



OFFICE FOR FOREIGN AFFAIRS  
PRINCIPALITY OF LIECHTENSTEIN

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Annual Report 2009



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Dialogue with a citizen of Sis, Azerbaijan  
(cf. project description on page 26 ff.)

# Editorial



Climate change has made it into the mass media, and we encounter it almost everywhere: global warming, Kyoto Protocol, storms and floods, CO<sub>2</sub> emissions. Although the main responsibility for climate change lies with industrialized countries, developing countries must bear the brunt of the negative consequences. So once again, the poorest are affected the most. Even though there is basic consensus on the urgent need for action, the Climate Change Conference at the end of 2009 in Copenhagen showed that it is currently difficult to bring together the divergent interests of States.

I am pleased to present you with the second annual report on Liechtenstein's International Humanitarian Cooperation and Development (IHCD), jointly prepared by all the involved public authorities and the Liechtenstein Development Service (LED). The first joint annual report for 2008 provided broad information on the most important facts and strategic foundations of IHCD; the 2009 annual report is now dedicated to the focus topic of «Environment and sustainable development». The International Year of Biodiversity is one of the reasons to pay special attention this year to a responsible approach to nature and the sustainable use of limited natural resources.

I am especially pleased that Peter Niggli has agreed to write the introductory article for this year's annual report. He is the Director of «Alliance Sud» and an expert on the Commission for Development Policy appointed in 2009, which advises the Liechtenstein Government on development policy.

The present report provides insight into the diversity of Liechtenstein's engagement on behalf of International Humanitarian Cooperation and Development. Since of course only a slice of the total project spectrum can be presented, I would like to point out that the full list of IHCD projects is available in the Government's annual report to Parliament, which is available at [www.llv.li](http://www.llv.li). Last year, the Liechtenstein population also demonstrated its great solidarity with disadvantaged people. I would like to take this opportunity to express my heartfelt thanks for the many donations as well as private projects and initiatives. It is always a great joy for me to be able to present Liechtenstein abroad as an engaged and responsible country.

The various articles and photographs in this report impressively reflect the potential and particularities of the countries where we are working. In this spirit, I wish you an interesting journey through these rather faraway countries and regions and a good read!

*Foreign Minister Aurelia Frick*



Food distribution to Burundi refugees in Kigoma, Tanzania

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# Climate crisis ...

## 6 | ... and development cooperation

Global warming is now one of the main worries of those involved in development cooperation. It most heavily affects the countries where we work. The World Bank expects that 80% of negative impact of climate change will be felt in developing countries by 2100 and only 20% in industrialized countries. Briefly put, the main perpetrators of global warming get off easy: the 500 million wealthiest people in the world, or 7% of the world population, are responsible for 50% of global CO<sub>2</sub> emissions – the poorest 50% are responsible for only 7% of emissions.

According to UN's Intergovernmental Panel on Climate Change (IPCC), the climate will heat up by about two degrees Celsius this century even in the best case of rapid countermeasures. In the worst case of laissez-faire, the IPCC estimates temperature increases of about four degrees with unpredictable consequences for ecosystems and climate.



Women on the way to the market in Medor, Haiti

Negative consequences of climate change must therefore be expected in any case. We have the choice between consequences that are more-or-less manageable and consequences that are catastrophically out of control. Africa will be hit the hardest. In the arid regions of Africa, agriculture is heavily endangered, and the scarcity of water in Northern Africa will become much worse. Tropical diseases such as malaria will expand to areas that have so far been spared. Up to half the population of the continent may suffer from the impact of climate change, some of whom will be displaced from their ancestral homes.

While climate change may worsen the negative development trends in Africa, it may also threaten Asia's development and industrial success. Depending on the scenario, average losses of yield per hectare of between 2.5% and 10% are expected in Asian agriculture by 2020 and between 5% and 30% by 2050. And all of this with

a growing population! The regions hit the hardest include some that are the most densely populated, such as Northern India, Bangladesh, parts of China, and the rice baskets of Vietnam in the Mekong and Red River deltas. About a billion people are likely to suffer from the consequences of diminished agricultural yields in the middle of the century.

According to the IPCC, the scarcity of water in Western Asia including the Middle East will worsen drastically. By 2050, the water available per capita may decrease by 40% in India. The major rivers covering a good part of the water requirements of Northern India, Bangladesh, and the fertile areas of China are likely to carry far lower or seasonally far more variable water amounts after the middle of the century, because the major glaciers of the Himalayas and Tibet are shrinking as rapidly as the glaciers in the Alps. At the same time, the water requirements of agriculture are increasing: in China, it is expected that an increase in temperatures of one degree – which will likely be the case by 2020 – will lead to water requirements for the population that are 6% to 10% higher in order to compensate for losses due to evaporation.

This shows that global measures to reduce greenhouse gas emissions alone are not enough. Additionally, developing countries will have to adjust to further warming. The necessary measures include changes in agriculture, new and efficient water retention, irrigation and water supply systems, as well as the resettlement of people from areas that become uninhabitable. Low-lying countries such as Bangladesh are also looking to the example of the Netherlands and assessing the possibility of dam systems to guard against rising sea levels in order to protect the fertile Ganges delta from salination and flooding.

In some areas relevant to climate adjustment, practical development cooperation has gathered many years of experience. Traditional rural development programmes have already contributed to climate adjustment, but should now be revised and strengthened in light of the forecast deterioration of the situation. Developing countries are called upon themselves to assess the probable impact of climate change on their countries and to develop adjustment strategies and measures – many have already begun. For this, they depend on regional and international cooperation as well.

This costs money. The adjustment costs of developing countries are currently expected to be about USD 50 billion annually. Rhetorically, there is consensus that the industrialized countries must help poor countries financially. There is also consensus that these expenditures must be made in addition to development cooperation, i.e. the fight against the direst poverty. But it is an open question where the billions are to come from. Looking to the neighbour as an example, the Swiss contribution would best be funded by a CO<sub>2</sub> tax according to the polluter-pays principle. But for this, Parliament would first have to create the legal basis, against which opposition is arising, not just in Switzerland.

*Peter Niggli, Director of Alliance Sud*

Since 1998, **Peter Niggli** has been the Director of Alliance Sud, the Swiss Alliance of Development Organizations, which is the common platform for development policy lobbying by Swissaid, Catholic Lenten Fund, Bread for all, Helvetas, Caritas and Interchurch Aid. The joint organization has the mandate to influence public and private actors shaping Swiss North-South policy in the interest of the disadvantaged segments of developing countries. Peter Niggli is the editor and author of numerous publications in the field of development policy, including *After Globalization. Development Policy in the 21st Century* (2004) and *The Fight over Development Assistance. Do More – But Do It Right!* (2008). Peter Niggli is also an expert serving on the Commission for Development Policy, which has advised the Liechtenstein Government since 2009.



