

1. What is LIFE?

LIFE stands for “Liechtenstein’s Initiative of the Financial Centre in Emissions Trading”. In 2009, the initiative was incorporated into a non-profit foundation under the name **LIFE Climate Foundation**.

Bearers of the foundation are:

- Liechtenstein Bankers Association
- Liechtenstein Association of Professional Trustees
- Liechtenstein Investment Fund Association
- University of Liechtenstein

The Government of Liechtenstein has defined ambitious climate targets and also acts as a bearer of the foundation. It’s intention is to further develop the existing high environmental standards within the country.

Recent political activities underline the seriousness with which climate goals are being pursued:

Ratification of the Kyoto Protocol	December 2004
Climate Protection Strategy	September 2007
Emissions Trading Act and National Allocation Plan	December 2007
Energy Efficiency Act	June 2008

LIFE Climate Foundation Liechtenstein acts within the framework of a real **Public-Private Partnership**. The participation of representatives from the country’s economy as well as from the science and policy sectors provides important access to the relevant players and driving forces within the environmental and carbon markets.

2. Goals of the Foundation

A goal of the LIFE Climate Foundation Liechtenstein is the **promotion of market-based climate and environmental mechanisms** in order to attain the global greenhouse gas reduction targets established by the Kyoto Protocol. The foundation’s activities, therefore, provide a vital contribution to the international climate protection process.

With respect to the future role of financial markets, the foundation also intends to play a constructive role in the development of an international climate framework. All of the foundation’s activities follow the motto **“for a better life”**.

As a business and financial centre integrated into the Swiss and European economic area, Liechtenstein offers the best premises for the foundation’s activities. Further advantages are the country’s full membership in the United Nations, the implementation of the EU Emissions Trading Guidelines, an innovative industry sector as well as an internationally oriented financial centre.

3. Advantages for Investors and Financial Intermediaries

Liechtenstein offers **ideal conditions for private and institutional investors as well as for financial intermediaries from all around the world** in order to participate in market-based mechanisms such as Emissions Trading, Clean Development Mechanism (CDM) and Joint Implementation (JI):

- access to emissions trading (UN and EU)
- attractive tax structure for companies
- an innovative and competent financial centre as well as a modern location for investment funds
- prompt approval process for the permitting of new financial products
- competency in emissions trading
- attractive conditions of Liechtenstein’s Emissions Trading Registry (low fees, no limitations)

4. Market-Based Mechanisms for the Climate and Environment

The close cooperation with the University of Liechtenstein’s Institute for Financial Services offers the possibility to examine environmental questions related to financial issues on an academic basis. The **participation of well-established market players** and experts within these academic processes provides for a strong practical component.

The material issues to be dealt with are linked to the business segments and the respective needs of the foundation’s bearers, who provide the necessary financing. However, since the foundation is based on a non-profit principle, the **generated results and the specific knowledge**, originating from the cooperation with the University of Liechtenstein, **are fully accessible to the public**. The intention of this approach is not only to support the financial markets of Liechtenstein, but also to contribute to the international capacity building efforts, especially regarding the introduction of environmental commodities.

5. Credible Climate Policy

Liechtenstein aims to reduce greenhouse gas emissions as much as possible through the implementation of internal policies and measures. For example, beginning in 2009, the country’s most energy-intensive companies will substitute approximately 60 – 70 % of their usual fossil fuel demand through the acquisition of steam originating from a neighbouring waste incineration plant. Furthermore, the government is currently analysing the country’s potential for the use of wind and geothermal power.

Although Liechtenstein focuses on emission reductions through national measures, the current situation makes an additional purchase of emission rights until 2012 necessary. In this context, Liechtenstein has committed itself as the first country worldwide to only purchase emission rights from projects that show verifiable ecological benefits and sustainable acceptability (f.e. by the Gold Standard Foundation).

6. Liechtenstein in Figures

Liechtenstein's highly industrialised economy is characterised by a broad diversification of branches, companies and products. The average value added is very high, based on the knowledge of highly qualified experts, a broad range of high-tech products as well as niche products and a well-developed financial market.

Total Area	160 km ²	
Population	35,356	31.12.2007
Employment	32,435	31.12.2007
of which foreign commuters	16,242	31.12.2007
Direct Goods Exports (excluding Switzerland)	USD 3,790 M	2007
Gross Domestic Product (GDP)	USD 4,534 M	2006
Gross National Income (GNI)	USD 3,990 M	2006
Gross National Income per capita	USD 114,000 M	2006
Gross Value Added		
- Industry	40%	2006
- Financial Services	29%	2006
- Others	31%	2006
Greenhouse Gas Emissions in t (without LULUCF)	244,500	2007
Kyoto Target	211,000	∅ 2008 - 2012



Info Flyer



**LIFE Climate Foundation
Liechtenstein**
Austrasse 46
P.O. Box 254
FL-9490 Vaduz

Tel. +423 230 13 26
info@klimastiftung.li
www.klimastiftung.li

Contact:

LIFE Climate Foundation Liechtenstein
Austrasse 46 | P.O. Box 254 | FL-9490 Vaduz
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