



LIFE Klimastiftung
Liechtenstein

Annual Report

2016



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The title image shows the PV modules installed on a school in the Peruvian Amazon region. The project was rolled out within the framework of Liechtenstein climate financing, with the support of LIFE Climate Foundation Liechtenstein and others.

Foreword



"How could I look my grandchildren in the eye and say I knew what was happening to the world and did nothing?"

Sir David Attenborough

In December 2015, for the first time in history, the community of states adopted a joint process under the Paris Agreement for the global reduction of greenhouse gas emissions and for climate change adaptation. It is obvious why such a move is necessary, as Prof. Stocker, climate scientist at the University of Bern and one of the main authors of the current global climate report, pointed out at the LIFE event "Climate Change – Facts and Responsibility" in May 2016: "The warming of the climate system is undeniable ... The human influence on the climate system is obvious." He went on: "The warming may have drastic, far-reaching and irreversible effects on humans and the eco-system." Prof. Stocker explained that this is not just the assumption of a few individual scientists but the core statement of the current global climate report, which the heads of all 196 states of the UN Climate Convention agreed to unconditionally. The Paris Agreement – with its historically unmatched support from almost all heads of state around the globe – must hence be regarded as a logical consequence of international policy. Regional, national and international policy must now establish a reliable framework and master the challenges of the future in collaboration with the business world and society in general. We all need to do our bit to achieve the so-called green transformation in the fields of energy, consumption and resources – nobody should be left behind!

For this reason, I believe that it is important to pursue this path within the framework of proven and, where necessary, new partnerships. Against this backdrop, the LIFE Strategy 2020 was put into practice for the first time in 2016.

The main focus is on aligning LIFE activities with the competencies of Liechtenstein as a business centre that hosts approximately 4,000 small and medium-sized enterprises as well as over 1,200 non-profit foundations and that is characterised by advanced service competence and short paths with respect to government and administration. In 2016 we further expanded our cooperation in the field of public-private partnerships with this in mind. Examples include the incentive programme initiated with Liechtenstein Power Plants for promoting e-mobility, the strengthening of the local philanthropy location through joint projects rolled out by the state and non-profit foundations, as well as the successful cooperation with the Swiss Climate Foundation. The support of the work of an international

team that cooperates with the United Nations Economic Commission for Europe (UNECE) in Geneva on the establishment of standards for the implementation of PPP projects in the field of renewable energies in emerging markets is also worthy of note.

The challenges of the future are great – and so are the opportunities for tackling them together.

Adrian Hasler

President of the Foundation Board

Prime Minister of the Principality of Liechtenstein

1. Organisation, Foundation Board, Auditor

LIFE Climate Foundation Liechtenstein was founded on 15 January 2009 and is a charitable foundation as defined in articles 522 ff. of the Liechtenstein Persons and Companies Law (PGR) entered with independent legal status in the public register. It is subject to the Foundation Supervisory Authority (STIFA) of the Office of Land and Public Registration and is not for profit.

The highest decision-making body of LIFE Climate Foundation Liechtenstein is its Foundation Board, which as at the end of 2016 was composed of the following representatives of the government, the financial centre associations and the University of Liechtenstein:

Function	Name	Representative of
President of the Foundation Board	Adrian Hasler	Government of the Principality of Liechtenstein
Vice President of the Foundation Board	Adolf E. Real	Liechtenstein Bankers Association
Member of the Foundation Board	Dr Helmut Kindle	Office of Environmental Protection
Member of the Foundation Board	Lars Inderwildi	Liechtenstein Investment Fund Association
Member of the Foundation Board	Ivo Elkuch	Liechtenstein Institute of Professional Trustees and Fiduciaries
Member of the Foundation Board	Prof. Dr Martin Wenz	University of Liechtenstein
Member of the Foundation Board	Dr Donat Marxer	Liechtenstein Insurance Association

The Foundation Board is supported by the Administrative Office of LIFE Climate Foundation Liechtenstein. It is located at the Liechtenstein Bankers Association in Vaduz and bears operational responsibility for the management of the foundation and coordination of the foundation's work. All employees of the Administrative Office are made available by their employers for the work of the foundation by way of "corporate volunteering".

