

Life Cycle Initiative 2017-2022

Strategy document

Final version, Oct. 2017

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The Life Cycle Initiative is a public-private, multi-stakeholder partnership enabling the global use of credible life cycle knowledge by private and public decision makers.

1. Mission of the Life Cycle Initiative

1.1. Why Life Cycle Thinking?

Decisions made considering a full life cycle perspective and broader implications on the environmental, economic and social pillars of a healthy planet, allow to address unintended trade-offs between these pillars, and focus the attention on the key drivers of change. As a result, progress towards sustainable development is faster and more efficient than when decisions are made in isolation².

1.2. The Life Cycle Initiative Vision

The Life Cycle Initiative works in partnerships to achieve Sustainable Development Goals and Nationally Determined Contributions for the Paris Agreement faster and more efficiently by *bringing Life Cycle Thinking to the mindsets of decision makers with the practical knowledge and tools to enhance the sustainability of their decisions*. Partnerships are targeted with key global initiatives such as the 10 Year Framework of Programmes on Sustainable Consumption and Production, the Partnership for Action on Green Economy (PAGE), The World Business Council for Sustainable Development (WBCSD), the Global LCA Data Access network (GLAD), as well as relevant regional or national initiatives such as Europe's Environmental Footprint or China's National Green Product Policy.

By 2022, the Life Cycle Initiative will:

1. Mainstream the use of Life Cycle Thinking into at least four global areas of decision- and policy-making for sustainable development, showing positive impacts towards the achievement of global agenda goals through partnerships in at least 15 countries and 30 companies.
2. Train at least 2,500 policy makers, business decision makers, and LCA practitioners on the ways Life Cycle Knowledge can be best used in enhancing the effectiveness of decisions / policies towards sustainable development, and share at least 20 impactful success stories on how Life

¹ This document has been developed by the Life Cycle Initiative Strategy Working Group with the Initiative Secretariat, and has been commented by the International Life Cycle Board at the end of its phase 3. It has been approved by the new Steering Committee in October 2017.

² e.g. decisions driven only by economic gain or efficiency, one individual sustainability dimension (e.g. GHG reduction), or one life cycle stage in the production-consumption system (e.g. manufacturing).

Cycle Thinking has improved the positive impact of their decisions.

3. Offer a solution to access all LCA databases globally in an interoperable way, alongside a library of recommended impact assessment factors linked through a global nomenclature system for priority (environmental, social and economic) impact areas defined by policy and industry users.

1.3. The Life Cycle Initiative Mission

The Life Cycle Initiative is a public-private, multi-stakeholder partnership fostering progress towards sustainable development through (1) advancing the understanding of life cycle thinking by private and public decision makers and of the decision-making process by life cycle experts, in order to improve decisions that need assessing, and comparing products, technologies, lifestyles and economy-wide choices; and (2) building consensus on and facilitating the access to environmental, social and economic life cycle knowledge (LCA data, methods, indicators, etc.).

Box 1: The Life Cycle Initiative's Unique Selling Proposition, at the interface between experts and decision and policy makers.

The UN Environment-hosted Life Cycle Initiative is at the **interface between users and experts of Life Cycle approaches**. It provides a global forum to ensure a **science-based, consensus-building** process to support decisions and policies towards the shared vision of **sustainability as a public good**. The Life Cycle Initiative facilitates the **application of life cycle knowledge** in the global Sustainable Development agenda in order to achieve global goals faster and more efficiently. It delivers **authoritative opinion** on sound tools and approaches by engaging its **multi-stakeholder partnership** (including governments, businesses, scientific and civil society organizations).

The target audiences for the Life Cycle Initiative include high-level decision makers (policy makers and regulators; business strategists) as well as LCA practitioners. The Initiative provides stewardship of the use of Life Cycle Knowledge in specific applications, and supports Life Cycle Assessment application through consensus on data and indicators.

