



LIFE Klimastiftung
Liechtenstein

Annual Report

2017

LIFE Climate Foundation
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Foreword



"The future is not a stroke of luck but the consequence of the decisions we take today."

Franz Alt

The Agenda 2030, with its 17 global Sustainable Development Goals, and the Paris Climate Agreement can be seen with some justification as true milestones of international corporation. Particularly taking into account future generations, both agreements are intended to ensure the far-sighted and considerate use of our natural resources. The principle of sovereignty is embedded in both agreements. That means that initially it is the states themselves that must define their priorities with regard to sustainable economic and social development. Similarly, from 2020 they will regularly have to explain what their respective plans for low-emission economic development look like.

Even so, any plan is only as good as its implementation. The joint Paris "2-degree" target and the Sustainable Development Goals of the Agenda 2030 can only be achieved through intensive cooperation between the political establishment, industry and civil society, as well as in the context of new global partnerships. Even though the implementation of climate and sustainable development targets remains the responsibility of the individual states, in the end their efforts and exertions must be comparable. So, in order to be able to assess compliance with climate targets and the processes of sustainable housekeeping at the international level, it is necessary to ensure the appropriate transparency in the implementation of the necessary policies and actions. Particularly in the context of sustainable development, the requirement for transparency is an unconditional criterion of future policy-making. And good politics is based on good decisions - whether they are taken in Asia, Africa, America or at home in Europe. I am convinced that development and access to new technologies will assume key significance in this context.

Against this background, the advancing "digitization" is far more than the prospect of optimizing existing processes. In the case of IT developments such as blockchain technology, for example, it is no longer essentially only about process optimization, but for the time being also about the creation of entirely new interaction opportunities.

Technologies like that of the blockchain can contribute to the delivery of information and values in entirely new ways. Correctly applied, this technology could become a pillar of the requirement for transparency in the context of global sustainable development.

With these considerations in mind, we, the board members of the LIFE Climate Foundation Liechtenstein initiated a project at the beginning of 2017, to investigate the potential of blockchain technology with regard to the implementation of the Paris Climate Agreement. The project now bears the name Climate Ledger Initiative (abbreviated to CLI) and has become an established and important technology platform at the international level.

New information technologies can provide an important contribution to achieving more sustainable development. With all the euphoria regarding the possibilities that are opened up to us by digitisation and new information technologies, there are still some major challenges to overcome. From the governmental perspective the task is to create the right framework, so that digital and sustainable development complement one another appropriately. I am convinced that this will lay the ground for very interesting prospects for Liechtenstein and the world in the future.

Adrian Hasler

President of the Foundation Board

Prime Minister of the Principality of Liechtenstein

1. Organisation, Foundation Board, Auditor

The LIFE Climate Foundation Liechtenstein was founded in 2009 and is a registered charitable foundation within the meaning of Article 552 et seq. of the Liechtenstein Law on Persons and Companies (PGR) with its own legal personality. It is subject to the Foundation Supervisory Authority (STIFA) of the Office of Justice and is a not-for-profit organisation.

The highest decision-making body of the LIFE Climate Foundation Liechtenstein is its Foundation Board, which as at the end of 2017 was composed of the following representatives:

Function	Name	Representative of
Chairman of the Foundation Board	Adrian Hasler	Government of Liechtenstein
Vice-Chairman of the Foundation Board	Dr Hans-Werner Gassner	Liechtenstein Bankers Association
Foundation Board	Dr Helmut Kindle	Office of Environment
Foundation Board	Lars Inderwildi	Liechtenstein Investment Fund Association
Foundation Board	Ivo Elkuch	Liechtenstein Institute of Professional Trustees and Fiduciaries
Foundation Board	Prof. Dr Martin Wenz	University of Liechtenstein
Foundation Board	Dr Donat Marxer	Liechtenstein Insurance Association

In mid-2017 the Liechtenstein Bankers Association chose Dr Hans-Werner Gassner as its representative and new Vice-Chairman of the Foundation Board of the LIFE Climate Foundation Liechtenstein. Gassner thus takes over the position of Adolf E. Real, who has successfully represented the views and interests of the Liechtenstein Bankers Association since 2010. The members of the Foundation Board and of the Administrative Office would like to take this opportunity to thank Mr Real for his impressive commitment, which found expression in his professionalism and his personal solidarity with the aims of the Foundation’s activities.