As of the end of 2016, the following persons belonged to the Administrative Office:

Function	Name	Representative of
Director	Simon Tribelhorn	Liechtenstein Bankers Association
Deputy Director	Sven Braden	Office of Environmental Protection
Member	Caroline Voigt	Liechtenstein Insurance Association
Member	Florian Schaller	University of Liechtenstein
Member	Sabine Langenegger	Liechtenstein Bankers Association

PriceWaterhouseCoopers, St. Gallen, officiated as auditor.

2. Activity Report

In March 2016 LIFE Climate Foundation Liechtenstein and Liechtenstein Power Plants (LKW) launched a joint incentive programme to promote the purchase of electric vehicles. In this context, the purchase and registration of e-vehicles in Liechtenstein are supported with an amount of up to CHF 3,000 per vehicle. The subsidy is awarded for all-electric vehicles of any brand. More than 50 vehicles were subsidised under this programme from March 2016 to December 2016. LIFE Climate Foundation Liechtenstein and LKW have provided a total budget of CHF 300,000 for the programme. Each party bears half of the costs.

In May 2016, LIFE Climate Foundation Liechtenstein organised a public **discussion on the subject "Climate Change – Facts and Responsibility"** in cooperation with Prof. Thomas Stocker, an internationally renowned climate scientist and lead author of the fifth global climate report, and the banker Burkhard Varnholt. In a comprehensive but by no means boring presentation, Prof. Stocker summarised the current level of knowledge regarding climate science and drew attention to the fact that, if we continue to live as we have done so far, the two-degree climate budget will be used up by 2035. He said that, in order to reach the agreed temperature target, mechanisation, electrification and digitalisation must be followed by so-called decarbonisation as the fourth industrial revolution. However, Stocker does not merely see this as an obligation; he also considers it a great opportunity: he explained that each of these industrial revolutions have led to smarter products, new workplaces, a better quality of life and other values, and that this will also be the case with decarbonisation. Subsequently, Burkhard Varnholt, a member of the Management of Bank Julius Baer and founder of "Kids of Africa", talked about the role and responsibility of the financial industry in connection with climate change. He said that he wished that investors would focus on the risks of a non-sustainable orientation rather than on short-term returns. He underlined the fact that this is already the case with institutional investors. "Sustainable asset management is quite simply better," added Varnholt. He believes that nobody will talk about sustainable asset management in ten years, as it will have become the standard.

In May 2016 LIFE Climate Foundation Liechtenstein also decided to support an international team of experts in the finalisation of UNECE standards for the rollout of PPP projects in the field of renewable energies in emerging markets. The objective was to introduce the draft with the respective standards into the official decision-making process of the UN in cooperation with UNECE in Geneva, thereby making the draft an official UN standard upon completion of the process. The group headed by project managers Ana Hajduka (London) and Rene Meyer (Manila) had already worked on the draft since

March 2015 along with other experts from the field of PPP/energy. The team does all work on a voluntary basis, i.e. free of charge.



In October 2016 the LIFE Administrative Office and the project managers were able to bring the core team (a group of seven persons from the UK, South Africa, the Philippines, the USA and Russia) to Liechtenstein from 26 to 29 October in order to finish the project work here. As well as organising a reception in which the leading UNECE representative participated, the Administrative Office also provided the infrastructure (seminar rooms, Internet connection) for two intensive days of work in collaboration with the University of Liechtenstein. The project team successfully finished its work late in the afternoon on 28 October 2016. Under the title "The Vaduz Standards", the standards were transmitted to UNECE in Geneva on 4 November 2016 (the date of the entry into force of the Paris Agreement) for further processing.