1.4. Assets of the Life Cycle Initiative Brand

The Life Cycle Initiative has existed for over 15 years since launched by UN Environment and the Society of Environmental Toxicology and Chemistry (SETAC) in 2002, gathering a growing community of experts and users from around the world. The area of life cycle impact indicators in particular has seen key successes throughout the years, particularly regarding: toxicity assessment of chemicals along their life cycle ([USEtox](#), the UNEP SETAC Toxicity model); the water use impact assessment in LCA ([WULCA](#)); or the latest contribution to [consensus building in life cycle impact assessment indicators](#). Other key successes include driving consensus in the area of managing [LCA databases](#), [Social LCA](#), or more application-oriented guidance such as the [Organizational LCA guidance](#) which has been recently road-tested by 12 institutions globally. In terms of capacity development, the Initiative has been partly responsible for the growth from 11 to 49 national LCA networks between 2002 and 2017, and it has promoted specific [success stories](#) of the application of life cycle approaches among SMEs in emerging economies. Finally, the Life Cycle Initiative provides good value for money: in Phase 3 (2002 - 2017), over \$2 of in-kind contributions were mobilized for every \$1 of cash spent. Sponsors can thus see significant value in being associated with the Life Cycle Initiative and its brand.

2. Achieving the Vision through Key Deliverables

The Initiative focuses its action where the global perspective and credibility of a UN-hosted partnership is required and/or where links are needed at global policy-level processes such as the Sustainable Development Goals. Figure 1 shows the Theory of Change for the Life Cycle Initiative, linking its key deliverables with the expected impact as defined by the Initiative vision. Specific measures of expected impact will be established to evaluate progressive achievements in the short term (by 2022), mid-term

(by 2026), and long term (by 2030). Potential indicators for measuring achievements are listed below. Specific targets will be formulated in a concrete project document:

At the outcome level (“impact” oriented):

- Life cycle-based policies are adopted by X governments or public organizations.
- Life cycle-based decisions are adopted by Y companies/industry sectors.

At the output level (“deliverable” oriented):

- **Technical and Policy Advice:** number of decision makers adopting and implementing the developed guidance and tools.
- **Capacity development:** number of stakeholder receiving training/reporting changes in practices based on training received.
- **Knowledge:** number of organizations or initiatives using the developed knowledge (i.e. methods, indicators and data).