The Foundation Board is supported by the Administrative Office of the 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 2017, the Administrative Office was composed of the following persons:

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

By the end of 2017 Sven Braden resigned from his role as representative of the Office of Environment due to a professional reorientation.. Dr Heike Sommer was designated as the new representative of the Office of Environment and at the same time as the new Deputy Executive Director. At the same time the Foundation Board resolved unanimously that Braden should remain ad personam in the Administrative Office of the LIFE Climate Foundation Liechtenstein, so Braden will continue to offer advice and support to the LIFE Climate Foundation Liechtenstein.

PricewaterhouseCoopers, St. Gallen, served as auditor.

2. Activity Report

In the course of its first ordinary meeting in 2017, the Foundation Board decided to support activities to investigate the potential of blockchain technology for the implementation of the Paris Agreement on Climate Change. A total of three events were held for that purpose in Zurich between **December 2016 and February 2017**, bringing together experts from the international climate protection community as well as from the IT sector. This exchange of ideas was organised by the Swiss foundation, Cleantech21. In addition to the LIFE Climate Foundation Liechtenstein, the project was also supported by the EU innovation programme, Climate KIC. After three rounds of discussion, the participants present came to the conclusion that the use of blockchain technology could be of great relevance to the Paris Agreement, particularly in the context of the development of new climate protection instruments or the improvement of existing ones, such as climate inventories, greenhouse gas markets or climate financing models. In order to fully explore the potential of blockchain technology for the Paris Agreement, as well as of other innovative digitisation technologies, a team of representatives from LIFE Climate Foundation Liechtenstein, Cleantech21, INFRAS and the Gold Standard Foundation formed the Climate Ledger Initiative (CLI).



In addition to producing a research agenda focused in the Paris Climate Agreement, the CLI also supported the development of actual use cases. This also benefited the Blockchain Buro in Ruggell, which is developing the LETchain in cooperation with ETH Zurich. The LETchain is a corporate mobility management system, which is based on blockchain technology. LETchain receives financial support from ClimateKIC.

The CLI was presented for the first time to the international community at the occasion of the UN Climate Change Conference in May 2017. In June 2017 the CLI gained official support by Switzerland. At the end of 2017 the initiative was presented during an official UN side event at the 23rd UN Climate Change Conference in Bonn in November 2017. During the event in Bonn the Government of Liechtenstein announced its support of the CLI, joining Switzerland and Climate KIC as official supporters. Due to its close cooperation with the UNFCCC Secretariat, the EU's Climate KIC programme and the World Bank, the CLI has now become a recognised international platform at the interface between blockchain and climate protection.

As in previous years, the LIFE Climate Foundation Liechtenstein continued to cooperate closely with the Swiss Climate Foundation also in 2017. 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 Climate Foundation's funding scope was extended to include 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 receives the project applications and performs preliminary examinations followed by respective funding recommendation to the Foundation's Board. The members of the Board include representatives of major financial service providers from Switzerland and Liechtenstein, such as Swiss Re, Partner Re, AXA Winterthur, PWC, Bank Vontobel and LGT Bank.

Due to a lack of suitable applications from Liechtenstein, no SME projects in Liechtenstein were supported in 2017 for the first time since the cooperative arrangement the Swiss Climate Foundation was initiated.

2.1 Projects supported directly by the LIFE Climate Foundation Liechtenstein

Promotion of the “Ideas Channel” (Ideenkanal) - and award of the LIFE special prize

Support for format and ideas



Once again in 2017, LIFE Climate Foundation Liechtenstein supported the organisation of the Ideas Channel. The Ideas Channel focuses on plans which are at the early development stage and make a positive contribution to public welfare - for example in the areas of the environment, mobility, technology, social responsibility, education and health, as well as art and culture.