In November 2016 the government of Liechtenstein and four non-profit foundations, including LIFE Climate Foundation Liechtenstein, decided to roll out a joint project to provide for the autonomous power supply of a school in the Peruvian Amazon region.

As in previous years, LIFE Climate Foundation Liechtenstein also profited from the partnership with the Climate Foundation Switzerland in 2016. Due to the willingness of LGT Bank, LLB and VP Bank to donate their refunds from the CO₂ tax to the Swiss Climate Foundation, the Swiss foundation's funding framework was extended to Liechtenstein at the end of 2012. The Administrative Office of LIFE Climate Foundation Liechtenstein is responsible in this regard for communicating funding opportunities in the country.

The Advisory Board of the Swiss Climate Foundation conducts a preliminary review of the project proposals and submits a recommendation for funding to the Foundation Board. The Advisory Board is made up of representatives of large financial service companies in Switzerland and Liechtenstein, including Swiss Re, Partner Re, AXA Winterthur, PWC, Bank Vontobel and LGT Bank.

2.1 Projects Supported by the Swiss Climate Foundation

Cooperation of LIFE Climate Foundation Liechtenstein with the Swiss Climate Foundation

Support of Liechtenstein SME in the field of energy and efficiency

In 2016, several projects from Liechtenstein were funded once again. Alongside an innovation project and a standard project, several energy consultations with voluntary target agreements were financially supported.



Adlos AG in Balzers was awarded funding amounting to CHF 50,000. In cooperation with NTB Buchs (CH), the company has developed a new technology that enables the efficient and decentralised vaporisation of cooling lubricants even at SMEs and the disposal of water in the sewage system instead of as special waste.



In the amount of CHF 15,000, Büchel Holding, Ruggell, became the first company to receive financial support for the installation of an electric charging station. The station will be accessible to both employees of the company and external e-mobility drivers.

2.2 Projects Supported Directly by LIFE Climate Foundation Liechtenstein

Promotion of e-mobility

Support of joint incentive programme in cooperation with LKW



LIFE Climate Foundation Liechtenstein and Liechtenstein Power Plants (LKW) have launched a joint programme to promote e-mobility. The purchase and registration of e-vehicles in Liechtenstein are supported with an amount of up to CHF 3,000 per vehicle. The total project budget amounts to CHF 300,000, half of which is borne by LIFE Climate Foundation Liechtenstein and half by LKW.

Energy saving project at Liechtenstein primary schools

Raising awareness among primary school children



By means of the development and rollout of energy saving projects at Liechtenstein's primary schools, a supporting, sustainable contribution is to be made in the field of energy sufficiency. Primary school children at all five school levels are to be sensitised to the use of energy. Lenum AG is responsible for the organisation of the energy saving project and carries it out at the schools. LIFE Climate Foundation Liechtenstein supported the project with a total of CHF 19,600.

Realisation of partnership with the Reffnet.ch association

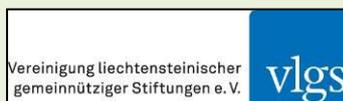
Access for companies from Liechtenstein to resource efficiency programme from Switzerland



In 2016, several large companies from Liechtenstein were persuaded to participate in the Swiss resource efficiency programme Reffnet, including Hilti AG, Schaan; Ivoclar Vivadent, Schaan; ThyssenKrupp Presta AG, Eschen; Inficon AG, Balzers; SPM AG, Schaan; and BVD Druck+Verlag AG, Schaan. The external consulting costs in the amount of CHF 52,000 were borne by LIFE Climate Foundation Liechtenstein.

Climate financing and strengthening of the visibility of the philanthropy location – pilot project in Peru

Joint financing of a PV plant at a school in the Amazon region



In 2016, the Administrative Office developed a pilot for joint project rollout in order to promote more intensive collaboration between the government and non-profit foundations, particularly in the field of international climate financing. The work was supported by organisations such as the Association of Liechtenstein Charitable Foundations (VLGS). The cooperation was based on the joint financing and implementation of the autonomous production and use of power by a school in the Peruvian Amazon area. The Peruvian NGO peru2021 joined in as the local partner.

