



Climate Financing by Liechtenstein

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2010 reporting¹

1. Assistance to developing country Parties that are particularly vulnerable to climate change

Liechtenstein takes its international humanitarian responsibility seriously. Solidarity with poor countries and with countries affected by disasters and armed conflicts is a traditional focus of Liechtenstein foreign policy. The operational tasks of International Humanitarian Cooperation and Development (IHCD) are carried out by the Office for Foreign Affairs, the Immigration and Passport Office, the Office of Forests, Nature and Land Management, and the Liechtenstein Development Service (LED). The overall coordination of the IHCD activities lies with the Office for Foreign Affairs.

IHCD encompasses all forms of the humanitarian and development policy of the State of Liechtenstein and of the LED (a foundation under private law). These activities are set out in the Law on International Humanitarian Cooperation and Development (IHCD Act) of 2007. Liechtenstein's engagement focuses on emergency and reconstruction assistance, international refugee and migration assistance as well as bilateral and multilateral development cooperation.

Liechtenstein works closely together with the affected population and local organizations, with aid and development organizations in Liechtenstein, Switzerland, Austria and Germany as well as with European and international organizations. In total, Liechtenstein, through its IHCD, maintains working relationships with more than 100 partners. The bulk of Liechtenstein's support is provided in the form of financial resources. In parallel, Liechtenstein engages in active knowledge transfer by providing specialists from Liechtenstein. These specialists work on projects on-site, as seconded personal at international organizations, or as ad-hoc experts and are funded by Liechtenstein.

Emergency and reconstruction assistance encompasses measures aimed at immediately saving human lives during and after political crises, armed conflicts, and natural disasters and at alleviating the suffering of the people affected. In addition, the establishment of infrastructures creates the preconditions for further social and economic development in these regions. Urgent measures include the provision of food, tents, blankets, and ovens. The repair of houses, schools, hospitals, water supply lines, and similar elementary infrastructure already serves the purpose of reconstruction. Emergency and reconstruction assistance aid also seeks to prevent acute emergency situations by way of targeted preventive measures and pays special attention to so-called forgotten conflicts and emergency situations. The IHCD Act promotes solidarity of the Liechtenstein population, allowing donations by Liechtenstein aid organizations and of private persons to be supplemented by public IHCD funds.

The central concern of international refugee and migration assistance is to support affected persons in improving their living conditions and promoting the self-responsible conduct of their life and the optimal

¹ Liechtenstein (2010). Liechtenstein's Fifth National Communication under the UNFCCC and the Kyoto Protocol, Office of Environmental Protection, January 2010, 143 pp.

utilization of their potentials. It includes measures for integration of returnees including education, health, municipal and community development, protection of minorities and reconciliation. Worldwide, international refugee and migration assistance advocates on behalf of an improvement of refugee and migration regimes. It supports countries of origin and destination in their search for permanent solutions and the development of appropriate structures to improve the long-term situation of refugees and migrants. Immigration and migration assistance also promotes compliance with international legal, human rights, and humanitarian standards in connection with migration and combats inhuman practices such as people smuggling and trafficking.

Development cooperation aims at a sustainable and comprehensive development of disadvantaged and marginalized regions of the world. Bilateral development cooperation is the oldest and most significant pillar of Liechtenstein IHCD and concentrates on the development of rural regions in 12 priority countries and attaches particular importance in all its activities to the empowerment of women, social justice and the environment. Bilateral development is carried out by the Liechtenstein Development Service (LED), a foundation under private law, on the basis of a service agreement with the Liechtenstein Government. Multilateral development cooperation tackles problems, which due to their complexity, political sensitivity, or global or cross-boarder relevance necessitate a common engagement of countries, peoples and organizations.

An intact environment and the sustainable development and use of natural resources are necessary preconditions for the social and economic development of a region. Not only the shortage of certain natural resources, but also lack of access to these resources constitutes a growing problem for many poor regions. IHCD seeks to protect the environment and natural resources as a basis of life also for coming generations. Of particular note from the perspective of environmental policy is Liechtenstein's engagement through financial and human resources, such as the provision of experts and the promotion of sustainable mountain region development in the Carpathians, the Caucasus, and Central Asia.

2. Provision of financial resources, including financial resources under Article 11 of the Kyoto Protocol

In 2008, Liechtenstein IHCD had resources in the amount of about 25.5 million Swiss francs, i.e. about 700 Swiss francs per capita. The total Official Development Assistance (ODA) amount, was about 26 million Swiss francs. Since 2000, the Government has nearly doubled the resources for ODA.