# Natural disasters:

## 8 | Emergency aid, but not only ...

The number of weather-related natural disasters such as floods, droughts and tropical storms has increased over the last few decades. This is reflected not only in raw numbers, but also in the graver impact of extreme weather conditions. This development can be traced back to global warming.



Food distribution in Adwira, Uganda



### Dependent on food aid

In addition to sudden disasters, the creeping changes also entail great risks for people in developing countries. Increasingly long and recurring periods of drought as well as shortages of water resources have led to a dramatic decline in agricultural yields and livestock in various regions. The people in the Horn of Africa are especially hard-hit. Recurring drought has weakened the population and made them dependent on international food aid. In 2009, Liechtenstein also responded to the appeal by the World Food Programme (WFP) and made a contribution to the populations of Djibouti and Ethiopia suffering from famine.

A smaller, but no less important contribution was made by the Liechtenstein non-governmental organization «Southern Cross» in the Sahel region. Two years ago – when food prices rose dramatically on the world market, causing hardship for many – the NGO launched a relief effort to alleviate famine in the rural areas of Senegal and the neighbouring regions of Guinea, Guinea-Bissau, Mali and Mauretania. In the reporting year, the Liechtenstein Government supported these activities as part of the fundraising campaign. While food aid is indispensable in securing the immediate survival of those affected, long-term and sustainable strategies must still be found. To fight hunger, the greatest success is promised by investments in more productive and resistant agriculture.

### Prevention can save lives

In the event of sudden natural disasters, the use of preventive measures may contribute to a significant reduction of deaths, injuries, and damage to country and infrastructure. An effective early warning system would have been able to reduce the devastating consequences of the Asian tsunami in 2004 by orders of magnitude. In its response to the call for donations by the Liechtenstein Red Cross and Caritas Liechtenstein, the Liechtenstein population demonstrated impressive generosity. The donations received in the amount of about CHF 4 million were supplemented by a Government contribution of an additional CHF 2 million. These funds were dispersed in four annual tranches. In 2009, the funded projects for medium- and long-term reconstruction in Sri Lanka and India were completed.

#### Emergency and reconstruction assistance

Emergency and reconstruction assistance provides short-term and urgent preventive and aid measures to preserve human life and to alleviate the consequences of natural disasters, political crises and armed conflicts. It also includes the medium-term development of social structures and infrastructure in regions affected by disasters, political crises and armed conflicts.



Young MAGs in Yalova, Turkey

### On the alert

The Law on International Humanitarian Cooperation and Development of 2007 provides that the Government may, within the framework of emergency and reconstruction assistance, also support preventive measures. In 2009, the topic of «disaster risk reduction» was for the first time incorporated in a concrete project. Liechtenstein participated in a programme of the Swiss Agency for Development and Cooperation (SDC) to promote civilian disaster preparedness in Turkey. Turkey is regularly hit by severe earthquakes. Experience shows that in the first few hours after a disaster, more than 90% of the populace are rescued by relatives, friends, and neighbours in the local neighbourhood. Official rescue teams generally arrive too late. It is therefore essential for the local population to be prepared and have the requisite material and knowledge. A focus of the programme is on the training and equipment of neighbourhood groups of volunteers, called «MAG – Mahalle Afet Gönüllüleri». In total, this programme has already trained and equipped more than 3'500 volunteers in 75 MAG groups.

The few examples from the projects funded in 2009 show how strongly the work of emergency and reconstruction assistance is shaped by the consequences of natural disasters and extreme weather phenomena. In future, special attention must be paid in particular to the silent and slowly progressing tragedies in which people living in what are already the poorest regions of the world lose their basis for existence. They are seldom discussed in the international media and therefore do not receive the necessary support in the search for effective prevention and adjustment measures.

*Andrea Hoch, Office for Foreign Affairs*

# Displaced by climate

## Interview with Petra Winiger in Chad

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Petra Winiger started her position as a Junior Professional Officer at the UN in 2007. The three-year secondment is funded by Liechtenstein. From the outset, she supported the team of Professor Walter Kälin, Representative of the UN Secretary-General for the human rights of internally displaced persons. In this function, she was responsible for the impact of natural disasters and climate change on internally displaced persons. She also took part in the negotiations on the post-Kyoto Protocol, which was to be adopted at the Climate Change Conference in Copenhagen in 2009.

In October 2009, she began a one-year field posting for the United Nations Development Programme (UNDP) in Chad. Her work is to implement a strategy developed jointly by Walter Kälin and the local authorities to improve the situation of internally displaced persons.



*More than 170'000 persons are currently considered internally displaced in Chad. Please explain why these people are on the run.*

Partly the internally displaced persons result from the bordering Darfur-conflict. In the east of the country, the civil population is repeatedly forced to flee from their villages, since battles between government troops and rebel groups flare up and lead to bloody conflicts. Partly the displacements are a direct consequence of the worsening climatic situation in Chad, as currently the predominate drought in the Sahel belt and the interconnected famine.

*Can you explain more precisely to what extent the climate has a negative impact on the living conditions of the population?*

The extreme nature of the climate in this part of the world, which ranges from long-lasting drought and sand storms to flood-like downpours in the rain period, already put the population under considerable strain. The people in the northeast of Chad, where the internally displaced persons are concentrated in a very small area, live almost exclusively from agriculture, and some of them are nomads. Due to their way of living, they are especially dependent on climate conditions. If the rainfalls are delayed or fail to occur entirely, this has direct consequences for the food supply of humans and animals. Often, inhabitants from the edge of the Sahara are forced

### International refugee and migration assistance

International refugee and migration assistance follows a sustainable and comprehensive approach to manage the global refugee and migration problem and seeks worldwide protection for the rights of refugees, internally displaced persons, returnees, stateless persons and other persons abroad in need of international protection.



to survive by looting villages further to the south. The increasing violence is made worse by the greater availability of weapons in the region. The traditionally tolerated hunger raids of the northern peoples therefore escalate more and more. Human security is diminished to a considerable extent, causing them to leave their home regions.

Somali refugees at the distribution of aid in the Kebribeyah refugee camp, Ethiopia

*So the scarcity of the available natural resources leads to great potential for conflict. Does water also play a key role in this respect?*

Daily life is dominated by the availability of water and its quality. Providing water for oneself, the family, the fields and the cattle is a daily challenge. The sheer number of internally displaced persons in a very small space has an adverse effect on the natural balance in this sensitive region. Too many people have to make do with too little, which leads to pillaging of nature. The little water has to be enough for even more people. The sparse vegetation is used for food, housing and firewood and is destroyed. This tense situation is made worse by the increasing pressure by the climate on already scarce resources, such as fertile land and water from artificial wells that are in danger of drying up. The spread of the Sahara also means that people have to live in an increasingly concentrated area. Access to water and its rights of use are not infrequently defended and contested with violence. Because of the precarious situation, the people are forced to exploit nature more than it can handle, in

order to ensure their naked survival. There is virtually no escape from this vicious circle of hardship, hunger and overburdening of natural resources.

