Governance Restoring Vitality for Thriveable Futures* (theaccountabilitygroup.com)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from “business as usual” towards thriveable futures.

The word regenerative means that conditions for life and an ongoing vitality are present.

In a regenerative approach, fiduciary-minded leaders bring organizations into balance with living systems. In practical ways, they proactively restore and create conditions conducive to maintaining long-term vitality.

Boards and senior leadership do crucial governance work to take into account the health of living systems and recast purpose, leadership, policies, resource flows, network partners, and the incentive landscape.

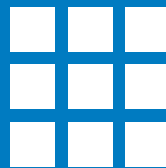
They deconstruct that which no longer serves, direct attention and assets to adaptation, and put in place the necessary conditions for regenerative futures.

They practice “both...and” thinking and action.

Intro 2 | Regenerative Dynamics

Balancing Fiduciary and Life-Centred Dynamics

The fiduciary perspective
aligns purpose, roles, processes,
results and impacts



The life-centred perspective
restores and creates conditions
for living systems vitality



TAG Thinking Frameworks in Regenerative Governance: *Regenerative Dynamics* Balancing Fiduciary and Life-Centred Dynamics (theaccountabilitygroup.com)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from “business as usual” towards thriveable futures.

Intro 3 | Thinking Frameworks

Boards today strive for diverse perspectives and new tools for navigating complexity.

Collected here are insights and practices emerging from thought leaders, global conversations, and practice communities that have the potential to uplevel governance.

Methodologies for thinking in systems perspectives are evolving. This “starter kit” helps visualize systems in future-relevant ways.

While no prescriptions exist for these times, certain frameworks can activate regenerative thinking.

The following perspectives help to illuminate essential dimensions in regenerative governance.

1.0 | Zooming Out, Zooming In

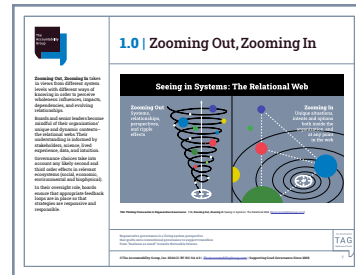
2.0 | Three Horizons Thinking

3.0 | Vital MultiCapitals

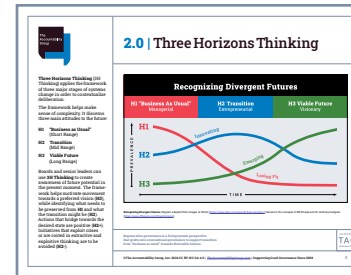
4.0 | The Adaptive Cycle

5.0 | Conditions, Conditions

6.0 | New Story



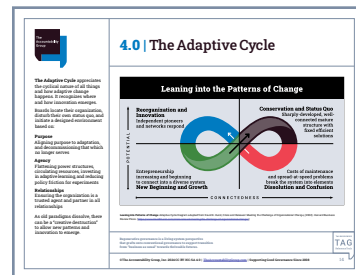
1.0 | Zooming Out, Zooming In takes in views from different system levels with different ways of knowing in order to perceive wholeness: influences, impacts, dependencies, and evolving relationships.



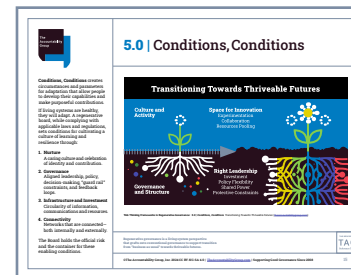
2.0 | Three Horizons Thinking applies the framework of three major stages of systems change in order to contextualize deliberation.



3.0 | Vital MultiCapitals values assets beyond the financial that together support the thriveability of whole systems within nature.



4.0 | The Adaptive Cycle appreciates the cyclical nature of all things, how adaptive change happens, and where innovation emerges.



5.0 | Conditions, Conditions creates circumstances and parameters for adaptation that allow people to develop their capabilities and make purposeful contributions.



6.0 | New Story attends to what really matters now and for future generations.

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from “business as usual” towards thriveable futures.

1.0 | Zooming Out, Zooming In

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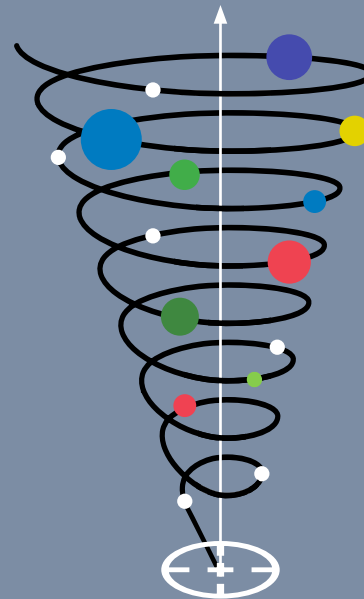
Boards and senior leaders become mindful of their organizations' unique and dynamic contexts—the relational webs. Their understanding is informed by stakeholders, science, lived experience, data, and intuition.

Governance choices take into account any likely second and third order effects in relevant ecosystems (social, economic, environmental and biophysical).

