

LCA as a Metric for the
Selection of Recipients
for Intergenerational Bonds

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Concepts of Intergenerational Finance

- The current world economic model exploits natural and human capital to create wealth
- This is not sustainable
- There is more wealth in projects that preserve and enhance natural and human capital than in our current system
- The wealth is greater the further out you look—later generations profit more than the current one, so future generations should pay for the benefits.

Barriers to Moving to a Sustainable Economic Model

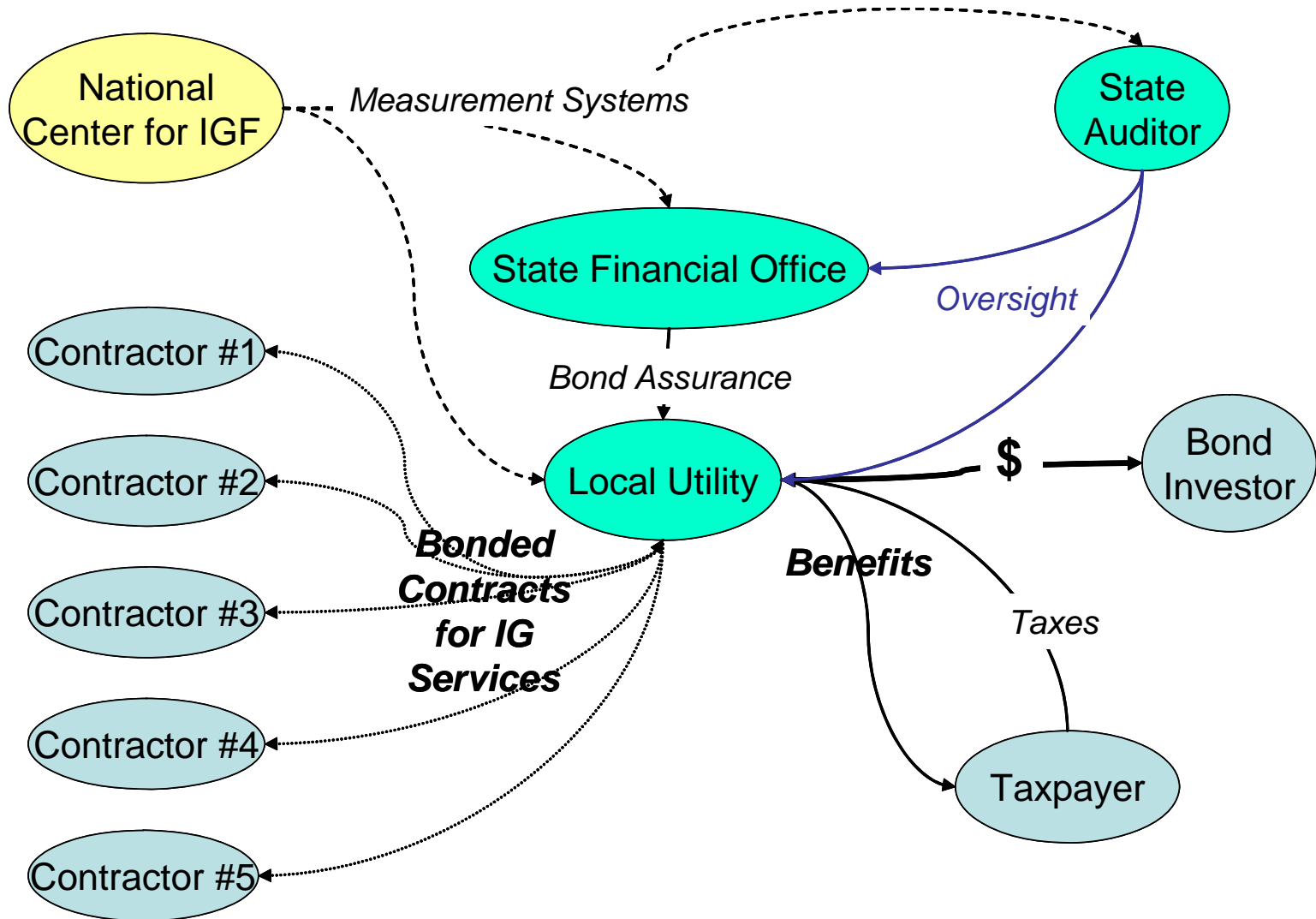
- Trapped equity
- Unmeasured consequences
- Lack of a transactional framework for change



Intergenerational Finance Framework

- Long bonds supported by states
 - Currently, FL, GA, WA & OR considering bonding
 - Discussions also occurring in England, South Africa, Wales (symposium in Eden, Cornwall in Spring 2007)
 - Anticipate support in the \$10s of Billions range
- A national center to create metrics for evaluating intergenerational opportunities
- Local utilities creating demand and issuing requests for proposals