*How can UNDP help?*

Humanitarian aid measures make necessary resources available, especially water, food and protection from attacks by armed groups. In a second step, UNDP promotes return to places of origin or integration in new villages. A sustainable solution to the problem of access to natural resources turns out to be the greatest challenge. In the long term, people should be given the opportunity to take care of themselves without endangering their own basis for life. Structures are established to enable a peaceful resolution of the allocation of resources. For instance, an office has been set up to assist the local population in legal matters. But efforts are also made to ensure healthcare and education.

Petra Winiger working in Chad.  
Fieldwork trip to Borota village  
in the Quaddai region  
on the border to Sudan



*In your view, what will happen next in Chad?*

It is probable that the process of internal displacement will be additionally aggravated by climate change and that the number of persons displaced by climate will continue to rise. The people in Chad are exposed to climate change in this extremely fragile region almost without protection. They are among the first to suffer the direct consequences of unrelenting industrial growth and global warming and also to pay for these consequences with their lives.

*Ms. Winiger, thank you for the interview!*

*Thomas Lageder, Trainee, Office for Foreign Affairs*

# The challenges of migration:

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## A look at Armenia and Ukraine

The flow of migrants from poor countries to Europe is steadily increasing. The main reasons causing people to migrate are the lack of social and economic perspectives as well as the political and economic instability in their countries of origin, which is often coupled with massive unemployment. Many migrants, especially young people, see the only chance of improving their situation in leaving their home for Western Europe. Only few receive a regular entry and work permit. Most are forced to try the route of irregular migration. They run the risk of becoming victims of human trafficking. If they return to their homes, they are confronted with social rejection and discrimination. They are no longer accepted by their families and communities, they receive hardly any support and they have to face their problems alone. As part of international refugee and migration assistance, the projects supported by Liechtenstein include two major migration projects in Armenia and Ukraine dedicated to this problem.



Unemployed Armenians warm themselves at a fire near a market in Yerevan

### Armenia battered by the consequences of an earthquake

Many buildings in Armenia, especially schools and hospitals, were unable to withstand the severe earthquake in December 1988. More than 25'000 people died as a direct consequence of the earthquake, plus an unknown number due to the conditions in the winter and the lack of sufficient measures taken by the authorities. The damage to infrastructure caused by the earthquake continues to impede economic development even today.

### **A people leaves its country**

Armenia is likely the country most affected by migration worldwide. According to unofficial estimates, fewer than one third of the more than 10 million Armenians actually live in Armenia today. Over the last ten years alone, nearly 35% of the population are believed to have left the country. Destination countries are primarily Spain, Belgium, France and the Netherlands. The migrants apply for asylum there or live as illegal immigrants on the margins of society. Armenia also suffers heavily from rural exodus. More than half of the three million inhabitants live in the capital, Yerevan.

### **On-site aid**

Together with Caritas Armenia, Caritas Vorarlberg and Caritas Austria want to tackle the problem of illegal migration. Four main goals are pursued in this regard: training and counseling of potential regular migrants, support and reintegration of returning former irregular migrants, information of the public and establishment of a counseling fund for the ongoing support of migration and development in Armenia. By providing counseling before emigration, the project aims to prevent irregular migration and promote circular migration: in this way, migrants not only contribute money to their home countries, but also their knowledge and experience, thus strengthening the domestic economy. The promotion of circular migration can also alleviate the loss of qualified workers. Returnees, generally irregular migrants, often need medical and psychological care as well as housing when they return home. By supporting the reintegration process, the social network is strengthened. This helps effectively combat the exclusion and non-acceptance of returnees. By providing information to the general public, regular migration is promoted in an effective way.

### **Ukraine, torn between East and West**

Since independence in 1991, the political leadership of Ukraine has been unable to generate economic growth. The current political instability, marked by a deep divide between the pro-Russian East and the pro-European West, additionally endangers the stricken economy. The trade war which erupted with Russia in 2008, the most important market for Ukrainian products, threatens economic development. Natural disasters such as the heavy floods in 2001 and the storm of the century in 2009 aggravated the already difficult living conditions of many people. Under these circumstances, the country is becoming increasingly poor and many Ukrainians see no more future in their home country. Especially young men leave for Western Europe, many of whom put themselves in the hands of unscrupulous human traffickers.



Creative occupation for children and young people at the Caritas day centre in Kolomyia, Ukraine

### **Reintegration as a key responsibility**

Victims of human trafficking are often intimidated and suffer from physical and emotional injuries. After their return, they rarely find help, even from their families. With the support of Caritas Switzerland, Caritas Ukraine has run counselling centres in Western Ukraine since 2004. This region is especially hard-hit by unemployment and is the origin of most victims of human trafficking. In the centres run by social workers and psychologists, temporary housing is provided as well as individual counselling, help in searching for missing persons abroad, medical care and financial support for reintegration. Reintegration is a key responsibility of the centres, encompassing support for job applications, preparation for job interviews and assistance in job placement or planning self-employment.

### **The children stay behind**

When both parents look for work abroad, the children stay behind in the care of relatives or neighbours or are left to their own devices. Often, they neglect school, consume drugs and become victims of criminal gangs. In five cities in Western Ukraine, Caritas Ukraine runs centres for neglected children and young people. They receive warm meals, clothes, medical care and, where necessary, psychological counselling. An orderly daily schedule and help with homework is provided to promote reintegration. The employees of the centres are in close contact with schools, authorities and State-run homes. The centres also help children look for relatives and obtain official documents and identity papers.