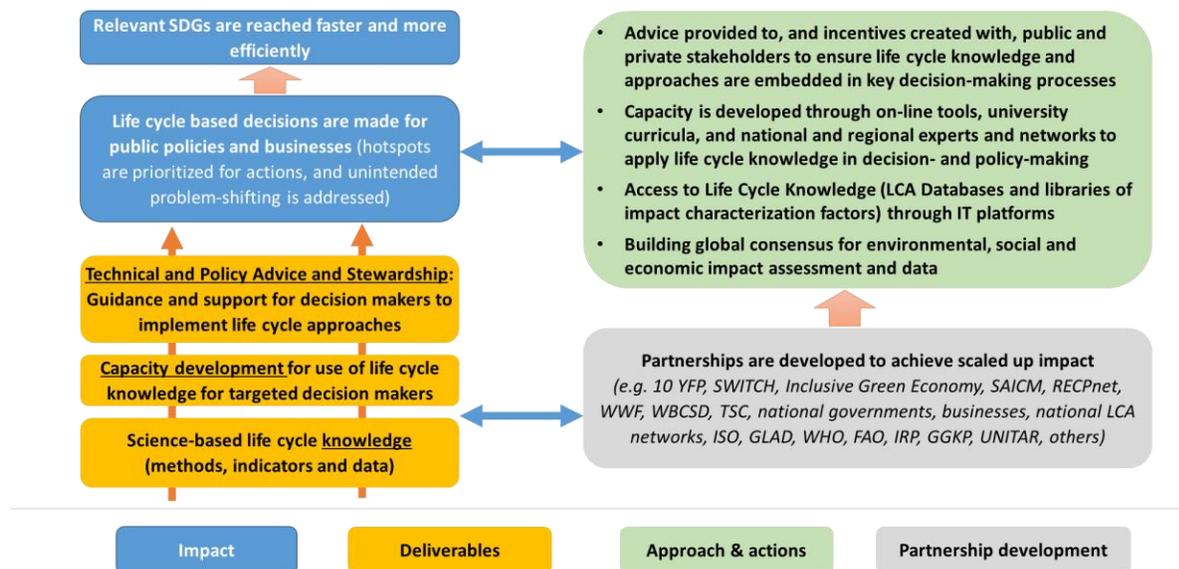


Figure 1: Theory of Change of the Life Cycle Initiative.

2.1. Technical and Policy Advice, and Stewardship for Life Cycle Approaches

The Life Cycle Initiative offers the **Community of Practice of choice** to collaborate towards mainstreaming Life Cycle Thinking and approaches into decision and policy making. This is achieved through: a **global forum for life cycle user groups** (to identify areas where more development work is needed); a **repository of best practice** (capitalizing experiences at different levels, from companies to governments), and; **global guidance, tools** and **position papers** developed collaboratively by Life Cycle experts and users (providing value in the process of harmonization and improvement of the use of life cycle knowledge).

In a Community of Practice approach, typically a group of users seeking guidance for Life Cycle approaches in concrete applications would be gathered with relevant Life Cycle experts, selected in an open process. Specific guidance, link to knowledge sources, and/or further development of knowledge if necessary would be the expected outputs of such interactions. Specific resources for delivery in this area are to be identified from the outset with the interested parties.

The Initiative supports governments so that life cycle approaches are embedded into policy in the most effective way, and that policy options in different sectors are evaluated applying Life Cycle Thinking, thus avoiding unintended trade-offs. For all users (from governments, businesses and civil society), technical advice includes: improving the applicability of methodologies for specific applications, bridging scientific development, and practical implementation. Potential illustrative examples include:

1. Developing a national hotspots analysis tool. This is for a fast-track assessment that determines key sectors or products so that national action plans can achieve sustainable consumption and production and a green economy. Such an approach can be co-developed with the International Resource Panel and used for initiatives and projects such as 10YFP National Action Plans, SWITCH Programmes, Partnership for Action on Green Economy (PAGE), and national environmental planning for priority setting.
2. Working with certification schemes. This develops the approaches, data and indicators to generate robust and life cycle-based evidence of their performance (target audiences include: certification systems, farmers, or food/apparel company procurers). Such an approach can be applied in certification schemes such as the Forest Stewardship Council, UTZ Certification and the Better Cotton Initiative (to name a few). This approach can determine the level of evidence required for such certification schemes to be considered as indications of global goods, with potential links to trade or fiscal mechanisms.
3. Developing data and methods on Life Cycle Costing to support 10 YFP Sustainable Public Procurement – in order to embed the costs of resource use, maintenance and disposal into the purchase price. This will provide a life cycle-based monetary indication for the environmental cost associated with a specific product category, which will be instrumental for efficient decision-making by procurers in public and private institutions.

2.2. Life Cycle Capacity Development

Work on Life Cycle Capacity Development aims at generating the necessary skills and capacity for the global application of life cycle approaches. The Initiative focuses on ensuring that the life cycle knowledge made available is fully usable in the decision- and policy-making processes supported. **Diverse channels and products** are provided for the various target audiences of capacity development programmes: policy makers, business decision makers, practitioners. Such products include e-Learning, workshops, on-line and on-paper dissemination of success stories and best practice, and pilot projects. Partnerships with key actors such as UNITAR will be established when necessary.

Local and regional capacity is ensured by way of collaboration and partnering with local networks which secure the continuity and scale-up of capacity delivery beyond the action of the Life Cycle Initiative, as well as the work with higher education institutions to include life cycle approaches in curricula.

