

Switzerland considers this issue as a key element of the CDM. However, not being a host country, Switzerland has a limited impact on the monitoring of sustainable development benefits.

When issuing LoAs, Switzerland does not carry out a detailed assessment of the sustainable development benefits of CDM projects. However, since 2012, some restrictions were introduced regarding large hydropower projects and coal-fired plants since these projects were considered not to be satisfactory enough in terms of sustainable development benefits. The following extracts come from our National Procedures for issuing LoAs, that were in force until end of 2012:

http://www.bafu.admin.ch/emissionshandel/05556/05558/index.html?lang=en&download=NHzLpZeg7t,lnp6I0NTU042I2Z6ln1ad1IZn4Z2qZpnO2Yuq2Z6gpJCGen57f2ym162epYbg2c_JjKbNoKSn6A--

For large hydropower projects:

Letters of Approval or Authorization will be issued on condition that the first verification report demonstrates that the resettlements and compensation have been implemented according to the resettlement/compensation plan. In case this requirement is not fulfilled, the Swiss DNA will withdraw its Letter.

In addition, in case of significant resettlements, the Swiss DNA will ask for additional documents to the WCD Compliance Report, the resettlement/compensation plan and the written confirmation before the issuance of the Letter. These additional documents will have to demonstrate that the resettlements are planned or are being implemented or have been implemented (depending on the progress of the project) in a satisfactory manner. It may include an additional report from an independent organization appointed by the Swiss DNA and at the cost of the project participant requesting the Letter of Approval or Authorization.

For coal-fired plants:

The Swiss DNA is currently not issuing Letters of Approval or Authorization for projects based on emission reductions resulting from energy-efficient coal-fired plants, such as those using supercritical and ultra-supercritical technology. Because of unresolved questions regarding the environmental integrity of projects based on the ACM0013 methodology (including as outlined in the recent discussions within the CDM Methodologies Panel and the CDM Executive Board on the methodology applied for such projects), the Swiss DNA is currently analyzing these issues before deciding on the (non-) issuance of Letters for such project type.

Since 1st January 2013, Switzerland has introduced new quality criteria related to the use of certificates by companies that have emission reduction objectives under the Swiss CO2 Act. These criteria also apply for the issuance of LoAs. You will find relevant extracts of our revised National Procedures for issuing LoAs below, coming from the following document :

http://www.bafu.admin.ch/emissionshandel/05556/05558/index.html?lang=en&download=NHzLpZeg7t,lnp6I0NTU042I2Z6ln1ad1IZn4Z2qZpnO2Yuq2Z6gpJCGfX94gGym162epYbg2c_JjKbNoKSn6A--

The Swiss DNA accepts all types of projects which are in accordance with the Kyoto Protocol and which are also allowed for use under the revised Swiss CO2 law and its ordinance. The current version of the ordinance can be found on the FOEN's website: <http://www.bafu.admin.ch/klima/12006/index.html?lang=en> . The Swiss CO2 law in its Article 6 stipulates the following:

Art. 6 Quality requirements for reductions in emissions abroad

1 The Federal Council specifies quality requirements for measures to reduce greenhouse

gas emissions carried out abroad. Measures that do not meet these requirements are not considered emission reductions.

2 The quality requirements must satisfy the following quality criteria in particular:

a. reductions may only be counted if they would not have been achieved without support from Switzerland;

b. reductions in developing countries must contribute to sustainable development in those countries and must not have negative social or ecological impacts.

This article has the following implications regarding the use of certificates by companies that have emission reduction objectives under the Swiss CO2 Act and regarding the issuance of LoAs:

Project types that are eligible for a Swiss Letter of Approval or Authorization:

- Energy efficiency by the end-user: agriculture, households, industry (only if end-use), services, transport
- Renewable energies: biomass energy, geothermal, hydropower with a total installed capacity of max. 20 MW, landfill gas, methane avoidance (excl. coal bed/mine methane), mixed renewable, solar, tidal, wind

Projects types that are not eligible for a Swiss Letter of Approval or Authorization:

- Afforestation/reforestation and other non permanent emission reductions in forestry and agriculture
- Carbon Capture and Storage (CCS)
- Clinker replacement in the production of cement
- Energy-efficiency on the supply-side, incl. energy distribution, energy efficiency for power generation
- Emission reductions based on the production or use of fossil fuels: coal bed/mine methane, fossil fuel switch, fugitive emissions
- Hydropower with a total installed capacity above 20 MW
- Industrial gases: HFCs, N2O, PFCs and SF6
- Nuclear power

Apart from the criteria listed above, the issuance of the Letter of Approval or Authorization may be refused in exceptional cases, where projects imply human rights violations, significant negative ecological and social consequences directly linked to a project, or if they are in breach of Swiss Foreign or Development Policies (e.g. in case of international sanctions against a State that is host country of a project).

Finally, the Swiss government places great emphasis on sustainable development benefits when purchasing certificates to voluntarily compensate its emissions. It has set similar quality requirements as described above and carries out a detailed analysis of sustainable benefits of the offers it receives (see: http://www.bafu.admin.ch/klima/09608/index.html?lang=fr#sprungmarke1_40).