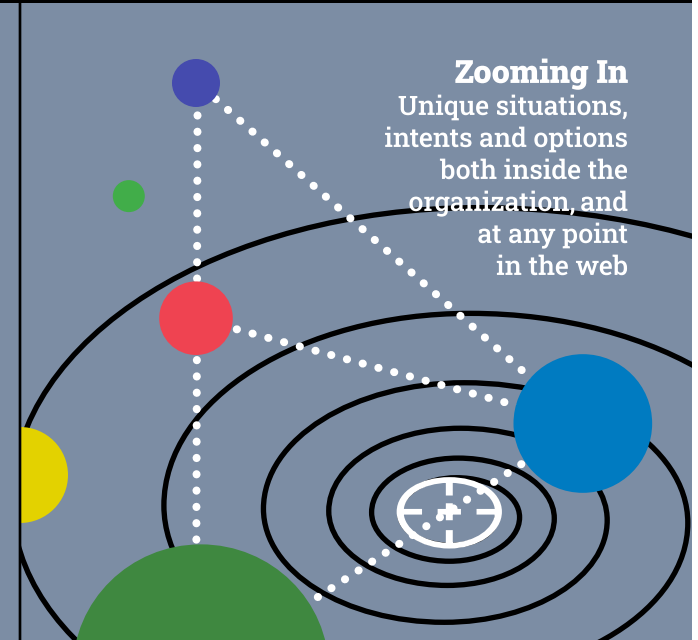
In their oversight role, boards ensure that appropriate feedback loops are in place so that strategies are responsive and responsible.

Seeing in Systems: The Relational Web

Zooming Out
Systems,
relationships,
perspectives,
and ripple
effects



Zooming In
Unique situations,
intents and options
both inside the
organization, and
at any point
in the web



TAG Thinking Frameworks in Regenerative Governance: 1.0 | Zooming Out, Zooming In Seeing in Systems: The Relational Web (theaccountabilitygroup.com)

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TAG
Reference Tools

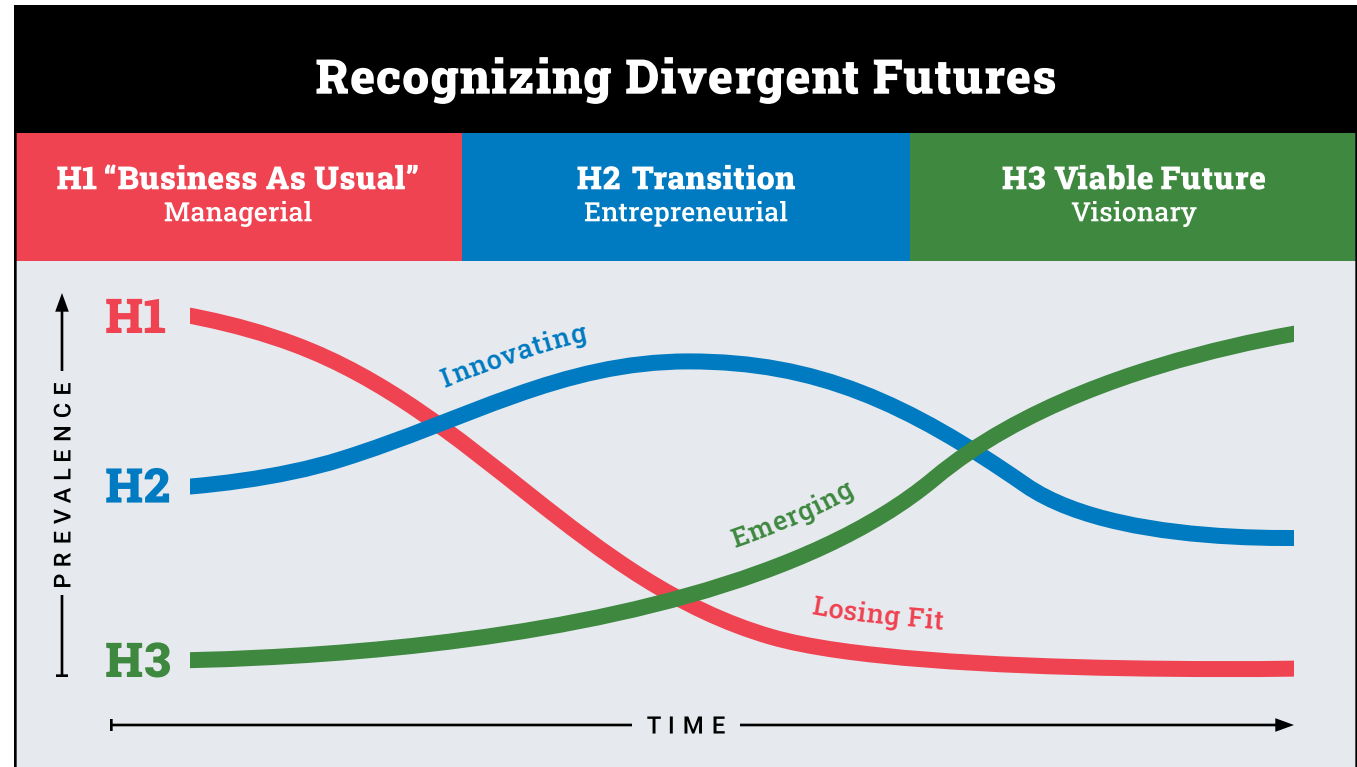
Three Horizons Thinking (3H Thinking) applies the framework of three major stages of systems change in order to contextualize deliberation.

The framework helps make sense of complexity. It discerns three main attitudes to the future:

- H1 “Business as Usual”**
(Short Range)
- H2 Transition**
(Mid Range)
- H3 Viable Future**
(Long Range)

Boards and senior leaders can use **3H Thinking** to create awareness of future potential in the present moment. The framework helps motivate movement towards a preferred vision (**H3**), while identifying what needs to be preserved from **H1** and what the transition might be (**H2**). Actions that bridge towards the desired state are positive (**H2+**). Initiatives that exploit crises or are rooted in extractive and exploitive thinking, are to be avoided (**H2-**).