2.3 Life Cycle Knowledge Consensus and Platform

The Life Cycle Initiative ensures science-based **global consensus building** for the basic knowledge necessary to underpin life cycle approaches at the pre-competitive level (life cycle data, and environmental, social and economic impact assessment factors). This is done through robust processes engaging the global experts and user communities. **Access to Life Cycle Knowledge** as a public good and endorsed by the Life Cycle Initiative – including LCA databases and libraries of impact characterization factors properly linked through a global nomenclature system – is provided through a knowledge sharing

platform. This enhances the robustness of life cycle approaches applied globally. Regular non-technical summaries on progress in the life cycle knowledge area are provided to inform policy and decision makers. The direct users of deliverables in this area are mainly Life Cycle Assessment practitioners and experts. In addition, users of the results of life cycle approaches benefit indirectly through the enhanced quality and availability of such knowledge. Methods provided via this knowledge platform are given international legitimacy, thus facilitating their application in global decision- and policy-making processes.

3. Governance

The proposed governance of the Life Cycle Initiative aims to optimize its structure in order to maximize the collective impact that the partners may achieve towards the shared vision and mission of the Initiative, while observing the principles of balance: transparency, openness and leanness.

The Life Cycle Initiative is a partnership of institutional members from three broad constituencies (government, business, science and civil society), also allowing for individual members from science and civil society. The membership is represented in an assembly, where members elect their representatives to the Steering Committee and are informed of progress of the Initiative. The Steering Committee makes the necessary decisions to deliver the mandate of the Initiative, allocates resources and endorses programme implementation. Programmes are led by co-chairs appointed by the Steering Committee, and are responsible for delivering the work of the Initiative – regularly reviewed by ad hoc committees. Finally, a Secretariat hosted by UN Environment coordinates the different bodies and is in charge of internal and external communications. Figure 2 below provides an overview of the bodies of the Life Cycle Initiative and their key roles, which are further explained in Annex 3.

