



GOVERNMENT
PRINCIPALITY OF LIECHTENSTEIN

MINISTRY OF
FOREIGN AFFAIRS, JUSTICE AND CULTURE

Liechtenstein Banking Congress 2019
Keynote Dr Katrin Eggenberger
„From ESG to SDG“

at Vaduz hall, Friday 22 November 2019

- Chek against delivery –

Ladies and Gentlemen,

It is a great honour to speak to you today – not only because it is one of my first public appearances in my function as Liechtenstein’s Minister for Foreign Affairs, Justice and Culture. But particularly because this Banking Congress is part of the activities in connection with the 50 year anniversary of the Liechtenstein Bankers’ Association, which is without doubt an occasion to celebrate.

I am deeply certain that the Liechtenstein banks have played a crucial role in the positive development of our country during recent decades. This week, the Financial Market Authority of Liechtenstein has once again confirmed in its Financial Stability Report that the Liechtenstein Banks are on a very solid financial basis. This finding is no surprise: Long-term thinking rather than short-term profits has always been a key characteristic of the Liechtenstein economy and the Liechtenstein banks. This way of thinking forms the basis for stability and trust in our economy. Long-term thinking is crucial when it comes to the topic the Bankers Association has wisely chosen for this event. As a member of the Government, I am furthermore convinced that long-term thinking is also key for good policies in all areas.

As all of us have experienced in the past years, responsibility and sustainability are omnipresent. Climate change, the destruction of global ecosystems, the overexploitation of natural resources, and increasing instability around the globe have dramatically shown the urgent need to improve sustainability. Sustainable development is the defining issue of our time – for States, for the Private Sector, and for every single one of us.

From ESG to SDG – what does this mean? It refers to the development mirroring the constantly increasing significance of sustainability: From the use of environmental, social and governance factors in evaluating the sustainability of private enterprises to the Sustainable Development Goals (SDGs) as a comprehensive framework for attaining peace and prosperity globally.

In 2015, the United Nations member States adopted the 2030 Agenda for Sustainable Development. For the first time, States were able to create a development agenda that includes all dimensions of sustainability: Economy, environment, society and accountable institutions. The States adopted the agenda in the knowledge that the 17 SDGs and the 169 corresponding targets forming part of the Agenda could only be implemented until 2030 as envisaged in cooperation with the private sector. The SDGs are a call to act – not only for States, but also the private sector and individuals. The declaration forming the basis of the Agenda 2030 emphasises the potential of the private sector to contribute to sustainable development, including through public-private partnerships and the promotion of Corporate Social Responsibility. The SDGs also acknowledge the crucial role of trade and economic growth in realising them, appealing to the private sector to support the path to sustainable development.

So, where is the difference between ESG and the SDGs? Personally, I see ESG as a first step and as a means of the private sector to actively contribute to the implementation of the SDGs. Evolving from ESG to SDG means that the private sector should go a step further even than including environment, social and governance criteria in their investment decisions. The private sector can be even more ambitious; it can analyse how it can actively contribute to global sustainable development. Contributing to the implementation of SDGs requires

long-term thinking in investment decisions and opens new opportunities. More sustainability is in the interest of us all.

Of course, it is up to the States to enable an environment for the private sector to invest in more sustainable projects. The States have to take the lead, and this is what the public expects from the Liechtenstein Government. I would like to use this occasion to demonstrate how Liechtenstein implements the SDGs not only within the country, but also abroad.

Since 2015, the Government has undertaken a set of incremental steps to implement the SDGs. The first and most important step was the presentation of an SDG implementation strategy in 2018. In June 2019, the Government approved and published the first report on Liechtenstein's implementation of the SDGs. It comes to the conclusion that Liechtenstein has already made strong progress in implementing the SDGs regarding poverty, hunger, health, education, water, work, and peace. At the same time, it identified areas with positive developments, but with a need for stronger action, namely:

- The promotion of gender equality, especially in politics and professional life;
- the reduction of the high dependence on fossil fuels;
- changing resource-intensive patterns of consumption and production;
- and accelerating the reduction of greenhouse gas emissions.

According to the report, more urgent action is required to counteract negative trends with regard to the high reliance of Liechtenstein's population on motorised private transport, and declining biodiversity.