2.0 | Three Horizons Thinking



Recognizing Divergent Futures Diagram adapted from images at H3Uni (<https://www.h3uni.org/tutorial/three-horizons/>) based on the concepts of Bill Sharpe and Dr. Anthony Hodgson. (<https://www.iffpraxis.com/three-horizons>)

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Three Horizons thinking helps boards take decisions in the present mindful of current patterns and the nature of transformation.

Innovation and experiments become intentional regarding what horizons they support:

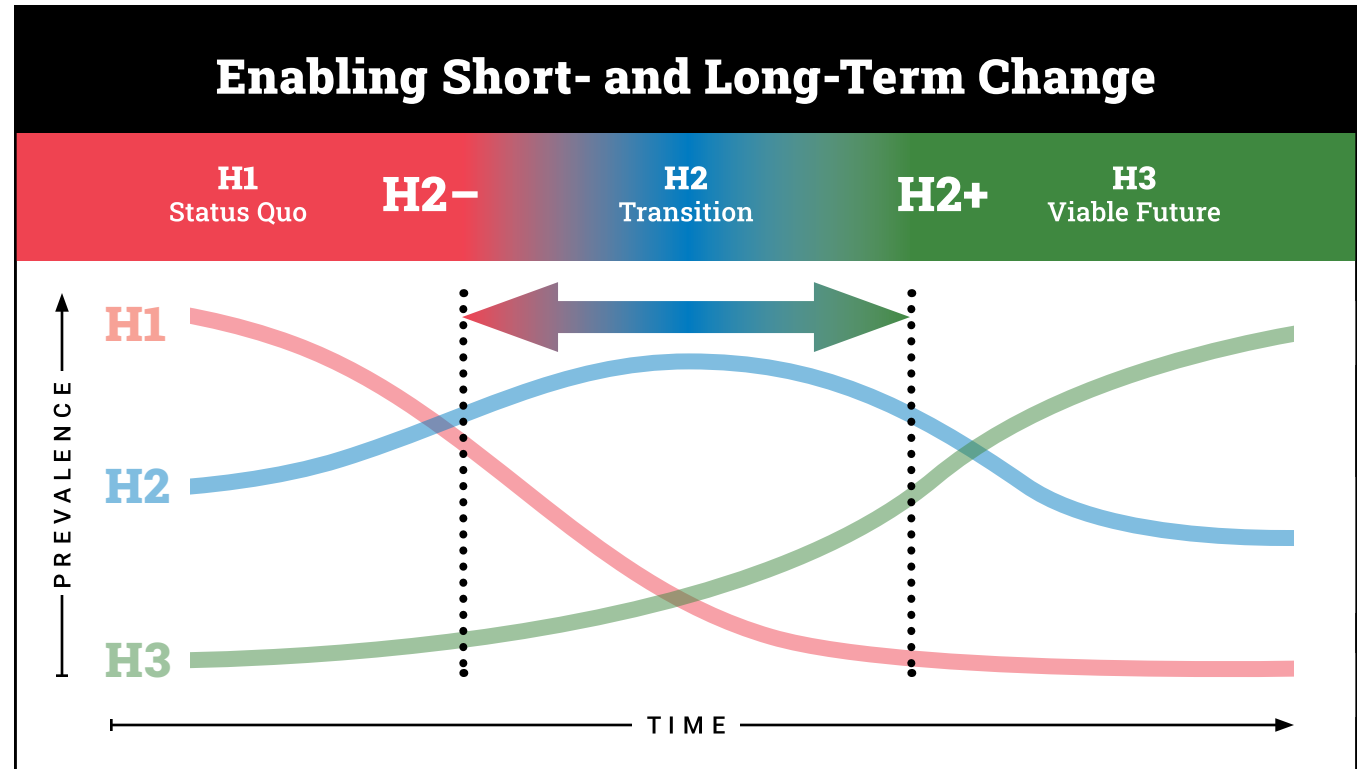
H1 Sustaining Innovation maintains stability, the status quo, and “keeping the lights on.”

H2 Disruptive Innovation changes the scope of what’s possible by enabling continuation of business as usual (**H2-**) or by forging a path to a transformed future (**H2+**).

H3 Transformative Innovation facilitates the vital conditions for a regenerative economy and thriveable futures.

Boards and senior teams can identify which innovations and approaches hasten or delay their transition to a viable future (**H3**) in their settings, and be strategic in their choices.

2.1 | Roles of Innovation



Enabling Short- and Long-Term Change Diagram adapted from Daniel Christian Wahl article's The Three Horizons of Innovation and Culture Change, Medium, 2017 and International Futures Forum at (<https://www.iffpraxis.com/three-horizons>)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from “business as usual” towards thriveable futures.

3.0 | Vital MultiCapitals

Vital MultiCapitals values assets beyond the financial that together support the thriveability of whole systems within nature.

In a regenerative approach, the long term needs of future generations are considered in the organization's use of, and contributions to, vital capitals.

Boards and senior leaders learn about their particular ecosystem's "stocks and flows," and the organization's metabolism. They mandate a protocol to identify, measure and value multicapitals. Decision-making is increasingly informed by awareness of likely impacts (both positive and negative) across the range of capitals.

Within their control or influence, boards and senior leaders reduce harm to natural capital, ensure materials circularity, and increase human and social capital.