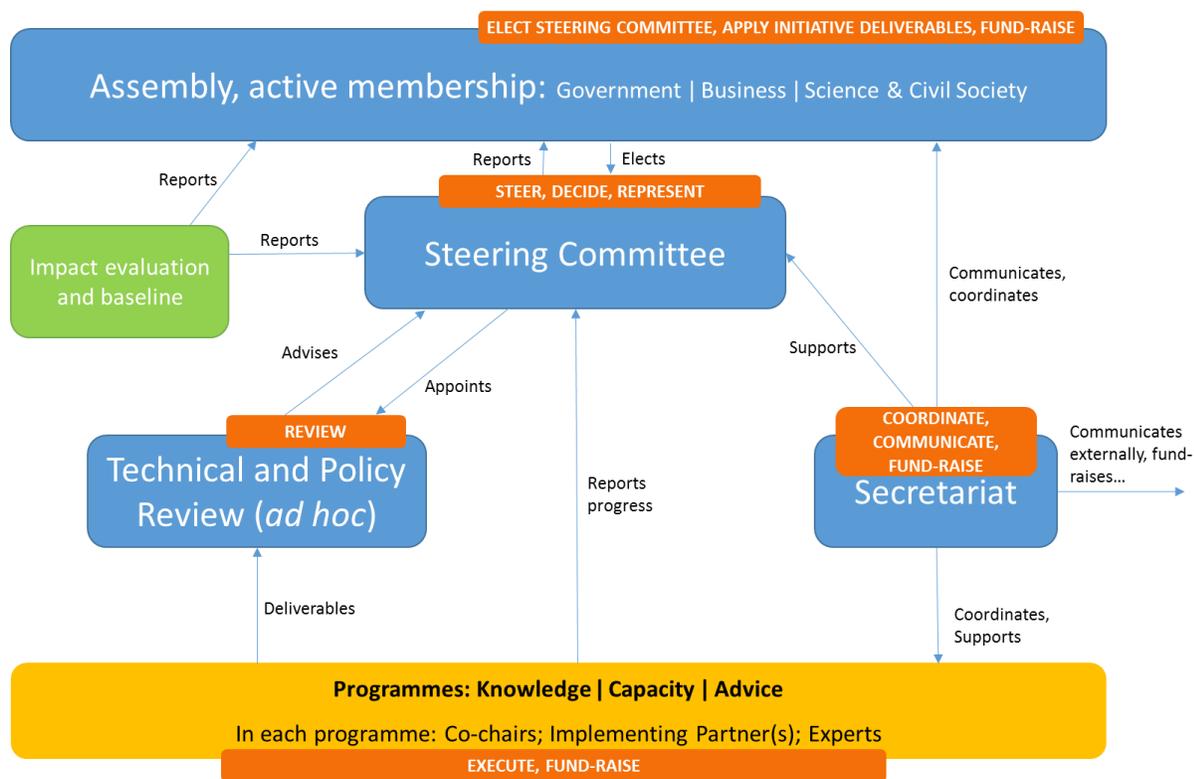


Figure 2: Governance structure of the Life Cycle Initiative. The arrows represent the main reporting lines; as overall coordinator, the Secretariat communicates with all other bodies, as well as externally. Impact evaluation is not a governance body, but a task delivered by independent evaluators, detailed here due to its importance in a results-based initiative.

All members abide to the Life Cycle Initiative's **code of ethics**, and any members actively participating in steering, execution, review or coordination fill out a **conflict of interest disclosure statement**. For funding institutions, and for institutions acting as implementing partners, a due diligence procedure is followed as per UN rules and regulations. Some of the activities of the Life Cycle Initiative may involve commercial competitors being in the same room/discussion group – thus, a generic **anti-trust statement** may be provided for it to be read at the beginning of such discussions in order to enable the participation of the private sector. The Life Cycle Initiative [Code of Ethics](#), conflict of interest disclosure form and the anti-trust statement are provided in Annex 4.

In order to maximize alignment towards a common agenda and goals, **impact indicators** linked to the programmes and projects will be agreed for the work of the Initiative, and shared among all implementing partners. Such indicators may also be inspired by, and linked to, those used in UN Environment's programme of work, which in turn are aligned towards the delivery of the 2030 Agenda for Sustainable Development and must be decided alongside the Programmes of the Initiative. The impact measurement will be regularly supported by the Secretariat, and funds from the Initiative's core funding would be made available for regular external evaluations.

4. Resource Mobilization Strategy

4.1. Justification in the context of the current Agenda for Sustainable Development

Since the landmark sustainable development agreements in 2015, with most countries signing up for the 2030 Agenda for Sustainable Development and the Paris Agreement, there has been a shift in gear in public and private sector action towards Sustainable Consumption and Production. Such action is clearly facilitated by Life Cycle Thinking. Consequently, many governments and business sectors (i.e. the chemical industry, the buildings sector, the cement sector, mining) have all given strong signals about using life cycle approaches in their policies, industry standards, or through industry bodies. Some of these are even explicitly mentioned within the Sustainable Development Goals (i.e. target 12.4 for the chemicals sector, requesting “the environmentally sound management of chemicals throughout their life cycle”). We are therefore confident that the Life Cycle Initiative will be successful in raising the necessary funds to deliver its vision, now shared by an even greater number of actors.

4.2. Resource Mobilization Pillars of the Life Cycle Initiative

The following are some of the key pillars on which the fund-raising strategy of the Life Cycle Initiative is based:

1. Shared vision of priorities and results

The Life Cycle Initiative appeals to potential sponsors interested in funding a faster and more efficient transition towards sustainable development (i.e. SDGs, transition to a low-carbon economy), since this may be achieved through the application of life cycle approaches in decision and policy making (by helping to prioritize action on the key drivers of impact and avoid unintended trade-offs among solutions).