IGF Transactional Framework



Examples of local requests for proposals

- Healthy communities, efforts to include
 - Nutrition support for schools
 - Community based physical activity programs
 - Health centers
- Sustainable transportation systems, including
 - Walking & bike paths
 - Policy work for urban design
 - Electric buses & trams
 - Renewable energy to support the transportation

National Center for Intergenerational Finance

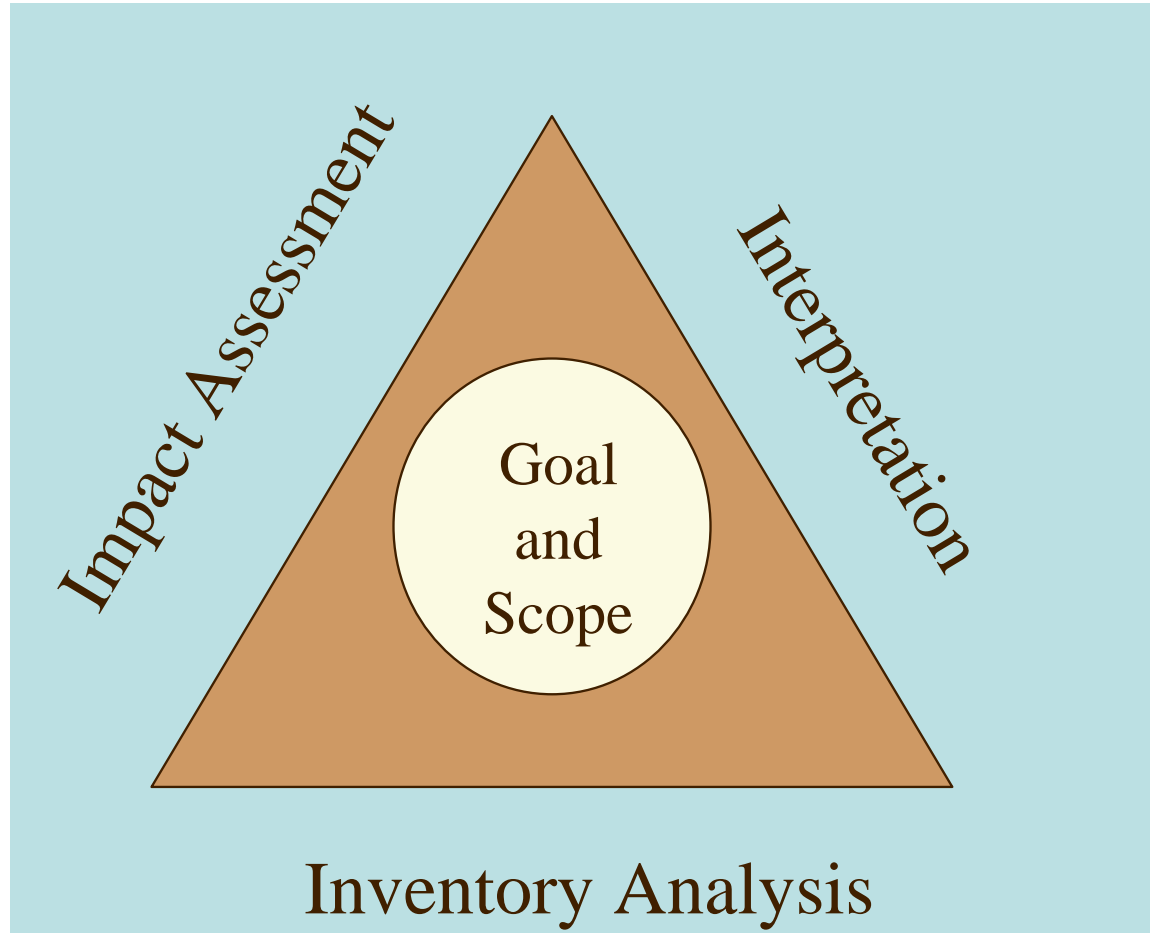
- Proposed at Portland State University, Portland Oregon
- Develop Policy and Financial support tools
- Develop LCA metrics
 - Environmental
 - Social

Plan for LCA Metric Development

- Start with energy LCA metrics
 - Make use of the very large number of studies available
 - Scope social as well as environmental benefits
- Move to Health Programs
 - Less LCA data available
 - Lots of social/epidemiological data
- Develop a framework for diverse projects
 - Need list of prospective IG projects

LCA Challenges

- Functional Unit
 - Is the social benefit the functional unit?
 - How to account for ancillary benefits?
- Systems boundary
 - Time and area will both be important
 - Do communities benefit when people move away?
- Funding for development of metrics currently being sought.



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Opportunity for the LCA community: entrance of LCA into the financial markets