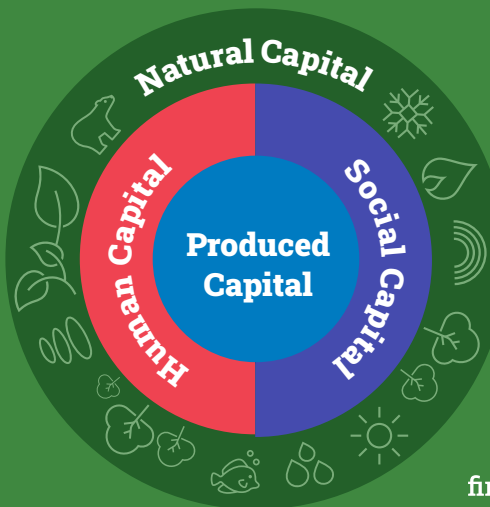
Concepts of "what is enough" and "what is sufficient" apply.

Valuing the Four Interconnected Capitals

Natural
Renewable and
non-renewable
resources



Social
Networks, social bonds,
and shared norms,
values and understandings



Human
Knowledge, skills,
competencies and
attributes of individuals



Produced
Human-made goods and
financial assets that are used
to produce goods and services



Valuing the Four Interconnected Capitals Source: Capitals Coalition. 2023. Diagram adapted from "Towards a new economic paradigm" (https://capitalscoalition.org/wp-content/uploads/2023/09/2023_Towards-A-New-Economic-Paradigm.pdf)

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Long-term sustainability depends on the foundation of an ecologically safe, socially just and distributive economy within a healthy biosphere.

It is now acknowledged that certain critical thresholds of living systems have been crossed—and others soon will be—due to the way in which our society and economy operates.


To preserve a thriveable future, risk mitigation involves setting ethical constraints and goals, minimal to no extraction, and efforts in revitalization (e.g. the replenishment of vital capitals).

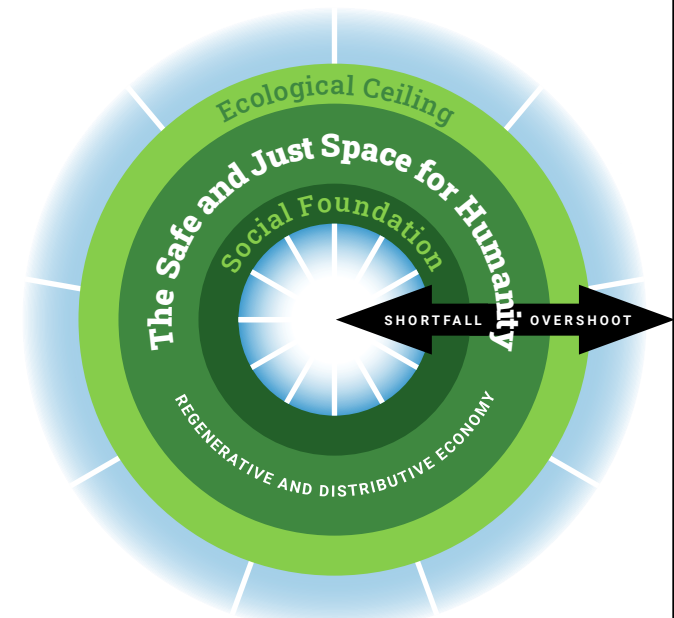
To increase the probability of achieving balance, regenerative leaders develop a “mesh-work” of mutual accountability amongst stakeholders.

This is accomplished through a mix of governance instruments, data, scientific evidence, and pooled restorative funding—all reinforced by relationships in good faith and reasonable transparency.

3.1 | MultiCapitals Stewardship

Reframing the Performance of Economies

-  **Natural**
Renewable and non-renewable resources
-  **Social**
Networks, social bonds and shared norms, values, and understandings
-  **Human**
Knowledge, skills, competencies and attributes of individuals
-  **Produced**
Human-made goods and financial assets that are used to produce goods and services



Reframing the Performance of Economies Four capitals from Capitals Coalition, (<https://capitalscoalition.org/>) Circle diagram adapted from image at ([https://en.wikipedia.org/wiki/Doughnut_\(economic_model\)](https://en.wikipedia.org/wiki/Doughnut_(economic_model))) of Doughnut Economics concept developed by Kate Raworth (2017)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from “business as usual” towards thriveable futures.

3.2 | MultiCapital Scorecard

The recognition of multicapitals is in its infancy. The tools today are limited, partial and provisional.

Nonetheless, a fuller spectrum view, and new metrics and feedback loops, can be integrated into organizational scorecards.

With a multicapital view that includes relevant factors in the organization's ecosystem, the board can establish appropriate accountabilities.

The MultiCapital Scorecard (simplified here), and the UN Sustainable Development Performance Indicators (UNSDPIs), provide models for operationalizing regard for limits, thresholds, and minimum social floors.

Context-based sustainability is especially place-based. It scales to the relevant ecosystem (social, economic, environmental, and biophysical).

Incorporating Context-Based Sustainability (CBS)

Social	Economic	Environmental
Human	Internal Financial and Non-Financial	Natural Natural Resources and Ecosystem Services
Social and Relationship	External Financial and Non-Financial	
Constructed		
BOTTOM LINE	BOTTOM LINE	BOTTOM LINE

MultiCapital Scorecard Diagram adapted from (<https://multicapitalscorecard.com/multicapital-scorecard/>) by Mark W. McElroy and Martin P Thomas. See also (<https://multicapitalscorecard.com/mcs-the-book/>)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from "business as usual" towards thriveable futures.

Good governance reflects sensitivity to the critical interdependences amongst vital capitals.