LIFE Climate Foundation Liechtenstein also awarded a special prize for the environment sector. The special prize in 2017 went to the Ideas Channel project, “Food - Direct and Regional”. The project provides an online platform which shows consumers which products are currently available from the producers (e.g. farms) in the region. For food producers this means less dependence on major retail chains and direct sales to the customer. The consumer gets fresh, regional products, directly from the producer.

Promotion of e-mobility

Extension of the joint impulse programme with the LKW



In 2016, LIFE Climate Foundation Liechtenstein launched the e-mobility impulse programme, together with power plant operator Liechtensteinische Kraftwerke (LKW). As a result of the thoroughly positive outcome after one year, the two partners decided in 2017 to expand funding from 50 to 100 electric vehicles. This target was achieved at the end of 2017, with the result that the impulse programme can be classed as a success and has been concluded.

Energy-saving project at Liechtenstein’s primary schools

Promoting the awareness of children at primary school level



The development and implementation of energy-saving projects at Liechtenstein’s primary schools are intended to make a lasting contribution in the area of energy efficiency. The awareness of primary school children in all five school years with regard to the use of energy is to be heightened in this way. Lenum AG is responsible for organising this and is conducting the energy saving project at the schools. The LIFE Climate Foundation Liechtenstein has supported the project, providing funding amounting to CHF 19,600.

Implementation of the cooperation with the Reffnet.ch network

Access for companies from Liechtenstein to resource-efficiency programmes from Switzerland



In 2017 several large companies from Liechtenstein were recruited to take part 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 LIFE Climate Foundation Liechtenstein covered the costs of external consultancy totalling CHF 52,000. The project has thus been successfully concluded for the initial period. Reffnet 2.0 will be continued with some changes from 2018.

2.2 Events in Liechtenstein

World Water Day public event, Kunstmuseum Liechtenstein, Vaduz [23/03/2017]

"Drink tap water, donate drinking water"



On the occasion of the UN's World Water Day, Liechtenstein was launched the Water Footprint in March 2017. The aim of the Water Footprint Liechtenstein is that every citizen of Liechtenstein provides access to clean drinking water for a person in need. The launch took place at a respective **campaign event** with the motto "Drink tap water, donate drinking water", which was held jointly by the charity Drink&Donate, LIFE Climate Foundation Liechtenstein and the climate protection organisation myblueplanet, in the Kunstmuseum in Vaduz.

Public event, University of Liechtenstein [23/05/2017]

"Green Summit 2017 - Sustainability Forum Liechtenstein"



At Green Summit 2017, regional and international experts discussed the issue of sustainability. Along with the presentation of sustainable practical projects and an IT workshop on sustainability in a digital age, practically relevant research work from the field of sustainable finance was also presented. Other talks covered topics such as renewable energies, electromobility and the developing theme of sustainability reporting.

Sixth experience-sharing meeting of the Energy Network for Industry at Hilti AG, Schaan [08/11/2017]

"Waste heat used intelligently in the district heating system of Hilti AG"



All the buildings on the company premises of Hilti AG in Schaan are to be connected to the district heating system by 2022. The concept includes features such as heat recovery from compressed air generation, the use of waste heat from the cooling systems in the data centre and the exploitation of other sources of waste heat. In the course of the 6th experience-sharing meeting supported by the LIFE Climate Foundation Liechtenstein, the speakers also included representatives of Drink&Donate, talking about the "Water Footprint for Companies" project, as well as representatives of LGV, who spoke about the possibilities of alternative heat supply.