*Thomas Gstöhl, Immigration and Passport Office*



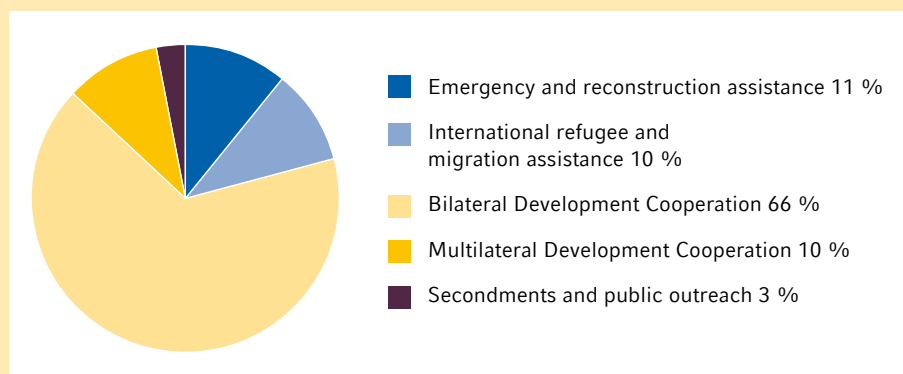
# IHCD 2009 in figures

## Expenditures and allocation of resources

In 2009, the State of Liechtenstein expended a total of CHF 27.4 million on International Humanitarian Cooperation and Development (IHCD). Two thirds of these resources were spent on bilateral development projects. This area, administered by the Liechtenstein Development Service (LED), is the largest pillar of Liechtenstein's IHCD. About 10% each of the total budget are expended on the remaining categories.

In the reporting year, Liechtenstein also funded four secondments to international organizations. These included three Junior Professional Officers (JPOs) with the UN High Commissioner for Refugees (UNHCR), the UN Office on Drugs and Crime (UNODC) and the Representative of the UN Secretary-General on the human rights of internally displaced persons, Professor Walter Kälin, as well as an expert position at the Geneva Centre for the Democratic Control of Armed Forces (DCAF).

### Allocation of resources by category

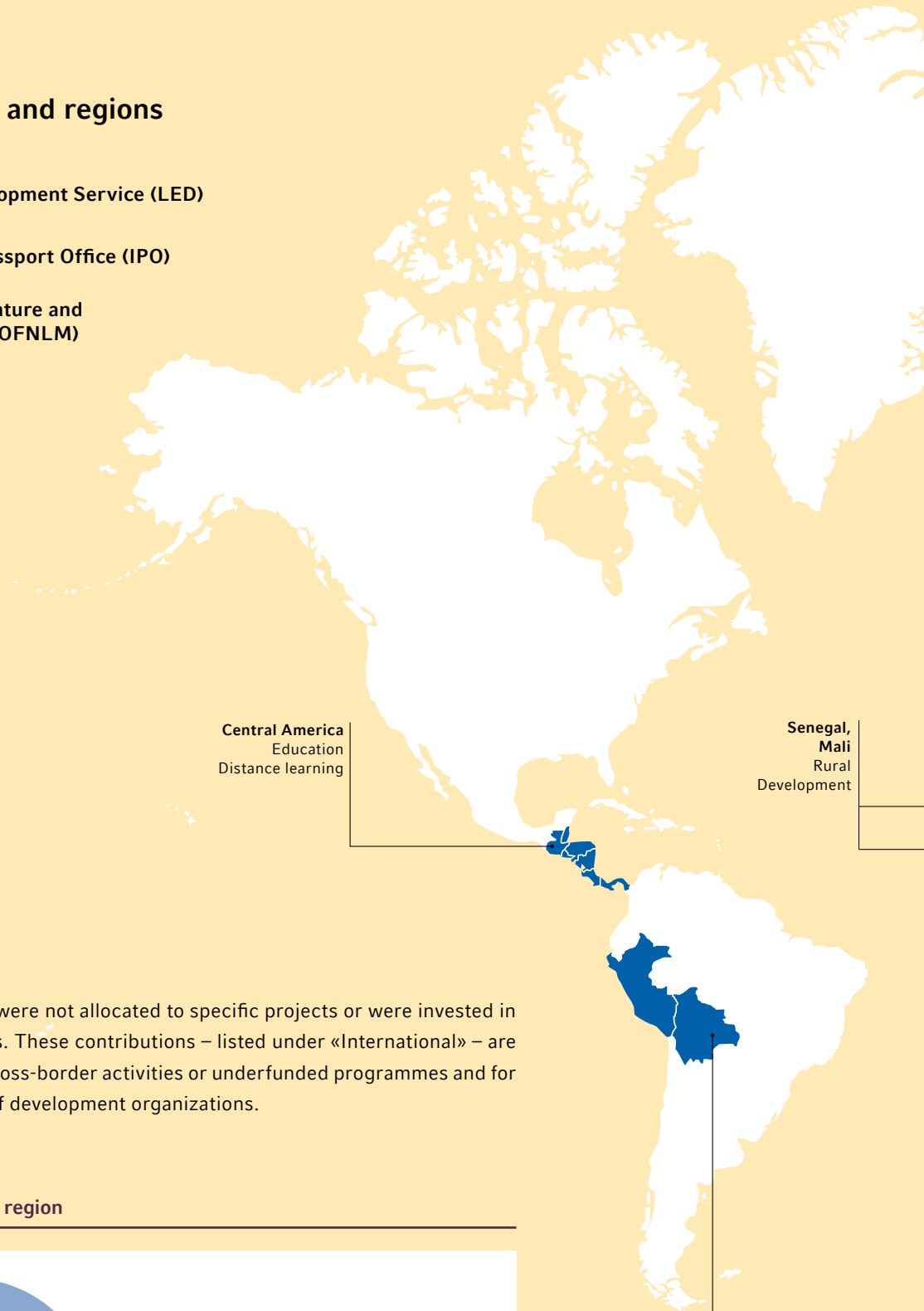


More than one third (40%) of Liechtenstein IHCD resources went to Africa. To accompany projects with Southern partners in the African focus countries, the LED maintains an office with a local staff member in Harare, Zimbabwe.

About a sixth of the budget (14%) was used in Europe, especially for projects in the Balkans and the poorest country in Europe, the Republic of Moldova. LED likewise maintains its own office in the capital, Chisinau. In the countries of the Balkans, especially Kosovo, Bosnia and Herzegovina and Macedonia, the Immigration and Passport Office (IPO) is engaged on behalf of international refugee and migration assistance. The third LED representation abroad is in Cochabamba, Bolivia. In this region, LED's activities focus on Bolivia, Peru and Costa Rica and its neighbouring Central American countries. Liechtenstein's engagement in Asia (9%) is comparatively modest, but is being expanded. Only recently, projects were launched in the newer LED focus countries of Kyrgyzstan and Afghanistan.