The project proposal was approved by Liechtenstein climate financing in late 2016, as the country is one of the main states on which Liechtenstein development aid focuses. Several non-profit foundations also decided to support the project financially. In this way, the required budget of about CHF 100,000 was secured. As well as developing the project, LIFE Climate Foundation Liechtenstein contributed an amount of CHF 10,000.

2.3 Events in Liechtenstein

LIFE/public event, Vaduz hall [10.05.2016]

"Climate Change – Facts and Responsibility"



On the occasion of the signing of the Paris Agreement on 22 April 2016 by representatives of more than 170 countries, LIFE Climate Foundation Liechtenstein organised a public event with the internationally renowned climate scientist Prof. Thomas Stocker and banker Burkhard Varnholt. The current level of knowledge with regard to climate change as well as the responsibility and role of the financial industry were discussed. More than 100 interested listeners from Liechtenstein and neighbouring countries accepted the invitation of LIFE Climate Foundation Liechtenstein and attended in Vaduz.

Fifth discussion event of the Energy Network for the Economy at ThyssenKrupp Presta AG, Eschen [24.06.2016]

"Energy management is yielding results"



At the fifth discussion event of the Energy Network for the Economy, representatives of ThyssenKrupp Presta AG explained the efficiency measures they have taken at their company premises in Eschen in the areas of ventilation systems, compressed air and energy-related improvements for buildings. Furthermore, Dirk Hengevoss introduced the support offer of the Swiss resource efficiency programme Reffnet, which was financially supported by LIFE Climate Foundation Liechtenstein throughout 2016.

Reception and workshop of the UNECE expert team, Hofkellerei Vaduz and University of Liechtenstein [26.10.2016]

"Preparing the Vaduz Standards"



LIFE Climate Foundation Liechtenstein supported the work of an international expert team on the elaboration of voluntary PPP RE standards for projects in emerging markets. The project was initiated by UNECE in Geneva. If the results are accepted in the formal UN process, the LIFE Administrative Office, the expert team and UNECE intend to give these standards a "home base" in Liechtenstein, i.e. reports on the implementation of the standards and future work on standards are to be coordinated via LIFE Climate Foundation Liechtenstein.



After the reception in the Hofkellerei wine cellars, an intensive

two-day workshop involving the Administrative Office and the expert team was held at the University of Liechtenstein, which ended with the finalisation of the standards.

2.4 Events Abroad

Climate conference in Marrakesh, Morocco [18.11.2016]

"Synergies in International Climate Financing – Market Mechanisms and Philanthropy"



Together with the University of Zurich, the government of Liechtenstein organised an event on the subject "Synergies in International Climate Financing – Market Mechanisms and Philanthropy" at the UN climate conference in Marrakesh on 18 November 2016. In this context, Sven Braden of LIFE Climate Foundation Liechtenstein talked about positive experiences with regard to the collaboration between Liechtenstein climate financing and local philanthropic foundations.

2.5 Publications

As part of its public outreach, LIFE Climate Foundation Liechtenstein has released various articles in specialist magazines and several press reports on the activities of LIFE Climate Foundation Liechtenstein.

3. Strategic Orientation of LIFE Climate Foundation Liechtenstein

As the result of an extended strategy process, LIFE Climate Foundation Liechtenstein has adopted a new five-year strategy – Strategy 2020 – with an even clearer focus on innovative, specific and outcome-oriented beacon projects in Liechtenstein and abroad as well as increased interaction with other non-profit foundations to strengthen and enhance the perception of Liechtenstein as a philanthropy location.