2. Bringing resources together to achieve more

The Initiative builds on the convening power of UN Environment to coordinate action from a multi-stakeholder partnership in order to achieve enhanced collective impact, leading to fewer larger projects rather than dispersing efforts too widely. With its focus on ensuring up-scaling of life cycle approaches, the Initiative engages in strategic projects where it can make a difference in the contribution towards the

global sustainable development agenda.

3. Robust results-based management

As a UN Environment hosted initiative, the work is organized and reported with a focus on the results achieved. The sponsors receive an annual report of progress towards the shared vision and indicators.

4. UN Rules and Regulations for transparent accountability

The accountancy of the Life Cycle Initiative follows the UN Rules and Regulations, including IPSAS (the International Public Sector Accounting Standards), thus providing assurance to sponsors that their contributions are managed transparently.

4.3. Funding principles of the Life Cycle Initiative

Sponsors may provide core funding and additional, programmatic funding to the Initiative. Core funding is required as this provides more autonomy to the Initiative, and devolves all the decision making capacity on the use of the funds to the Initiative's Steering Committee. In addition to the following funding principles, funding rules are in place to ensure transparency in the manner funds are managed, and decisions made in the Life Cycle Initiative:

- A sponsor of the Initiative provides funds towards achieving the vision and mission of the Life Cycle Initiative, and renounces to pursue any of its own goals through that funding unless these are aligned with those of the Initiative.
- Sponsors of the Initiative's core funding are acknowledged in all communication materials.
- Sponsors of programmatic funding are explicitly acknowledged in the communication materials related to the specific programme(s) funded.
- Sponsoring does not give any decision-making power to the sponsor, nor does it automatically provide a seat on any of the Initiative's bodies.
- A sponsor of the Initiative cannot be funded to implement work for the Initiative.
- A member who fund raises for a specific project of the Initiative shall do so in collaboration with the Steering Committee, to ensure that the project proposal is fully aligned with the Initiative's goals, and that the steering of the project is conducted by the Steering Committee and programme chairs.

4.4. Rules for funding

It is essential to ensure a transparent funding/spending structure, and provide firewalls between the different functions such as steering, coordinating, execution or review. For example, the UN Environment may participate simultaneously as member of Steering Committee, Secretariat and implementer, or a specific country or business may be a sponsor and in the Steering Committee. These situations are possible and clear rules are needed to avoid any perceived conflicts of interest impacting on the reputation and credibility of the Initiative. Specifically, a partner planning to become an implementing partner within the Life Cycle Initiative may not be elected as member of the Steering Committee, and a public or private sponsor that is in the Steering Committee does not have more decision making power than other elected Steering Committee members. All cash contributions to the Life Cycle Initiative are subject to deduction of UN Environment's Programme Support Cost. In any case, reporting to the sponsors is always "as contribution to the overall progress of the Initiative towards its vision".

4.4.1. Core Funding

The **core funding** is needed to run the structure of the Initiative (Secretariat staff, travel, communication, evaluation and administration costs) as well as to have available (limited) budget to provide seed funding

to get projects off the ground. This is roughly quantified in section 4.5. All sponsors shall contribute to the core funding of the Initiative and shall be listed on the website and all communication materials.

4.4.2. Programme Funding

In addition to providing core funding to the Initiative, it is likely that some sponsors may want to **fund specific programmatic elements** directly. This may be done, for example, by earmarking a certain percentage of their contribution to a specific programme of the Initiative. The funds contributing to core funding must be at least 15% of the contribution or USD 25,000 per annum for any given sponsor – whichever is higher. Once the core budget is covered, all contributions are treated as programme funding. Programme funds are considered separately to core budget funds in the host’s accounts in order to provide a firewall between the coordinating and implementing roles.