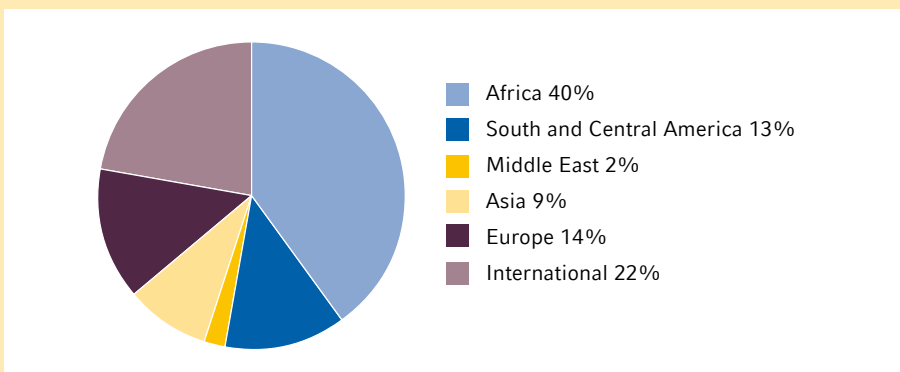
## Priority countries and regions

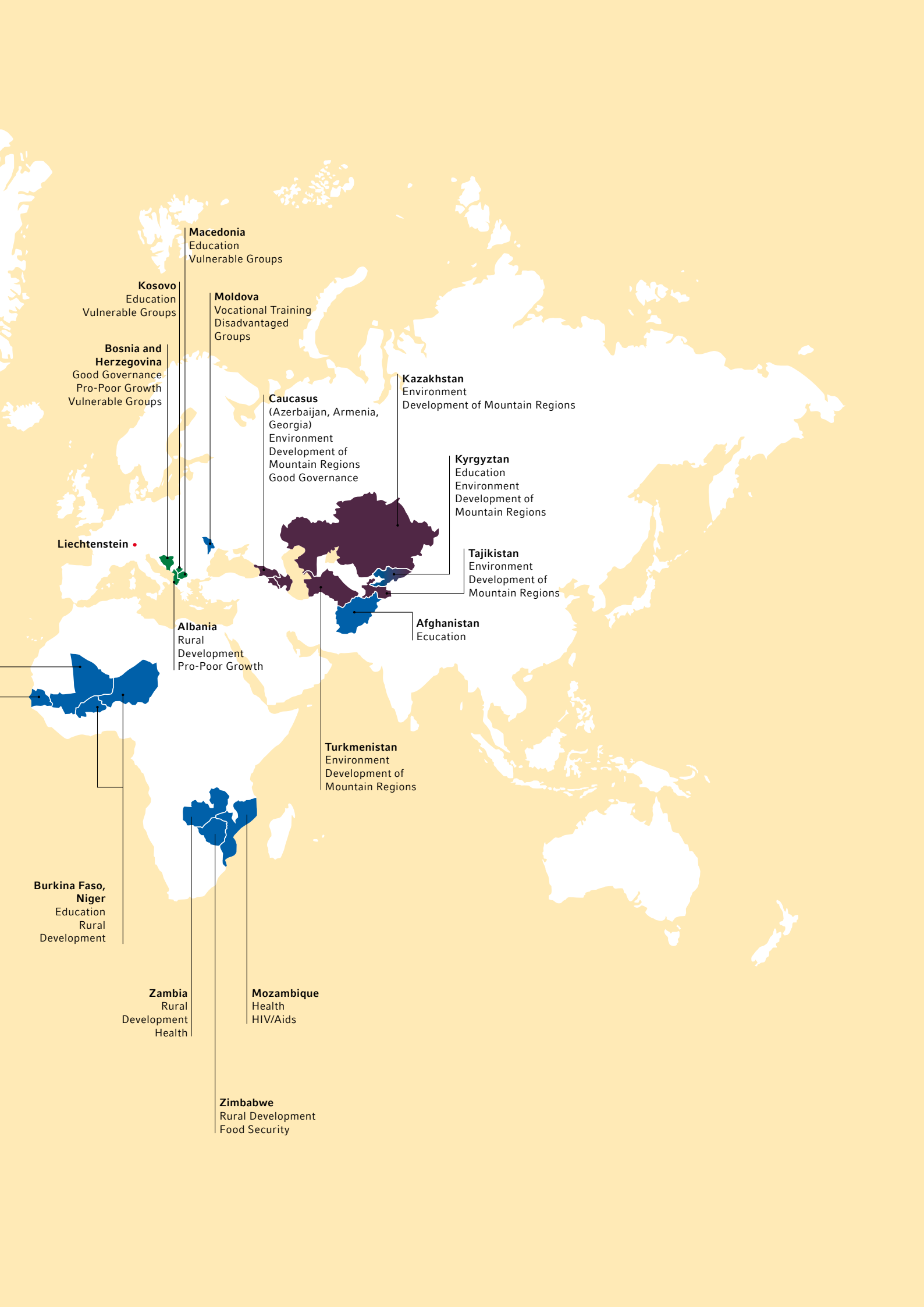
- Liechtenstein Development Service (LED)
- Immigration and Passport Office (IPO)
- Office of Forests, Nature and Land Management (OFNLM)



One quarter of resources were not allocated to specific projects or were invested in transnational programmes. These contributions – listed under «International» – are essential for supporting cross-border activities or underfunded programmes and for covering the basic costs of development organizations.