An overview of Liechtenstein's financial contributions as part of its International Humanitarian Cooperation and Development in 2008 can be found in the 2008 Annual Report of the Government to Parliament. The following table provides an overview of contributions related to the environment in 2008.

3. Activities related to transfer of technology

In connection with the protection and preservation of the environment, Liechtenstein as an Alpine country is particularly engaged on behalf of the development of mountain regions. Under the umbrella

of the Alpine Convention, Alpine countries cultivate a partnership with mountain regions in the Balkans, the Carpathians, the Caucasus, and Central Asia.

2012 reporting²

In a spirit both of global partnership and solidarity, Liechtenstein is committed to assisting developing countries adapt to and mitigate the effects of climate change. Efforts are being made, where relevant, to integrate climate change assistance into broader development cooperation aiming at a sustainable and comprehensive development of disadvantaged and marginalized regions of the world.

The Liechtenstein Government has repeatedly underscored its commitment to achieving the international ODA target of 0.7% as soon as possible. Under the budget line International Humanitarian Cooperation and Development Liechtenstein's current ODA percentage for the year 2009 is 0.67 % of the gross national income (GNI).

Fast-start financing commitment

In addition to its ODA, as part of the global effort, Liechtenstein has committed fast start financing of up to a total amount of USD 58/per capita in grant funding over the period from May 2010 to May 2012; from this total amount USD 18.6/per capita has been raised with the help of Public Private Partnerships (PPP):

- When in December 2009 relevant parties have been invited to engage in fast-start financing, the state budget has already been decided and allocated to the different budget lines. The only way to start projects in 2010 under the umbrella of a new and additional budget line was a PPP project - a project based on an unconditional grant, new and additional to budget sources earlier decided.
- With calculations which were taking into account the national level of emissions, the financial capacity and the population size, the Liechtenstein Parliament (Landtag) decided in December 2010 to introduce a new fast start financing budget line of CHF 700' 000 for the years 2011 and 2012 – a budget line based on additional, new increases in the cooperation and development aid budget. Liechtenstein's fast-start financing commitment is therefore not diverting from other important development priorities, but instead will complement and further strengthen these.

In implementing its fast-start financing, Liechtenstein's prime concern is the delivery of effective results and benefits which address the sustainable development and climate change needs and priorities of developing countries. In general, also with its fast - start financing, Liechtenstein aims at giving support in planning and realizing sustainable development by further defining a responsible development framework, by evaluating capacities, making wise use of and therefore securing resources. Besides assisting in governance and capacity building, fast start funding is aiming at fostering effects like safe

² Liechtenstein (2012). Fast Start Finance Progress Report for the Period May 2010 to May 2012, 4 pp.

living conditions, guaranteeing a subsistence, which is respecting the dignity of man and creating additional sources of income and constant progress in the field of education and jobs.

Project actions and components

- show a need driven approach, because they are developed by recipients and reflect their priorities;
- allow recipients to gain ownership of the processes and projects;
- activate the self-organization of local populations;
- support socially, economically and environmentally friendly initiatives;
- contribute to solving gender problems, empowering women, raising awareness among young people and civil society and finally strengthening peace and security.

In general, support is given to development country partners to help them both adapt to and mitigate the effects of climate change. For the sake of performance and efficiency, Liechtenstein prefers a bilateral allocation of fast start projects. Therefore the realization of projects is focused on traditional cooperation partners under the umbrella of the Mountain Partnership or partners of the Liechtenstein Development Service (LED).

Liechtenstein's adaptation assistance focuses on improving resilience to extreme weather conditions and other hazards, by investing in infrastructure which can better withstand climate change impacts, and through other practical measures to help local communities be more prepared. To assist in mitigating climate change, Liechtenstein is placing emphasis on supporting energy efficiency programmes and renewable energy systems in the Caucasus, Central Asia and African countries. Liechtenstein strives to allocate these official funds in a balanced manner by supporting climate projects, which are reflecting recipient needs as regards sustainable development and which are politically supported by respective authorities.

With regard to the implementation of efficient and effective development policies, both partnerships and networks are indispensable: partnerships, which for their mutual benefit, are embracing governments, institutions and civil society. Such Public Private Partnerships (PPP) with their potential for mobilizing private funds and knowledge in order to carry out governmental obligations and at the same time making best use of each partners strengths must much more determine successful environment and development policies in future as they do today. Therefore, from the very start of its fast start financing, Liechtenstein strived for supplementing its national fast start contributions by private or institutional sources.