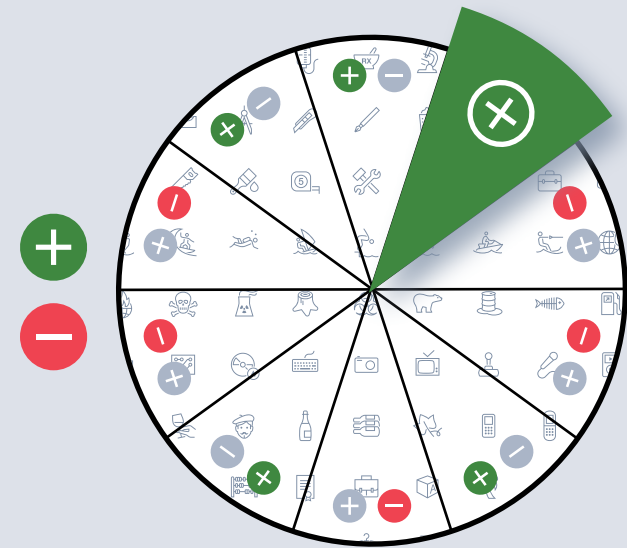
Governance decisions impact a range of capitals positively ("handprints") or negatively ("footprints").

Constraints and positive goals are set for operations to preserve vitality. Strategies seek to invest in—and not deplete—all forms of capital, and replenish shared assets with stakeholders.

Boards document the rationale for their regenerative choices. They connect strategic decisions and/or business model modifications (e.g., long-term protections, investments in natural, social and human capital, and adherence to thresholds) to the responsible management of wider system effects.

3.3 | System Impacts and Choices

Contributing Conditions for Well-Being



Contributing Conditions for Well-Being Diagram includes "The Four Interconnected Capitals" of the Capitals Coalition (<https://capitalscoalition.org/>)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from "business as usual" towards thriveable futures.

The Adaptive Cycle appreciates the cyclical nature of all things and how adaptive change happens. It recognizes where and how innovation emerges.

Boards locate their organization, disturb their own status quo, and initiate a designed environment based on:

Purpose

Aligning purpose to adaptation, and decommissioning that which no longer serves

Agency

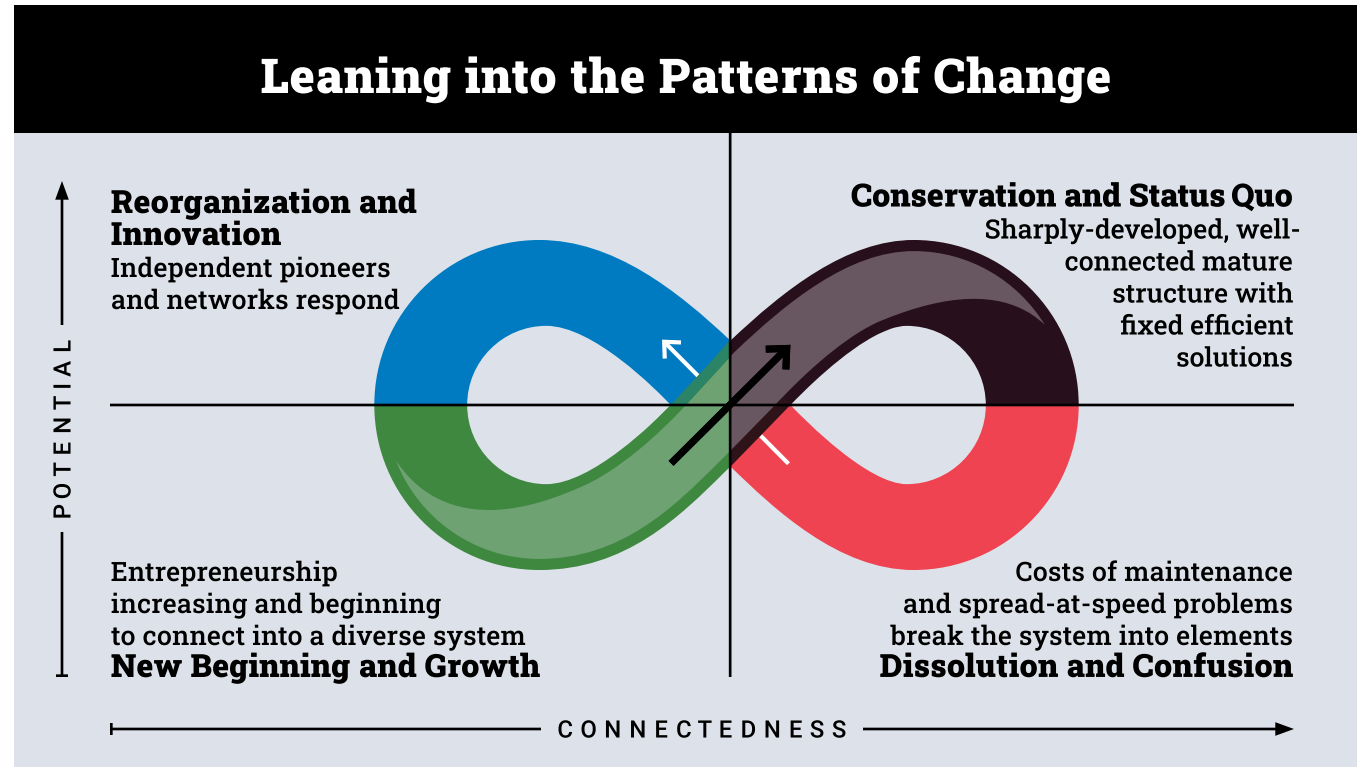
Flattening power structures, circulating resources, investing in adaptive learning, and reducing policy friction for experiments

Relationships

Ensuring the organization is a trusted agent and partner in all relationships

As old paradigms dissolve, there can be a “creative destruction” to allow new patterns and innovation to emerge.