Liechtenstein Blockchain Meetup, Kunstmuseum Liechtenstein, Vaduz [19/07/2017]

"Introducing the Climate Ledger Initiative"



At the Liechtenstein Blockchain Meetup in the Kunstmuseum Liechtenstein, Sven Braden of the LIFE Climate Foundation Liechtenstein presented the Climate Ledger Initiative (CLI) at the end of June 2017. The aim of the project is to unlock the potential of blockchain technology for the mechanisms of the Paris Climate Agreement. The CLI is supported by several member states of the Paris Agreement and, by means of research and innovation, aims to contribute to a better understanding of blockchain technology within the development of climate change mechanisms.

2.3 Events abroad

Climate Change Conference in Bonn, Germany [17/05/2017]

"How could Blockchain technology contribute to Paris Agreement Implementation"



Together with ETH Zurich, Cleantech21 and the EU innovation programme Climate KIC, the LIFE Climate Foundation Liechtenstein organised a side event on the theme of Blockchain and International Climate Protection in at the annual UN Climate Change Conference. Following the presentation of blockchain-related activities on the part of the LIFE Climate Foundation Liechtenstein, Cleantech21, INFRAS and Gold Standard, international experts from the fields of IT, politics and academia discussed the potential of blockchain technology for the Paris Climate Agreement. The event generated considerable attention and led to the UN Climate Secretariat also officially addressing the theme of blockchain/fintech in the context of the UNFCCC negotiations.

Inauguration of the PV plant in Masisea, Peru [10/07/2017]

“How could Blockchain technology contribute to Paris Agreement Implementation”



On 10.07.2017, a photovoltaic system co-financed by LIFE Climate Foundation Liechtenstein was ceremoniously inaugurated at a school in the Peruvian village of Masisea, in the course of a grand village festival and in the presence of the mayor, along with representatives of the Peruvian government, a representative from Liechtenstein and over 200 villagers. The system was jointly financed by the Government of Liechtenstein along with LIFE Climate Foundation Liechtenstein, Lotex Foundation, MariaMarina Foundation and Thoolen Foundation.

COP 23 - UN Climate Change Conference in Bonn, Germany [06/11/2017]

“Research and Innovation at the Intersection of Blockchain and Climate Action”



As part of the UN Climate Change Conference in November 2017, LIFE Climate Foundation Liechtenstein assisted in the organisation of a side event of the newly established "Climate Ledger Initiative" (CLI). Together with experts from the climate change and IT sectors, official representatives from Switzerland and Liechtenstein, as well as representatives of the EU innovation programme Climate KIC, the panel discussed the opportunities and challenges presented by the use of blockchain technology in the field of international climate mechanisms.

At the request of the UNFCC Secretariat, the event was scheduled at the start of the conference in order to enable the delegations to the negotiations to attend the event before the actual negotiations began.



Consequently, every seat at the event was taken. Representatives of Cleantech21, one of the partners of the Climate Ledger Initiative, also announced the “Hack4Climate” event. This was a 4-day competition for young IT developers, who worked in teams and attempted to find the best IT and blockchain-based solutions to the challenges of the Paris Climate Agreement. Hack4Climate was actively supported by the Climate Ledger Initiative, as well as the UNFCC Secretariat.

2.4 Publications

In the context of public relations, the LIFE Climate Foundation Liechtenstein has published various articles in trade journals and several press reports about the activities of the LIFE Climate Foundation Liechtenstein, including