A partner may also “bring in” a project aligned with the Initiative’s programmes, funded through sources external to the Initiative. This kind of **programme funding** may be allowed and the result may be communicated as the output of the Initiative, as long as it is approved and governed by the Steering Committee as part of the Initiative’s programme of work (i.e. the steering of such projects need to be also linked with the steering of the Initiative). Such “external projects” should also provide some funds for the Initiative’s core funding following the minimum of USD 25,000 or 15% of overall budget – whichever is higher.

4.4.3. In-kind Contributions

The Initiative has always relied to a large degree on **in-kind contributions** by its members (i.e. experts contributing their time to expert groups). Moving forward, such in-kind contribution will be monitored in a moderate way (i.e. self-declarations from each institutional member through the Secretariat, and participants of the programmes through the programme co-chairs), in order to provide a more accurate estimation of the actual worth of our delivery.

4.5. Initial estimate of funding needs of the Life Cycle Initiative

The operating costs of the Initiative’s Secretariat – including staffing, communications, reporting and evaluation costs, as well as meetings (where in-kind contributions from organizing members are also expected) – are roughly estimated at USD 330,000 per year. An additional USD 130,000 is provided in kind by UN Environment and USD 40,000 by other members. In terms of running the Initiative’s programmes, an initial estimate based on the descriptions in section 2 provides a ballpark figure of circa USD 1.4 million annually, spread evenly across the three programmes, with additional in-kind contributions of over USD 300,000 by UN Environment staff and over USD 1 million expected as in-kind contribution from other members (based on the average contribution to similar activities in Phase 3 of the Initiative from 2012 to 2017). Whereas the core budget of USD 330,000 annually is rather fixed, the programme budget may easily grow between USD 1.4 million and USD 2.5 million based on progressive scaled-up impact.