4.0 | The Adaptive Cycle



Leaning into Patterns of Change Adaptive Cycle Diagram adapted from David K. Hurst, *Crisis and Renewal: Meeting the Challenge of Organizational Change*, (2002). Harvard Business Review Press. (<https://www.davidkhurst.com/crisis-renewal-meeting-the-challenge-of-organizational-change/>)

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5.0 | Conditions, Conditions

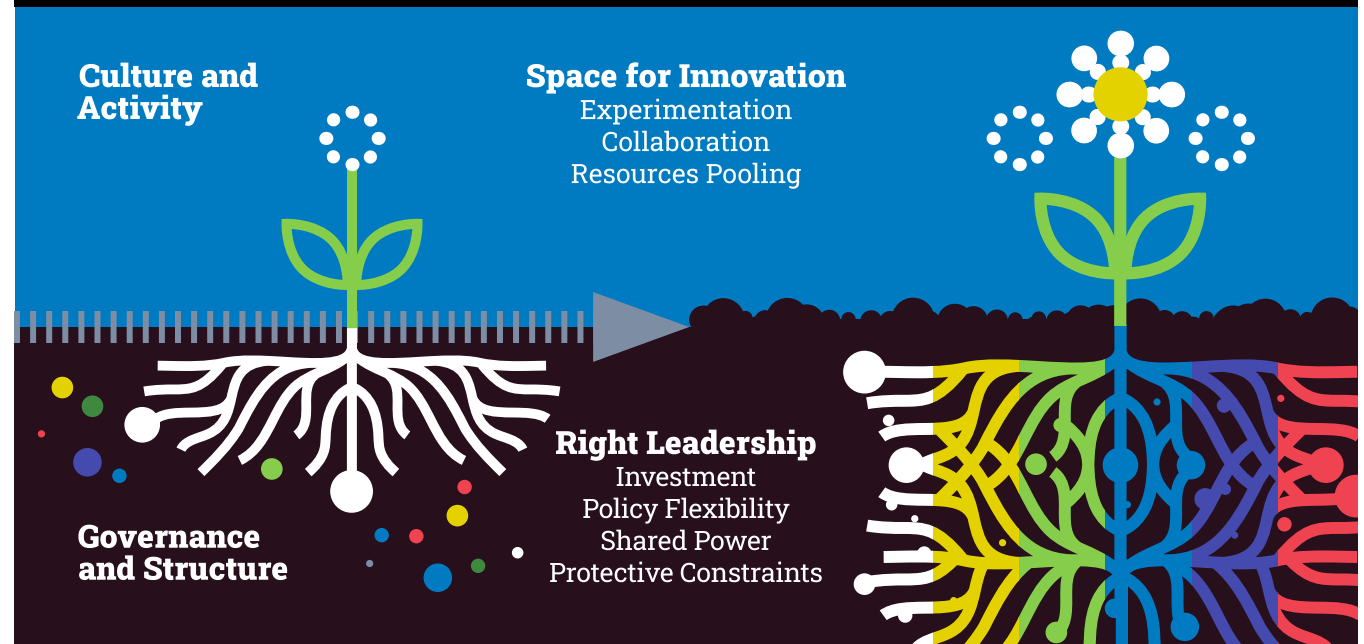
Conditions, Conditions creates circumstances and parameters for adaptation that allow people to develop their capabilities and make purposeful contributions.

If living systems are healthy, they will adapt. A regenerative board, while complying with applicable laws and regulations, sets conditions for cultivating a culture of learning and resilience through:

1. **Nurture**
A caring culture and celebration of identity and contribution.
2. **Governance**
Aligned leadership, policy, decision-making, "guard rail" constraints, and feedback loops.
3. **Infrastructure and Investment**
Circularity of information, communications and resources.
4. **Connectivity**
Networks that are connected—both internally and externally.

The Board holds the official risk and the container for these enabling conditions.

Transitioning Towards Thriveable Futures



TAG Thinking Frameworks in Regenerative Governance: 5.0 | Conditions, Conditions Transitioning Towards Thriveable Futures (theaccountabilitygroup.com)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from "business as usual" towards thriveable futures.

6.0 | New Story

Composing a **New Story** is attending to what really matters now and for future generations.

New connectivity and invention emerge as old ways fail.

Regenerative leaders enable organizations to respond as living systems. They release and flow accumulated vital capitals to nourish fresh possibilities—internally and externally.

Taking care of what really matters inspires learning across generations, silos, professions, sectors, and wisdom traditions.