### Allocation of resources by region





**Macedonia**  
Education  
Vulnerable Groups

**Kosovo**  
Education  
Vulnerable Groups

**Moldova**  
Vocational Training  
Disadvantaged  
Groups

**Bosnia and  
Herzegovina**  
Good Governance  
Pro-Poor Growth  
Vulnerable Groups

**Kazakhstan**  
Environment  
Development of Mountain Regions

**Caucasus**  
(Azerbaijan, Armenia,  
Georgia)  
Environment  
Development of  
Mountain Regions  
Good Governance

**Kyrgyzstan**  
Education  
Environment  
Development of  
Mountain Regions

**Tajikistan**  
Environment  
Development of  
Mountain Regions

**Liechtenstein**

**Albania**  
Rural  
Development  
Pro-Poor Growth

**Afghanistan**  
Education

**Turkmenistan**  
Environment  
Development of  
Mountain Regions

**Burkina Faso,  
Niger**  
Education  
Rural  
Development

**Zambia**  
Rural  
Development  
Health

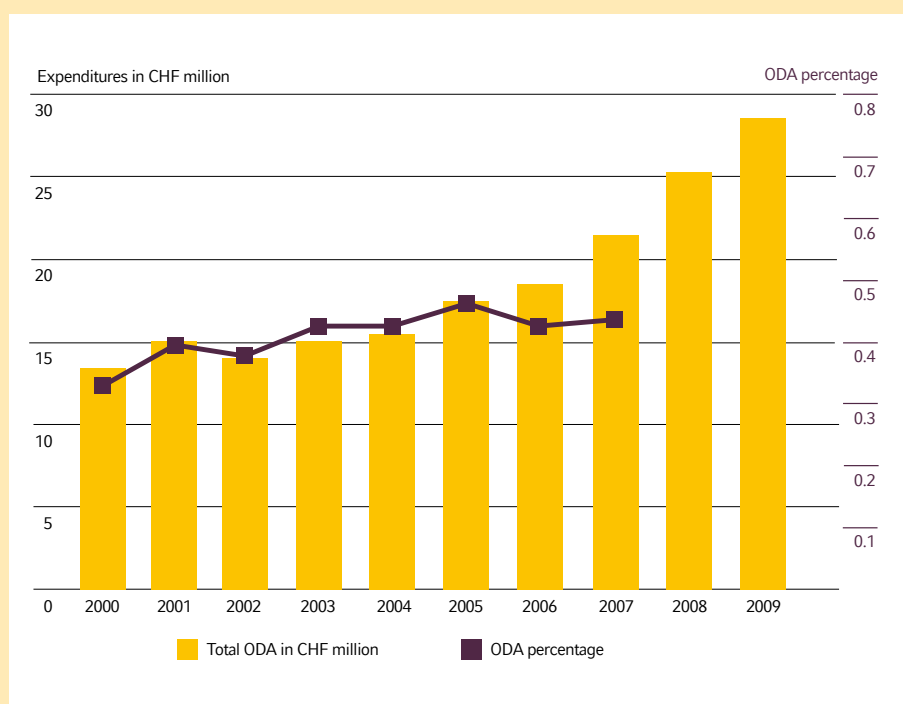
**Mozambique**  
Health  
HIV/Aids

**Zimbabwe**  
Rural Development  
Food Security

## ODA development

Official development assistance (ODA) encompasses all disbursements of a State for development cooperation and humanitarian assistance according to the criteria of the Organisation for Economic Co-operation and Development (OECD). To compare ODA among States, an indicator is commonly used to measure ODA as a percentage of gross national income (GNI) of a given State. The international ODA target is 0.7%.

### ODA expenditures 2000-2009



The Liechtenstein Government has repeatedly underscored its commitment to achieving this target as soon as possible and has continuously increased its resources for this purpose. The total ODA amount, which includes the disaster fund of the municipalities and care for asylum-seekers in Liechtenstein, was CHF 28.4 million in 2009. According to GNI projections, it is very probable that Liechtenstein will thus have achieved 0.6% of GNI for ODA. The definite GNI for the reporting year will not be available until the autumn of 2011, however.

*Andrea Hoch and Christine Lingg, Office for Foreign Affairs*

# Environment and development

## Two sides of the same coin

Health is not everything, says the healthy person. Without health everything is more difficult, say those whose health is diminished in some way. What is true of health for individuals is also true of the environment for societies. The environment is not everything, but a broken environment makes everything more difficult.

The LED is not an environmental organization and therefore does not support environmental protection projects. The LED's mandate is development, i.e. promoting the welfare of human beings. It is in the nature of things that a prudent approach to natural resources and the preservation of the environment play a key role in this regard. For small farmers all around the world, for instance, the conservation and improvement of the fertility of soils is crucial. The natural environment cannot be overexploited, or else long-term development is in danger. In the following remarks, we will present three projects in which economic development and improvement of the natural bases of life, without destroying the environment, are two sides of the same coin.

## Organic cotton in Burkina Faso



West African farmer with organic cotton

Burkina Faso is a cotton country. More than half of revenue is generated by the export of cotton. For more than a decade, the LED and other donors have supported the Swiss organization Helvetas in the cultivation of organic cotton in Mali and since 2007 also in Burkina Faso. In 2008, the Centre for Development and Environment of the University of Bern conducted a study on the economic, social and ecological consequences of organic production. In the survey about 50 conventional farmers and 50 organic farmers with an average of 5.3 hectares of area under cultivation were interviewed. With a share between 25% and 40% of total production, cotton was a significant source of revenue.

### What distinguishes organic farms from conventional farms in Burkina?

- 39% lower yields per hectare, but 65% higher sales prices
- 90% lower input costs due to lower expenses for agrochemicals
- 30% higher gross revenue/household income
- Lower indebtedness and lower dependence on creditors
- 30% share of women among organic farmers versus 0% among conventional farmers
- Better health due to lack of pesticides
- More secure and diverse nutrition due to more diversified crop rotation
- Better soil fertility with higher storage capacity for water
- Enhanced environmental awareness

## CO<sub>2</sub>-neutral coffee in Costa Rica

The application and the project idea were submitted by the CoopeDota coffee cooperative from the highlands of Costa Rica. Coffee growing is the economic basis of 784 small farming families with an average area under cultivation of two hectares. The high elevation allows for the production of very high-quality coffee. Counting about six persons per family farm, about 4'500 people benefit from this project. Additionally, sustainable tourism has developed into a supplemental economic sector with high added value in this region over the past few years. An intact environment and CO<sub>2</sub>-neutral coffee growing are good arguments for attracting tourists looking for relaxation. These two income sources complement each other.



Coffee production squanders CO<sub>2</sub> in two different ways. First, the drying process is energy-intensive; second, huge amounts of waste are generated which release carbon monoxide and carbon dioxide when they decay. Additionally, the waste has a high acid content, which heavily pollutes rivers. CoopeData has developed a procedure for generating biogas and alcohol from the waste products. The biogas is used to dry the coffee beans and the alcohol is mixed with fossil fuels for transportation. This means that the agrofuel is produced with waste, not with foodstuffs as is otherwise the case. The generated compost at least partially replaces artificial fertilizer, thus improving the soil structure.

The LED's support consists in a loan with favorable terms. The loan is amortized with a higher price for climate-neutral coffee and the sale of CO<sub>2</sub> certificates. Repayment is made to the radio school «El Maestro en Casa», via which the contact was established and which accompanies local implementation of the project on behalf of the LED.

On the left:  
Environmentally friendly coffee processing  
at the CoopeDota cooperative, Costa Rica

On the right:  
Climate-neutral coffee from Costa Rica

## Afghanistan – Food security through sustainable development of natural resources

Despite security concerns, an LED staff member travelled to Afghanistan in 2009 to assess concrete project ideas. This resulted in an offer to the organizations Inter-corporation and Helvetas to prepare a food security project. This project combines medium-term protection of resources with short-term effective measures to improve food production.

In the mountain area of Saighan, a first phase of the project will involve 2'360 families in eleven villages. In higher-elevation regions, simple construction measures such as terraces and stabilization of erosion ditches will be used to slow down the drainage of water and promote its percolation. Supplementing these efforts, the rejuvenation of vegetation will be promoted by planting trees for firewood and perennial forage plants. To immediately improve the food situation and income, measures for diversified and sustainable agricultural production are being taken, such as improved seeds, local seed production, field schools, maintenance and improvement of existing irrigation systems, etc. Women are actively included in agricultural and non-agricultural activities. Crucial for long-term success is the expansion of institutional capacities and specialized know-how. For this purpose, local municipal councils and district assemblies are strengthened and actively included in the design and implementation of the project.

