The ambitious CO₂ reduction targets in Switzerland resulting from the Kyoto protocol, required immediate actions by the federal government. The focus of the government is to stimulate private emission reduction projects and penalize the use of fossil fuels. The resulting ordinance of the Federal Office for the Environment (FOEN) allows innovative private actors in transport to set up and develop programmes to reduce emissions within their own field of expertise and to capitalise the achieved CO₂ savings.

Benefits:
- Active support to Swiss Kyoto goals in CO₂ reductions
- The ordinance and resulting projects benefit the transport sector, supporting innovative measures to reduce emissions
- The certificates produced allow for a gratification of measures, 1 tonne of reduced CO₂ will be worth approx. 100 Swiss Francs (CHF) for the project owner.

Success Factors:
- Holding fossil fuel importers/ producers and operators of fossil fuel power plants to have to compensate for CO₂ emissions
- Compensation is allowed only through acquiring domestic certificates, keeping benefits in the economy
- External verification of all processes
- Reporting and trade control function remains within the Federal Office for the Environment (FOEN)

Supported Strategic Targets:
- The main targets of the practice are limited climate change and reduced emissions from transport
- The public authorities developed a highly accepted mechanism providing support to the CO₂ targets of Switzerland with economic benefits
- The mechanism involves the private sector in the sustainable innovation process. Project owners are regarded as innovators in sustainable practices

Fuel importers have to compensate CO₂ emissions
To reach the set targets of the Kyoto protocol, Switzerland set a policy target for the transport sector to reduce GHG emissions by 10% until 2020 compared with 1990 levels. The corresponding CO2 Act (current version of January 1, 2013) requires fossil fuel producers and importers as well as operators of fossil fuel power plants (exceeding the threshold of 1,000 t of CO₂ emissions) to use measures originating from Switzerland to fully or partially compensate for their CO₂ emissions. If they fail to compensate, they are penalised with a 150 CHF fee per tonne of CO₂.

Compensating by acquiring domestic certifications
To gather the required reductions, fuel importers can acquire domestic CO₂ reduction certifications from private compensation project owners. The Federal Office for the Environment (FOEN) issues these certificates to project owners for successful CO₂ reduction programmes (compensation projects) achieved in Switzerland in the building, industry or transport sector.

The rules for issuing and trading of certificates are set in a handbook for domestic emission reducing projects published by the FOEN.
CO₂ reduction programmes

Private actors in transport can apply to receive certificates for CO₂ compensation. Applicable are projects focussing efficiency increases in the fleet (e.g. mode shift, traffic reduction, fleet management) or use of fuels from renewable sources. In the process of project development, smaller projects can be bundled and converted into programme-type projects. This is especially relevant for the transport category where single projects are usually not able to reduce emissions by significant amounts. Within a programme reductions of about 100t of CO₂ per year should be feasible in order to be considered for certification.

The English translation text of the ordinance can be found here: http://www.admin.ch/ch/e/rs/c641_711.html

The handbook for domestic emission reduction projects is available here (German and French only): http://www.bafu.admin.ch/publikationen/publikation/01724/index.html?lang=de

Further information on project development for the transport sector is available through:
Rapp Trans Zurich, simon.bohne@rapp.ch
Or directly at the FOEN, info@bafu.admin.ch

Verification, report and trade

Reductions of emissions within a project have to be accounted, monitored and verified by an external body. The external verification body reports the amount of reduced emissions to the FOEN, who will only then produce the CO₂ certificates to the project owner. The project owner can sell certificates to the fossil fuel producers and importers or operators of fossil fuel power plants who are obliged to compensate their CO₂ emissions. Their price will be below the fee of 150 CHF per tonne. The FOEN certificates are not recognised internationally and are not interchangeable with Kyoto certificates.

Transport mode or supply chain elements:

- The ordinance applies to the main CO₂ emitting sectors: transport, building and industry.
- In transport the entire part of a supply chain can be source of a project to reduce emissions applicable to the ordinance. In Switzerland commonly the main haul of a transport being shifted from road to rail provides the main CO₂ reduction but all modes of transport can potentially be affected. Modal shift is an important measure to reduce emissions in transport.

More information:

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CO₂ reduction target Switzerland

Federal Office of the Environment (FOEN)

Validation report, verification of reductions CO₂ emissions

External validation/ monitoring bodies

External validation/ monitoring bodies

150 CHF penalty for CO₂ emissions

Fossil fuel importers/ producers and power plants

Can compensate by acquiring domestic CO₂ certificates

CO₂ ordinance

Issue certificates, other program is validated and registered

CO₂ program/project owner

Trading of certificates 150 CHF/ton

CO₂ certificates

Division of CO₂ emissions sources, Switzerland 2010

Source: carlex.ch

More Best Practice cases and information about BESTFACT can be found at: www.bestfact.net