

**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 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 negotiation process. The United Nations offers the sole universal platform for the international community to address the current crisis and to mitigate its impacts and is therefore in a prime position to address the 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 and 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 and 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 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. This figure does not entail any debt cancellation, export subsidies or loans. Our commitment to

reach the agreed targets is accompanied by a firm belief in the principle of aid effectiveness as reflected in several UN documents.

Second, on the matter of international cooperation in 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, we have reaffirmed our 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 our determination to continue to engage with our partners in Europe and elsewhere in this respect. We are 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 in 2005 a public-private partnership, called "Microfinance Initiative Liechtenstein (MIL)(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 served as 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 conclusion, let me express our concern to see the achievement of the Millennium Development Goals (MDGs) jeopardized through the current crisis to various degrees in different countries. In our view, this extraordinary crisis calls for ever closer coordination by the 192 UN member states, but also by other stakeholders, the private sector and civil society. Only by such a global approach, can we achieve more predictable and sustainable development for all and achieve the MDGs that are among the most important and noble goals this organization has set for itself.

I thank you.