



PERMANENT MISSION OF THE PRINCIPALITY OF LIECHTENSTEIN  
TO THE UNITED NATIONS

CONFERENCE ON THE WORLD FINANCIAL AND  
ECONOMIC CRISIS AND ITS IMPACT ON DEVELOPMENT

STATEMENT

BY

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CHECK AGAINST DELIVERY



Mr. President,

We are grateful for this opportunity to evaluate the financial and economic crisis that has affected all of us in profound, while differentiated ways and to agree on measures to overcome it. We appreciate that we have been able to reach consensus on an outcome document and express our gratitude to Ambassadors Majoor and Gonsalves for their leadership throughout the negotiating process. The principal significance of this meeting lies in the fact that the United Nations offers the sole universal platform for the international community to address the current crisis and to mitigate its impacts. The United Nations, next to important regional and global fora, is indeed in a prime position to address this crisis.

Mr. President,

With the Monterrey Consensus and the Doha Declaration, we have a good toolbox at our disposal to address the financial and economic crisis, but we must make best use of these tools. We need to implement our commitments with an even greater sense of urgency and resolve than a few months ago. We must also ask ourselves, however, how we can improve the monitoring of the implementation of these commitments and create accountability in this respect.

Mr. President,

Let me briefly explain how Liechtenstein has implemented its commitments from Monterrey and Doha:

First, the negative impact of the current crisis on our economy has not negatively affected our commitment to achieve the agreed Official Development Assistance

(ODA) target of 0.7%. Liechtenstein has consistently increased its ODA contributions since 2002, and the goal for the year 2009 is to exceed an ODA of 0.6 per cent of our GNI. Liechtenstein is committed to reach the target as soon as possible. In this context, I want to underline that this figure does not entail any debt cancellation, export promotion measures or loans. Our commitment to reach the agreed targets is accompanied by a firm belief in the principle of aid effectiveness, expressed several times in UN outcome documents. In order to be effective and sustainable, development assistance must address such issues as poverty and governance. Recipient countries must have ownership, set their own goals, take responsible action and cultivate a culture of innovation and create investment opportunities.

Second, on the matter of international cooperation and participation in international tax matters addressed in the Doha Declaration, the Government of Liechtenstein has recently committed itself to implement internationally recognized standards of transparency and exchange of information. Through this declaration, Liechtenstein reaffirmed its commitment to international cooperation on tax matters on the basis of internationally agreed standards applied on the basis of the principle of a level playing field, and its determination to continue to engage with our partners in Europe and elsewhere in this respect. Liechtenstein is presently engaged in bilateral negotiations on tax information exchange agreements in order to address tax fraud and tax evasion as well as double taxation.

Third, Liechtenstein has become increasingly active in the field of Microfinance. The Liechtenstein Government, in co-operation with foundations, academia and the Liechtenstein Development Agency set up a public-private partnership, called "Microfinance Initiative Liechtenstein (MIL) in 2005. As an important part of the Initiative's commitment in this field, a fund was established in 2008 with the aim to further support and strengthen Microfinance Institutions (MFIs), best equipped to help the poor in their entrepreneurial endeavors. We believe that Microfinance –

one of the most innovative instruments in the development field – can play a particularly important role in times of limited credit financing, as was confirmed in a recent panel discussion by the United Nations Capital Development Fund (UNCDF). It confirmed that microfinance has shown resilience and has been a buffer against the impact of the current crisis in certain developing countries, as microfinance aims to help business activities and thereby job creation. Liechtenstein has supported UNCDF for its activities in micro-finance with 100'000 Swiss Francs consistently for a number of years.

Mr. President,

The current crisis has hit us all with different force and speed. In our case, the crisis has harmed our financial services and exporting manufacturing industry. We are expecting a stagnating or shrinking economy for 2009. As Liechtenstein's economy is strongly export-oriented, we want to underline the importance of open trade relations as important engines of growth. In our view, any measure that attempts to limit trade is therefore problematic and counterproductive. The Liechtenstein Government has not enacted a stimulus package to support its economy and is not planning to do so in the future. The Government understands its role solely in providing a regulatory framework to enable business to function in a liberal market economy. We believe that financial supervision and regulation have rightly been identified as one of the vital tasks to overcome the crisis and are supportive of regulation that focuses on those parts of the financial services sector that gave rise to the crisis. At the same time, over-regulation must be avoided as it can stifle product development and innovation.

Mr. President,

In its publication "Global Monitoring Report 2009 – A development agenda", the World Bank Group and the IMF warn about the aftershocks of the current events on

the Millennium Development Goals (MDG). The achievements of these goals seem to be in jeopardy to various degrees in different countries. In our view, this extraordinary crisis seems to call for nothing less than a closely coordinated response by not only the 192 UN member states and the leadership of this organization but also by other international stakeholders, especially other international organizations and institutions, the private sector and civil society. Only by such a global approach, horizontal and vertical in action, can we face these economic challenges most effectively and achieve more predictable and sustainable development for all.

I thank you.