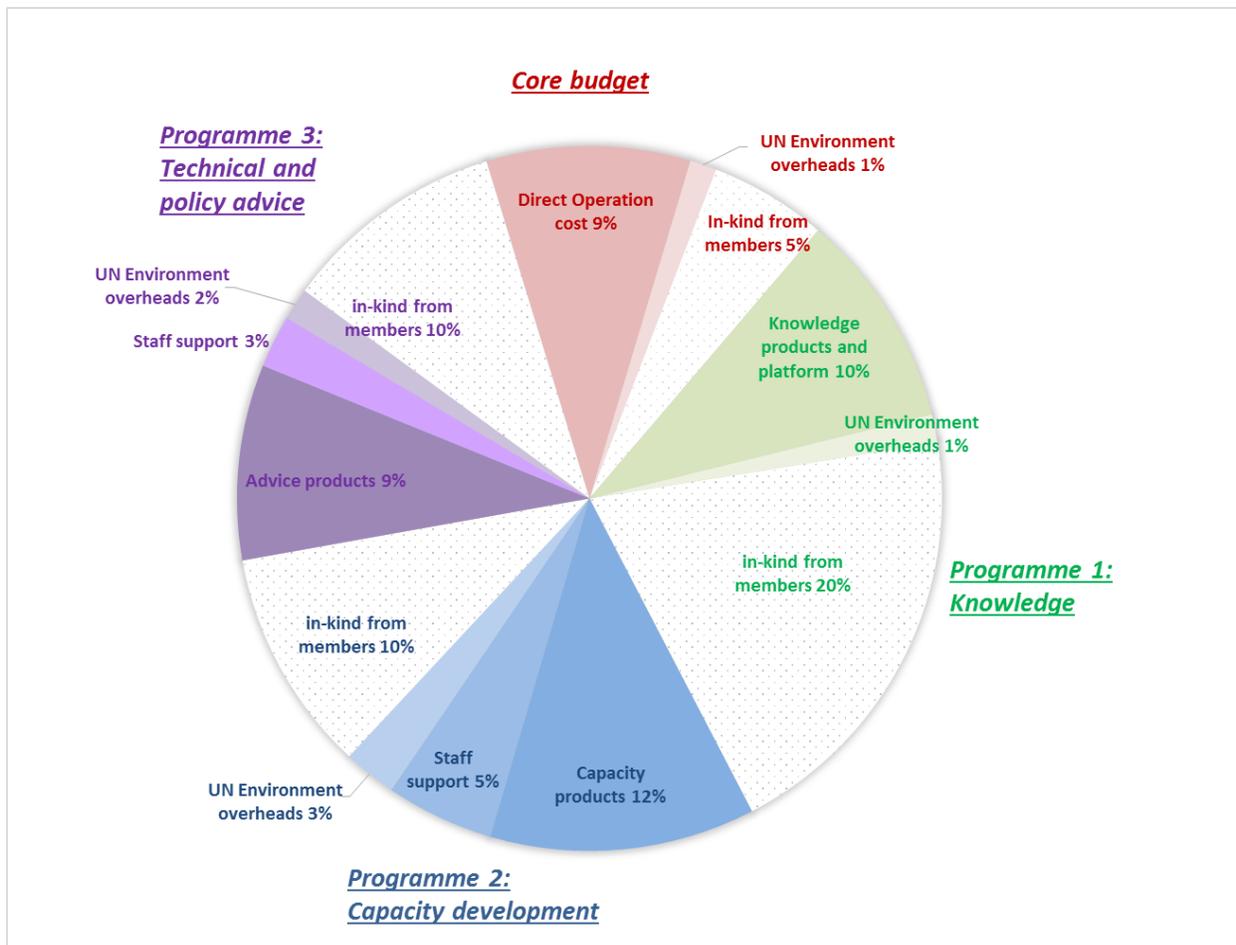


Figure 3: Estimation of annual operation cost (from core funding) and programmatic cost for the Life Cycle Initiative

4.6. Key revenue streams for the Life Cycle Initiative

As a multi-stakeholder partnership, the Life Cycle Initiative is funded by both public and private sectors. With the ambition of the present strategy – delivering tangible benefits for the users of life cycle approaches as well as the basic knowledge required to apply them – bigger and more stable contributions are targeted, as compared with the previous phases of the Initiative. However, for the sake of openness and inclusiveness, smaller contributions will also be sought from those who cannot sponsor at higher levels.

4.6.1. Public Sector revenue streams

Given the importance placed on Resource Efficiency and life cycle approaches in recent G7 and G20 meetings, governments of these countries will be specifically targeted for longer-term sponsorship agreements with the Life Cycle Initiative. Sponsorship agreements between USD 50-100k annually will be sought, if possible for a period of five years to ensure stability for the revenue of the Initiative. Other governments, particularly those already working on life cycle approaches and thus benefiting from the deliverables of the Initiative most directly, will also be targeted – possibly at levels of regular funding tailored to their own possibilities.

In cases when Life Cycle Knowledge is tailored for on-the-ground application projects towards achieving global goals, funding sources such as the Global Environment Facility (GEF) or the Green Climate Fund (GCF) could be tapped into (i.e. GCF investment criteria 1, 2 and 3 could highlight the advantage of a Life Cycle approach through justifying/quantifying potential and sustainable development potential, beyond climate change mitigation and adaptation).

4.6.2. Private Sector revenue streams

Industry bodies from those sectors having already shown signals of interest on the application of life cycle approaches (i.e. chemicals, construction, cement and mining, to name a few) will be targeted as a priority, as well as traditional sectors already represented among the Initiative's sponsors (i.e. plastics). Furthermore, industry leaders in sustainability and the use of quantitative approaches – and/or their respective foundations, as appropriate – will be invited to sponsor the Initiative.

All of them will benefit significantly from the continued work of the Initiative on enhancing access to Life Cycle Knowledge with a strong institutional backing at the highest level, as well as the enhanced capacity to apply life cycle approaches in their value chains (including in SMEs). In particular, industry sectors may benefit greatly from the technical advice of the Initiative, in bringing consensus to sectoral approaches on utilizing life cycle knowledge in their contribution to the SDGs or Nationally Determined Contributions.