The results show that environmental protection and development can fit together very well. The LED is committed to the idea of sustainability, which is also enshrined in the Law on International Humanitarian Cooperation and Development, and it defines environmental protection as a cross-cutting theme for its work. So the question is not: development or environmental protection, but rather development taking account of ecological guidelines. In practice, this means that in each application to the Board of Trustees, the Secretariat must necessarily evaluate what consequences a project may have on the environment. Potential negative consequences are a criterion for exclusion.

*Rudolf Batliner, Liechtenstein Development Service (LED)*



### Bilateral development cooperation

Bilateral development cooperation concentrates on the development of rural regions in twelve focus countries, with special priority in all activities given to the promotion of women, social justice and the environment. Bilateral development cooperation 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.

# Water for the Third World

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## Interview with Peter Ritter in Tanzania

The engineer and LED staff member Peter Ritter has been in Tanzania since 2001 on behalf of the organization W3W – Water for the Third World. His team successfully markets robust pedal pumps, which can be manufactured locally. They serve to irrigate small fields and vegetable gardens during the dry period.

*Why locally manufactured pedal pumps instead of generators and electrical pumps?*

Small Tanzanian farmers do not have the capital for major investments in modern agricultural methods of production. The pedal pump is a low-cost, durable and efficient entry-level solution for irrigation with only minimal maintenance costs. The yield from the plot stays with the families. The materials used have a very low energy balance and the work generated by the pedal pump hardly causes CO<sub>2</sub> emissions.

*Who sells such pedal pumps and with what intention?*

Domestic craftspeople learn how to manufacture the pedal pump at W3W and receive the equipment necessary to earn a living with their new skill. W3W also supports them in marketing, management and lobbying. In this way, they are integrated into the value-added chain of a sustainable, local economic cycle as autonomous manufacturing operations and maintenance providers.

*How does a pedal pump change the life of a farming family?*

A study (ENSAIA, 2008, see [www.w-3-w.ch](http://www.w-3-w.ch)) shows that both the food security and the financial situation of the small farming families have improved dramatically. The area under cultivation tripled in the reference group. With less work, the yield per hectare can almost be doubled. In addition to a secure food basis, a good part of the harvest generates additional income.

*Rudolf Batliner, Liechtenstein Development Service (LED)*



«Water is life» – Peter Ritter working in Tanzania



# Climate Change Conference

## Liechtenstein in Copenhagen

From 7 to 19 December 2009, the 15<sup>th</sup> Conference of the Parties to the United Nations Framework Convention on Climate Change and the 5<sup>th</sup> Meeting of the Parties to the Kyoto Protocol took place in Copenhagen. The aim of the conference was to adopt legally binding rules on the worldwide reduction of greenhouse gas emissions, with the goal of limiting global warming to less than 2 degrees Celsius relative to pre-industrial levels.

### Difficult basis for negotiations

Already before the Climate Change Conference, the positions were deadlocked and the basis for negotiations was accordingly poor. The United States, which had signed the Kyoto Protocol in 1997 but never ratified it, came around in Copenhagen and demonstrated its willingness to henceforth bear its share of the reduction burden. Emerging markets such as China, India and Brazil likewise want to pursue reduction targets on a voluntary basis after 2012. Additionally, the least developed countries will henceforth also implement measures to reduce greenhouse gases. For the first time, all parties therefore acted in concert. Despite this progress, only a political, legally non-binding agreement, the «Copenhagen Accord», was taken note of in Copenhagen. Among other goals, the Copenhagen Accord includes the 2 degree target and far-reaching financial aid to developing countries.



Liechtenstein delegation in Copenhagen: (FLTR) Felix Näscher, Director of the Office of Forests, Nature and Land Management, Sven Braden from the Office of Environmental Protection, Minister Renate Müssner and Patrick Insinna from the Office of Environmental Protection

### Liechtenstein's contribution

Liechtenstein is a member of the Environmental Integrity Group (EIG) established in 2000, which also includes Switzerland, Monaco, South Korea and Mexico and it participated actively in the Copenhagen Summit and the five preparatory expert meetings. Liechtenstein is willing to reduce its greenhouse gas emissions by 20% relative to the base year 1990. If other countries make comparable concessions as part of a binding climate agreement, Liechtenstein will increase its reduction target to up to 30%.



Event on the impact of climate change on mountain regions: (FLTR) Anton Hilber (Swiss Agency for Development and Cooperation, SDC), Felix Näscher (Director of the Office of Forests, Nature and Land Management) and Prof. Wilfried Haerberli (University of Zurich)

### Impact of climate change on mountain regions

Mountain regions are especially hard-hit by climate change. For this reason, Liechtenstein and the International Mountain Partnership organized an event at the Copenhagen Summit to raise awareness of the impact of climate change on the world's mountain regions.

*Manuel Frick, Office for Foreign Affairs*

# International partnerships

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## Sustainable development of mountain villages in Central Asia and the Caucasus

### The importance of integral mountain region policy

The Liechtenstein Government is committed to the special promotion of a sustainable – i.e. economically supportable, socially acceptable and ecologically responsible – mountain region policy. Mountain regions fulfill manifold ecological, economic and sociocultural functions, both for the local population and for the valley regions. Also for the mountain country of Liechtenstein, healthy and productive mountain ecosystems are of existential importance for humans, flora and fauna. Understanding of the problems in other mountain regions is therefore well-developed. On the basis of this awareness, Liechtenstein is engaged also internationally on behalf of realization of the principles of sustainable development policy in mountain regions. Examples of this special engagement on behalf of mountain regions nationally include the successful projects over the course of the past forty years relating to integral mountain region rehabilitation. Internationally, active participation within the framework of the Alpine Convention is especially noteworthy.

While the natural value and potential of the mountain regions as well as the benefits they provide far into the lowland regions are often recognized, as are their special vulnerability to natural hazards and sensitivity to damaging impact by humans, this recognition is not as widespread as it should be. It cannot be ignored that mountain regions are increasingly and substantially endangered due to the development of the international economy and the rising pressure exerted by civilization on the environment. Both insights must therefore be taken into account by long-term, large-scale development concepts. Special natural values give mountain regions their unique identity; these distinguishing characteristics are, however, simultaneously linked with a special vulnerability to human intervention and damaging external influences. The limited scope of preventive and restorative measures further aggravates the situation.



