

HIGH-LEVEL EVENT ON CLIMATE CHANGE

THEMATIC PLENARY IV - FINANCING FINANCING THE RESPONSE TO CLIMATE CHANGE INVESTING IN TOMORROW

STATEMENT

BY

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NEW YORK, 24 SEPTEMBER 2007

CHECK AGAINST DELIVERY

Distinguished Co-Chairs,

The facts are clear. Our climate is changing because of human activity. We need to take swift and effective international action to address the adverse impact of climate change on societies and the global economy. The United Nations provides the only framework which can deliver a truly global solution and must therefore be the forum for negotiations. Our meeting today is an important opportunity to create the necessary political momentum for the negotiations at the Bali conference in December.

Liechtenstein's greenhouse gas emissions are small in absolute terms. Nevertheless we are ready to contribute in an effective and noticeable manner to the global efforts against climate change. The Liechtenstein Government has taken a series of decisions in order to fulfill its obligations under the Kyoto Protocol. The Energy Concept 2013 and the Energy Efficiency Act provide the political and legal framework for a sustained promotion of emission cuts. Subsidies and other public incentives are useful tools to support new initiatives and technologies. However, they do not suffice to achieve a turnaround towards an energy efficient and sustainable economy. Therefore, the Government focuses its efforts on the further involvement and active participation of the private sector.

A bill on emission trading is to establish the legal basis for the participation of the private sector in the project-based mechanisms of the Kyoto Protocol as well as in the European Emission Trading Scheme. It will help shift private financial flows into more climate-friendly technologies by creating attractive conditions for the use of the Kyoto market mechanisms. To that aim, economic, financial and environmental policies have to be coordinated in order to set the necessary framework and to assure the integrity of these financial flows. The state-operated purchase of carbon credits will be regulated within the comprehensive climate protection strategy the Government will adopt shortly. High standards will thus have to be fulfilled with regard to sustainability and technology transfer as a precondition for such purchase.

Liechtenstein fully supports efforts aimed at enhancing the global carbon market and the Clean Development Mechanism. A global emission trading scheme is necessary to

continuously reduce the emissions of greenhouse gases on a sustainable level and to pave the way for the development and use of energy efficient technologies on a global level, ensuring a level playing field for all. As of 2008 Liechtenstein will participate in the international emission trading as well as in the Swiss and European Emission Trading Schemes.

This support for the establishment of an international emission trading market will not affect Liechtenstein's firm commitment to general development cooperation. A new law on development cooperation provides the legal basis for Liechtenstein's increased assistance to developing countries for the eradication of hunger and poverty but also the promotion of environment conservation and a responsible and sustainable use of natural resources. Combating climate change is part of this agenda, and the sustainability of projects is an important evaluation criterion.

Distinguished Co-Chairs,

We firmly believe that the international community has to take swift action to address climate change. Liechtenstein supports the early establishment of a new commitment period after 2012 with more far-reaching and significant reduction targets in the context of an international agreement where all developed countries make comparable efforts and economically more advanced developing countries with strong economic power and high greenhouse gas emissions contribute adequately. Since the continuity of public policy decisions are crucial for the private sector, we should also send a clear signal on the long-term development of the flexible mechanisms.

I thank you.