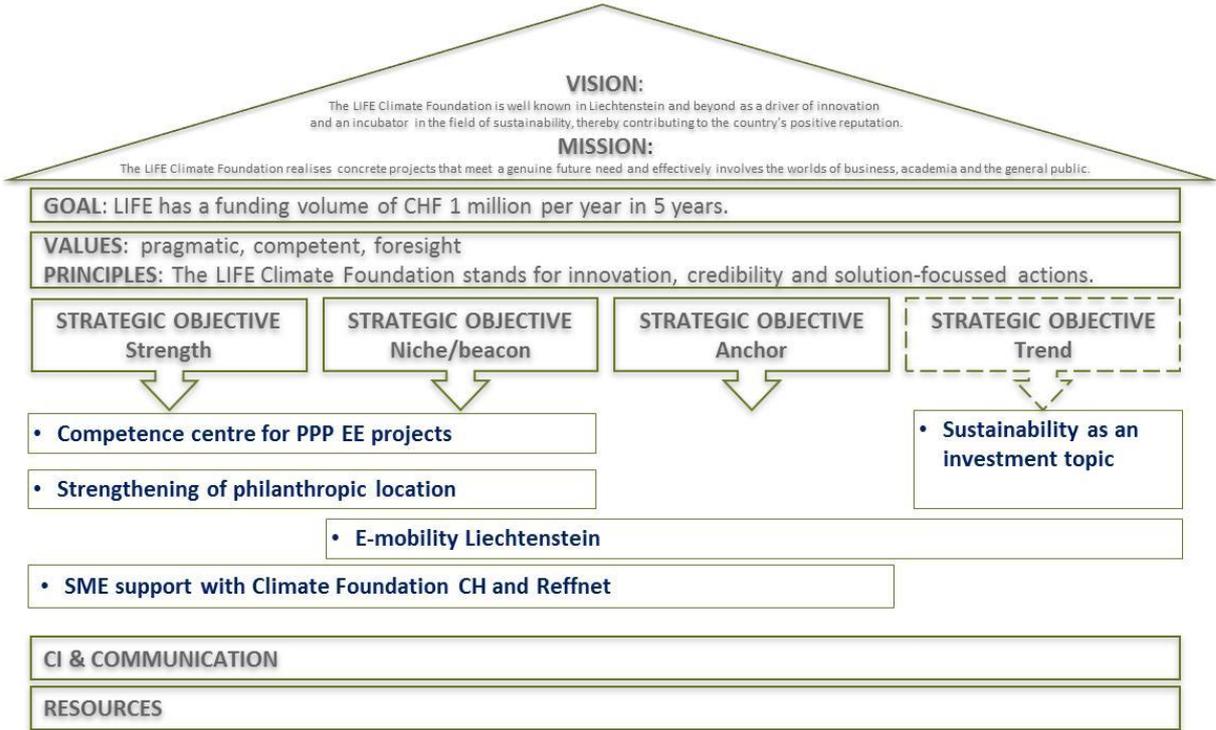
"Distributed Ledger Technology - The blockchain and the use of carbon markets under the Paris Agreement" by Marion Verles, The Gold Standard Foundation, Sven Braden, LIFE Climate Foundation Liechtenstein, Jürg Füssler, INFRAS in Carbon Mechanism Review 4/17

3. Strategic orientation of LIFE Climate Foundation Liechtenstein

As a result of a lengthy strategy process, the LIFE Climate Foundation Liechtenstein produced a new 5-year strategy, strategy 2020, at the end of 2015, with an even clearer focus on innovative, concrete and effectiveness-oriented lighthouse projects at home and abroad, as well as enhanced interaction with other charitable foundations, to reinforce and strengthen the perception of Liechtenstein as a centre of philanthropy. Furthermore, a decision was reached to forego purely sponsorship-related activities in future and to concentrate more on the implementation of projects in association with other private and institutional sponsors. This is, however, also to be based on the already well-established concept of private public partnerships.

The Administrative Office has been entrusted with the implementation of this strategy. Its implementation started at the beginning of 2016 and continued in 2017 with the project to construct a PV system in Masisea, as well as the further pursuit of the "Climate Ledger-Initiative" (CLI).

Strategy 2020



Picture: Strategic House - LIFE Strategy 2020

In the course of the 2020 strategic discussions, a vision and the mission statement of LIFE Climate Foundation Liechtenstein have been updated and were adapted accordingly. The initial approach of a 3-pillar strategy was supplemented by the inclusion of strategic target areas and the corresponding categorisation of ongoing projects, while at the same creating the necessary flexibility for the challenges of the future in the areas of climate protection and sustainability.

The Administrative Office and the Foundation Board see the updated strategic orientation as an important step of the foundations developmentfor its future work.