Sandwiched between mountain streams, a mountain village in the Kasbegi District, Georgia

## Agenda 21

At the Earth Summit in Rio in 1992, the participating States adopted Agenda 21. Based on Chapter 13 of Agenda 21, the UN calls for greater efforts to protect fragile mountain ecosystems from harmful impacts and to promote the sustainable development of the populations living in these regions. With this, the international community wants to take account of the fact that the mountain regions play an important role worldwide for the survival of humanity as well as for the preservation of specialized plant and animal species. For purposes of the concrete implementation of these concerns, the Alpine States maintain a partnership with the mountain regions in the Balkans, the Carpathians, the Caucasus and Central Asia, under the aegis of the Alpine Convention. Activities in the fields of good governance and capacity building and the promotion of cross-border cooperation are supported, as are bilateral and multilateral projects to promote sustainable development. The Office of Forests, Nature and Land Management is responsible for these activities in Liechtenstein and collaborates with international organizations, local and regional governments and administrations and non-governmental organizations, supporting the establishment or strengthening of local networks active in these fields.

Cooperative development of a local Agenda 21 in the mountain village of Yeniyol, Azerbaijan



The mountain regions of the Balkans, the Carpathians, the Caucasus and Central Asia face similar economic, ecological and sociocultural challenges with respect to sustainable development as the Alps. And yet the solutions in these mountain regions are much more difficult to find. Different ethnic groups and political systems, young and weak democracies, clan structures, poverty and migration, poor governance, limited access to necessary goods, frozen or latent conflicts, unnecessary consumption of resources, high unemployment, low family incomes, geographic isolation, unfavorable climate and difficult farming conditions, lack of interest by the major centres and governments, lost traditional knowledge and insufficient skills for dealing with new challenges are just some of the many additional problems that burden these mountain regions.

### Multilateral development cooperation

Multilateral development cooperation addresses problems that, due to their complexity, political sensitivity, or global or cross-border relevance, necessitate the joint engagement of countries, peoples and organizations.

## Development and implementation of a local Agenda 21

Despite all the difficulties, the need has been recognized and the will exists to pursue a sustainable path of development. The first step in elaborating a promising local Agenda 21 was the cooperative definition of a broadly accepted and respected framework for development. Prudent assessment of the available resources and estimation of the appropriate staffing, financial and organizational requirements were another concrete phase in the realization of the sustainable concept. Such a joint commitment to action, coupled with a critical self-evaluation process, led to implementation of the following three projects.

### Primary and secondary schools in the village of Sis, Azerbaijan

The village with about 400 inhabitants, which can only be reached by a rough road, is approximately 3 hours by foot from the next centre, the historical Shirvan Shah on the southwestern slope of Pirqulu. The population largely subsists on small-scale agriculture. With the generous support of Medicor Foundation Liechtenstein, two school buildings – for the primary and secondary students of the village and the neighbouring small settlements – were completely renovated. The two energy-efficient buildings are prime examples of successful cooperation between foreign donors, a transnational NGO and local participants including the population.



Primary school in Sis, Azerbaijan, after renovation in May 2009

## Regulation of water system

The shallow Paliastomi lake system in Georgia, most of which is just above sea level, is part of a national park encompassing bodies of saltwater and freshwater as well as marshlands recognized as a protected area under the Ramsar Convention (Convention of 2 February 1971 on Wetlands of International Importance especially as Waterfowl Habitat), which was also ratified by Liechtenstein in 1991. The area is the most important hub for bird migration between the Caspian Sea and the Black Sea. The Paliastomi lake system and its adjoining swamplands depend on freshwater flowing from the Rioni river. Until the 1980s, these water flows were ensured by an approximately 60-meter canal from the Rioni river to Lake Paliastomi, a canal which for some time was largely destroyed. To restore the water flows, this canal was reconstructed as part of a local Agenda 21 project and supplemented with locks. Thanks to the locks, a major neighbourhood of the nearby agglomeration of Poti is now again protected from floods.

From annoying waste to highly valued compost



## Composting

A project to improve waste management by composting organic waste was launched in a district of the city of Kutaisi, Georgia. It covers the entire cycle of collection, composting and distribution. Particular attention is paid to public information and awareness raising on the topic of composting. This pilot project was implemented in collaboration with a local NGO and was designed to have an exemplary effect.

*Felix Näscher, Office of Forests, Nature and Land Management*

# Closing words

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## **The environment and international solidarity as part of Liechtenstein's foreign policy**

At the latest since the Rio Conference on Environment and Development in 1992, the close thematic link between environmental and development policy has been internationally recognized. In Liechtenstein, this link was expressly enshrined in the Law on International Humanitarian Cooperation and Development (IHCD Act) of 2007. Preservation of the environment and a responsible and sustainable approach to natural resources are one of the fundamental goals of Liechtenstein's development policy engagement (article 1(2)(e) IHCD Act).

The various contributions to this annual report show that Liechtenstein actually lives up to this goal within the framework of IHCD. However, this is not simply an act of solidarity; rather, engagement on behalf of protecting natural resources is in Liechtenstein's very own interest as well. Pollution and processes threatening the environment, such as worldwide climate change, do not stop at national borders. This insight has increasingly prevailed since the 1970s and has been expressed in a multitude of treaties at the global and regional level. Liechtenstein has joined the most important of these treaties. Liechtenstein actively participated in the Climate Change Conference in Copenhagen in December 2009 as well as the preparatory expert meetings and has committed itself to a far-reaching reduction of its greenhouse gas emissions. The negotiations to this effect will be continued, with the goal of concluding them at the next climate conference in November 2010 in Mexico. In terms of content, considerable work still awaits the international community. Liechtenstein will continue to contribute actively to this process.

The fact that the environment and development cannot be considered in isolation from each other is thus taken into account both by Liechtenstein's environmental foreign policy and by IHCD. Even as a small country, Liechtenstein can and must make a contribution to the solution of global problems. We may also say that thanks to this engagement, Liechtenstein has gained respect and recognition abroad as well.

Within the framework of IHCD, Liechtenstein will continue to be committed to the idea that all countries and people on this Earth, irrespective of gender, origin, skin colour, religion or other characteristics, can lead a life in safety and dignity. We hope that the global efforts on behalf of the long-term protection of the environment and a responsible approach to natural resources will ensure that especially the coming generations will be able to enjoy a good quality of life and intact development prospects.

*Ambassador Roland Marxer,  
Director of the Office for Foreign Affairs*



AMT FÜR AUSWÄRTIGE ANGELEGENHEITEN  
FÜRSTENTUM LIECHTENSTEIN

## Internationale Humanitäre Zusammenarbeit und Entwicklung



LIECHTENSTEIN

**Office for Foreign Affairs**

Heiligkreuz 14  
9490 Vaduz  
Liechtenstein  
T +423 236 60 58  
F +423 236 60 59

[info@aaa.llv.li](mailto:info@aaa.llv.li)  
[www.llv.li](http://www.llv.li)