The first report on the implementation of the SDGs is more than a technical document; it is an instrument to raise public awareness on sustainable development. The report also provides the different actors in Liechtenstein with orientation as to where we have to increase action and investments in

order to become more sustainable. It aims at stimulating a fact-based public debate on sustainable development. I am particularly proud that the private sector, including the Liechtenstein Bankers' Association, has contributed to the report, and I welcome today's Congress as a contribution to the public debate on sustainability.

We are well aware that sustainable development is not only an issue of our generation, it is even a more urgent matter of younger and future generations. Within our foreign policy, the stronger involvement of youth has become a more important topic. In 2019, we have appointed a Liechtenstein Youth Representative for the first time, and I am very pleased to see that she was also invited for a panel discussion during this Congress. Youth participation is also promoted within the framework of cooperation between the Alpine States.

In this connection, I would like to emphasise a group of the world population for whom the realisation of the SDGs is particularly pressing: Children. Accounting for almost one third of the world's population, they are key stakeholders in the realisation of the SDGs. While much progress has already been made since the Convention on the Rights of the Child was adopted 30 years ago, we must also acknowledge that progress has been uneven. The poorest children are still at significantly higher risk

- of dying before their fifth birthday,
- of being stunted due to chronic malnutrition,
- or of lacking access to water, hygiene, and sanitation facilities.

We all must work together to change this. The promotion of children's rights has been a priority of Liechtenstein foreign policy for many years, and I fully intend to uphold this priority.

Turning to an outstanding example of Liechtenstein's efforts to implement the SDGs through innovative efforts and new partnerships, I would like to briefly mention the Financial Sector Commission on Modern Slavery and Human Trafficking launched last. At the heart of the "Liechtenstein Initiative" is the conviction that the estimated number of 40 million people in situations of slavery or trafficking globally cannot be reduced by States alone. The financial sector is in a unique position to support these efforts through collective action. The "Liechtenstein Initiative" is a public-private partnership of the Governments of Liechtenstein, the Netherlands and Australia together with private sector actors from Liechtenstein, namely the Liechtenstein Bankers' Association, LGT, the Hilti Family Foundation, Medicor Foundation and Taron Foundation. In the following fireside chat, you will hear more about the "Liechtenstein Initiative".

Innovative public-private partnerships to implement the SDGs can also be found in other areas: The „Waterfootprint Liechtenstein“, which was initiated by the private association „Drink and Donate“ and the „LIFE Climate Foundation Liechtenstein“. The idea is simple: By buying a Waterfootprint, an individual in Liechtenstein refrains from using bottled water and uses tap water instead – which is of excellent quality in Liechtenstein. With the savings made and by donating 55 Swiss Francs to the project, every participant finances safe and sustainable access to drinking water for one person in a developing country. The public administration, all municipalities as well as most major private enterprises in Liechtenstein are participating in the Waterfootprint. Until today, more than 22'000 Waterfootprints have been bought. Our aim is to achieve at least as many as Liechtenstein has inhabitants – meaning more than 38'000. The project is a great example of how public and private actors can

increase public awareness for sustainable water consumption and reduce emissions from the production of bottled water.

The growing importance of sustainability is also mirrored in Liechtenstein's foreign economic policy. In recent years, Liechtenstein and its EFTA partners Iceland, Norway, and Switzerland have started to negotiate and include in its FTAs provisions pertaining to trade and sustainable development. This reflects the relevance of international environmental, social and labour standards for trade and economic development. In December, the Liechtenstein Parliament will hopefully approve the most recent FTA between the EFTA States and Indonesia. This will be the first FTA to include a comprehensive chapter on sustainability commitments. Such agreements create great opportunities for the private sector to increase its investments in new technologies and more sustainable business.

At the EFTA Ministerial Meeting in Malbun in June 2019, the EFTA Ministers approved a revised model chapter for trade and sustainable development, containing updated and new provisions, particularly regarding gender equality, non-discrimination, and climate change. These efforts within the EFTA are based on the conviction that sustainability and trade are not opposites, but rather complement each other.

As you can see, the Liechtenstein Government is undertaking significant efforts to implement the SDGs in partnership with other States, with the private sector, and with civil society. In doing so, we also encourage and call on the private sector to put stronger emphasis on ESG, which eventually contributes to the implementation of the SDGs. I am personally committed to promote sustainable development and SDG implementation in Liechtenstein's policies.

I thank you for your attention.