Furthermore, it was decided to refrain from pure sponsoring activities in the future and to implement more projects in conjunction with other private as well as institutional sponsors. However, the established concepts of private-public partnerships are to be made use of as well.

The Administrative Office has been entrusted with the rollout of this new strategy. Its implementation started at the beginning of 2016. Initial tangible and visible results were already achieved in 2016, e.g. the construction of the PV plant in Peru in collaboration with other foundations.

Strategy 2020

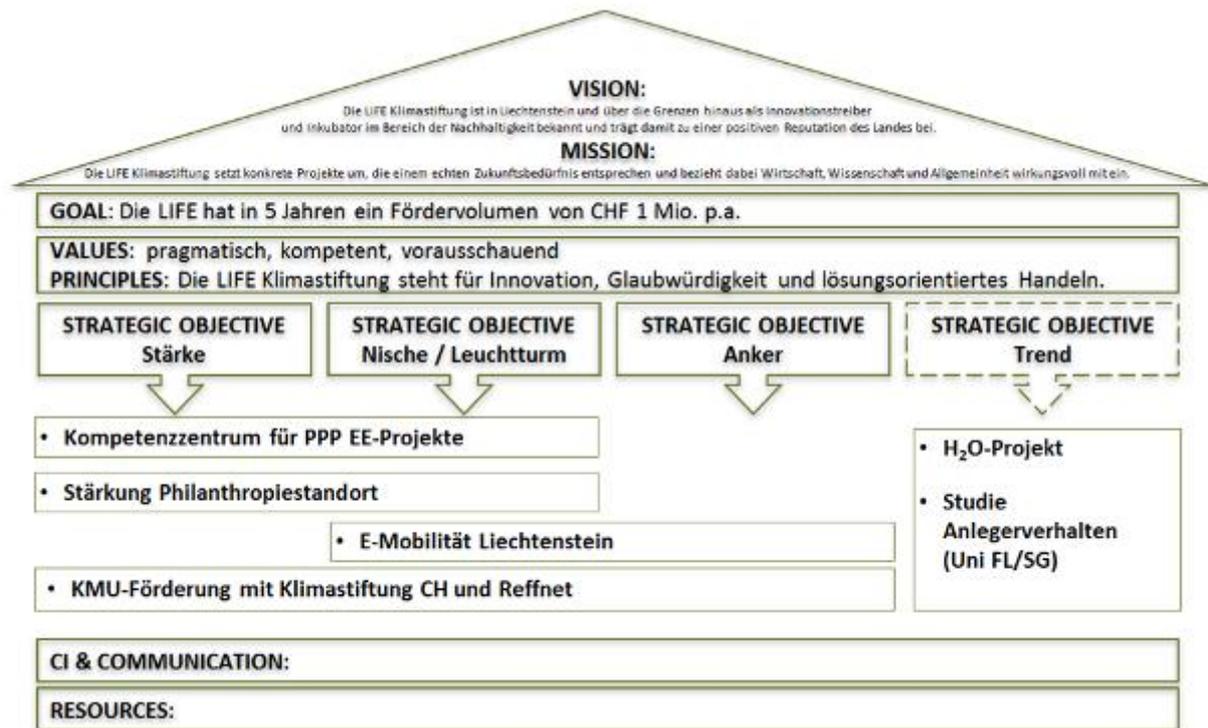


Image: Strategic House – LIFE Strategy 2020

During the course of this strategy discussion, the vision and mission statement of LIFE Climate Foundation Liechtenstein was updated with Strategy 2020 and adapted to the changed framework conditions. The inclusion of strategic target areas and the respective categorisation of ongoing projects supplement the original idea of the three-pillar strategy and at the same time create the necessary flexibility for the challenges of the future in the area of climate protection and sustainability.

With the updated strategy, the Administrative Office and Foundation Board feel they have developed the foundations laid in 2012. They consider Strategy 2020 to be a solid and realisable plan for the future activities of LIFE Climate Foundation Liechtenstein.