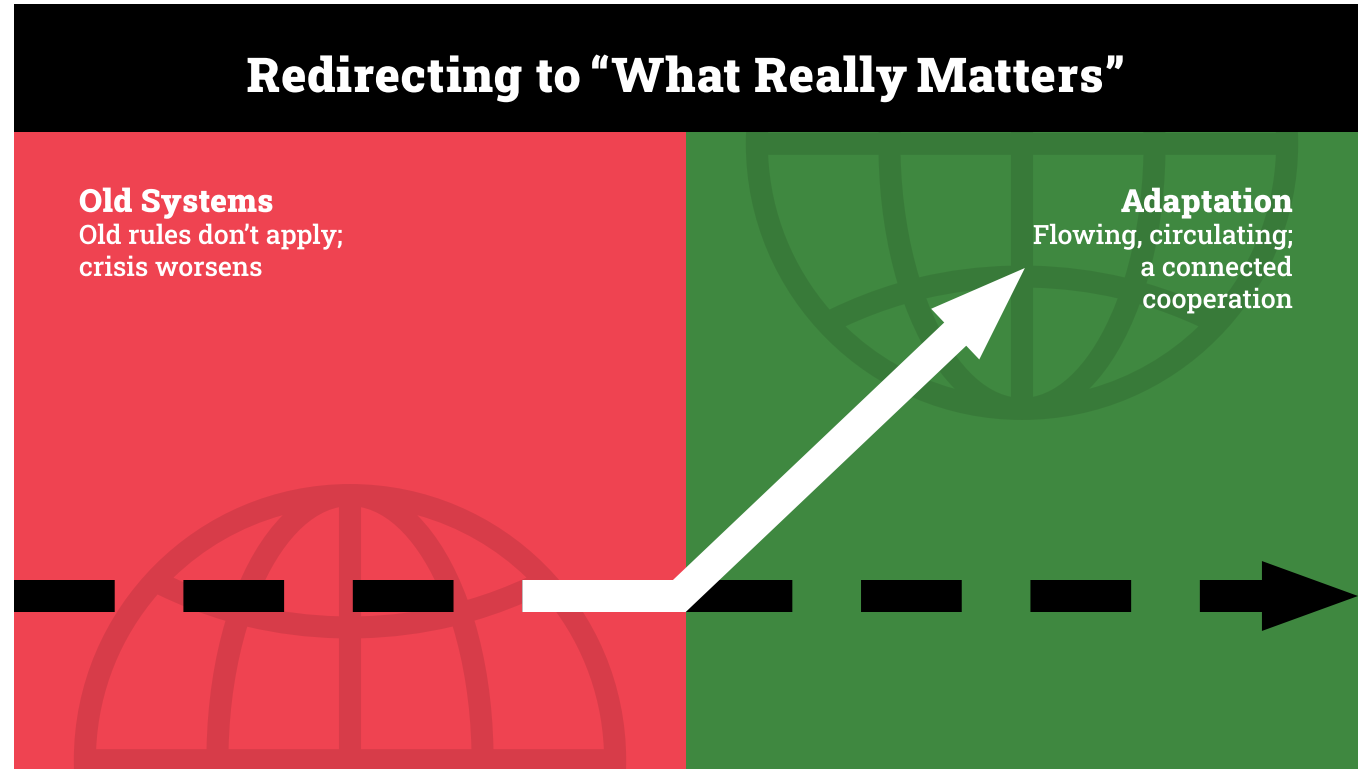
This connected learning redesigns human potential, purpose, structures, and work. The web of relationships becomes integrated in a dynamic state of balance.

Regenerative leaders invest in the *New Story*, by making wise choices today that establish the conditions for a viable and positive future.

Redirecting to “What Really Matters”

Old Systems
Old rules don't apply;
crisis worsens

Adaptation
Flowing, circulating;
a connected
cooperation



TAG Thinking Frameworks in Regenerative Governance: 6.0 | *New Story* Redirecting to “What Really Matters” (theaccountabilitygroup.com)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from “business as usual” towards thriveable futures.

Summary 1 | Regeneration

The vitality of an individual, organization, community or sector rests on the underlying health of its relevant ecosystems (social, economic, environmental and biophysical).

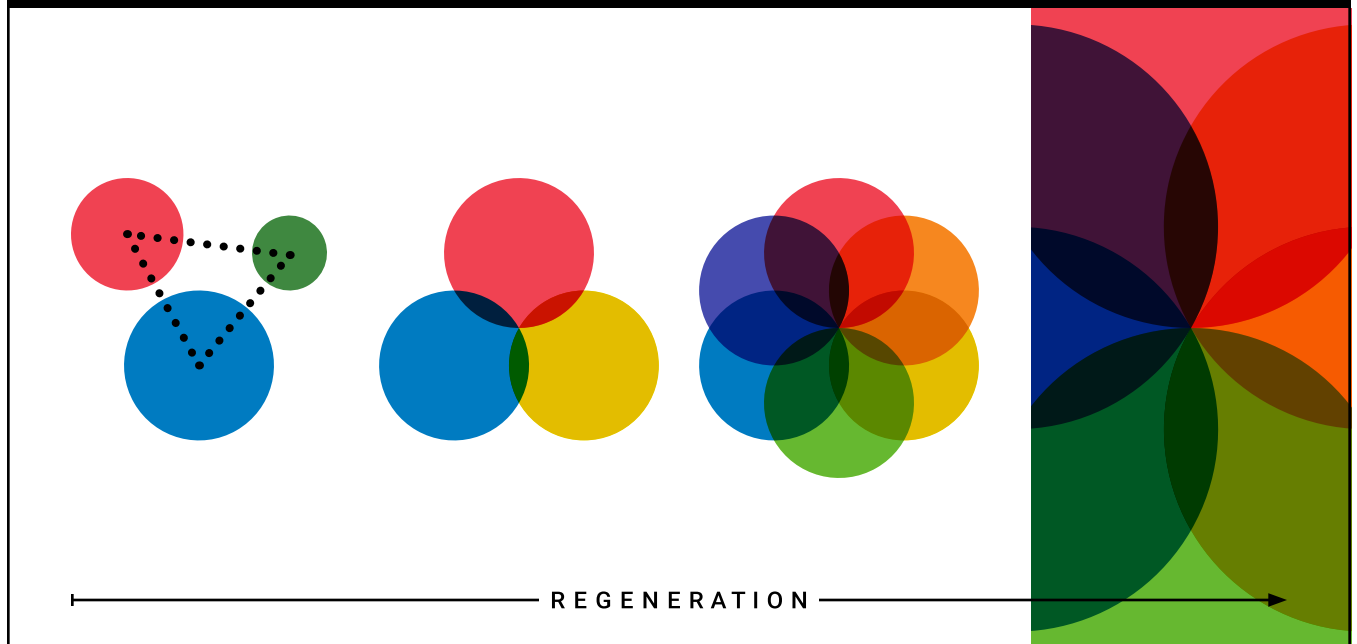
Regenerative leadership aims to:

1. Moor actions to nature (the priority)
2. Avoid the worst and manage the unavoidable (while maintaining critical systems)
3. Foster adaptive learning, fit and value in a rapidly changing environment
4. Restore and/or establish conditions for human and non-human beings to live to their potential.

Regenerative leadership responds to the new reality by stewarding vital capitals into less material, and more distributive, regenerative futures.

Organizations become energetic and valued partners, finding their place in the unfolding future and a new story.

Generating Whole Systems Vitality



TAG Thinking Frameworks in Regenerative Governance: *Regeneration* Generating Whole Systems Vitality (theaccountabilitygroup.com)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from "business as usual" towards thriveable futures.

The regenerative board embraces a living systems and complexity view, and acts proactively.

To navigate, boards graft a living systems approach onto their conventional responsibilities.

Next level boards are anticipatory. All functions are interpreted within the context of the new reality: strategy, monitoring, oversight of risk and capital, board development, and relationships with management and stakeholders.

Focus is placed on the conditions required to thrive, rather than on prediction and control. The RG approach reconnects everyone to purpose, and fosters an overall capacity to adapt and innovate. As the future unfolds and is shaped, these critical qualities are elevated.

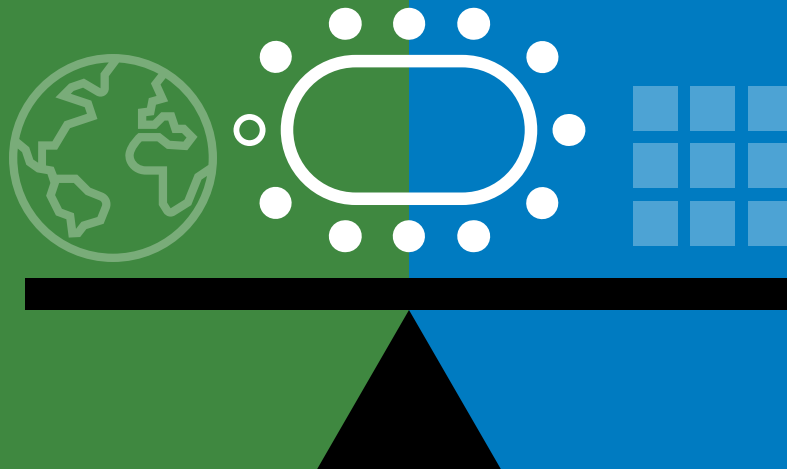
Directors and senior leaders embody a brave and necessary leadership when their decisions increasingly take into account the ripple effects of their organizational actions.

Summary 2 | Regenerative Board

Becoming a Next Level Board

The life-centred perspective
restores and creates conditions
for living systems vitality

The fiduciary perspective
aligns purpose, roles, processes,
results and impacts



TAG Thinking Frameworks in Regenerative Governance: *Regenerative Board* Becoming a Next Level Board (theaccountabilitygroup.com)

Regenerative governance is a living systems perspective that grafts onto conventional governance to support transition from "business as usual" towards thriveable futures.

Our challenge
and opportunity—
the legacy role of
leaders at this time—
is to untangle the knots
that constrict us,
and create alignment
with living systems.

The Accountability Group, Inc.

The Accountability Group (TAG) provides professional development in governance for boards and senior leaders across sectors that readies them for addressing contemporary issues with a whole systems approach.

TAG helps boards anticipate their strategic role in complex systems, develops the skills and perspectives for effective dialogue, and introduces regenerative governance (RG). This perspective grafts onto conventional governance as an essential 21st century board shift.

RG prioritizes organizational contribution to whole systems vitality, and helps organizations navigate towards thriveable futures. Lyn and TAG guide purposeful leaders to identify their next steps.

Based in Toronto, Canada, TAG networks with local, national, and global expertise to support our clients.

Contact TAG

Shifting the Conversation

Lyn McDonell MA, FCMC, C. Dir.

Lyn McDonell is Principal of The Accountability Group. She has served as CEO, COO, Board Chair, and Director, and is a Fellow of the Institute of Certified Management Consultants of Ontario and a Chartered Director. She earned her MA studying the stages of organizational development.

An experienced facilitator, Lyn has provided governance training to directors across sectors since 2006. Her passion is inspiring boards and senior leaders to embrace the transition from "business-as-usual" towards thriveable futures. She helps leaders recognize their critical role in leading context-based sustainability and how they can foster conditions for successful adaptation. Lyn is adjunct faculty in the Master of Financial Accountability Program at York University and a contributor to [*The Handbook of Board Governance: A Comprehensive Guide for Public, Private, and Not-for-Profit Board Members*](#), 2nd (2020) and 3rd (2024) Editions. (Wiley). Richard Leblanc (Editor).

Find Lyn on LinkedIn

Let's shift
Board
conversations
to the new
reality.



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