

Outline for the updated initial report referred to in decision 2/CMA.3, annex, chapter IV.A (Initial report)^{1, 2, 3}

[English only]

Party	Switzerland
NDC period	2021-2030
Report number for the NDC period^a	1
Version^b	1.0
Date	27/02/2023

^a Ascribe sequential number for updated initial reports. The number '1' is reserved for the initial report.

^b Ascribe version number as follows: decimal increase for minor revisions (typos, corrections) and digit increase for content changes (where unavoidable).

IV. Information on each cooperative approach (para. 18(g–i), para. 19)

A. Copy of the authorization by the participating Party (para. 18(g))

[Registered compensation projects abroad \(admin.ch\)](#)

B. Description of the cooperative approach (para. 18(g))

The activity will replace the use of conventional (diesel & natural gas) buses with e-buses on a minimum number of 122 (existing and new) privately operated bus routes that provide a regular, scheduled service within the Bangkok Metropolitan area. (Refer to Annex 1 for further details.)
In addition to reducing GHG emissions, the project will improve service quality, reduce commuting times, local air and noise pollution while maintaining bus ticket prices.
The carbon finance from the purchase of up to **500,000 mitigation outcome units that are authorised** as International Transferred Mitigation Outcomes (ITMOs) within Thailand's first NDC period (including 2030 vintage) shall be used to levelise the total cost of ownership differential between baseline buses and the project e-buses.
The mitigation outcomes from this project are generated inside sectors covered by Thailand's NDC and represent a surplus beyond the policies and measures planned by the government of Thailand.

C. Duration of the cooperative approach (para. 18(g))

1st of October 2022 – 31st of December 2030

D. Expected mitigation for each year of the duration of the cooperative approach (para. 18(g))

Expected mitigation:

Year	Net GHG emission

¹ This template is for voluntary use to facilitate the preparation and submission of the initial reports and updated initial reports referred to in decision 2/CMA.3, annex, chapter IV.A (Initial report).

² The list of the acronyms and abbreviations used in this template are available in decision 6/CMA.4: <https://unfccc.int/documents/624474>.

³ References to chapters and paragraphs in the outline are to chapters and paragraphs in the annex to decision 2/CMA.3, unless stated otherwise. "Article" refers to an Article of the Paris Agreement.

	reductions (tCO₂eq)
2022	10,383
2023	61,411
2024	80,712
2025	79,554
2026	78,407
2027	77,273
2028	76,149
2029	75,037
2030	73,935

E. Participating Parties involved in the cooperative approach (para. 18(g))

Kingdom of Thailand: <https://www.onep.go.th/letter-of-authorization/>
Switzerland: [Registered compensation projects abroad \(admin.ch\)](#)

F. Authorized entities (para. 18(g))

Energy Absolute Public Company Ltd

G. Description of how the cooperative approach ensures environmental integrity (para. 18(h), to be updated by para. 22(b))

1. Description of how the cooperative approach ensures that there is no net increase in global emissions within and between NDC implementation periods (para. 18(h)(i), to be updated by para. 22(b)(i))

ITMOs from this cooperative approach will be eligible for international transfer and use towards NDC when achieved within the first NDC implementation period of Thailand (including 2030 vintage). These ITMOs can only be used towards an NDC of the same NDC implementation period (until 2030). This ensures that there cannot be a net increase in global emissions between NDC implementation periods.

2. Description of how the cooperative approach ensures environmental integrity through robust, transparent governance and the quality of mitigation outcomes, including through conservative reference levels and baselines set in a conservative way and below ‘business as usual’ emission projections (including by taking into account all existing policies and addressing uncertainties in quantification and potential leakage) (para. 18(h)(ii), to be updated by para. 22(b)(ii))

The program activity of privately operated public transport buses is not within the scope of measures planned under Thailand’s NDC or accompanying domestic legislation of implementation. The mitigation outcomes will be used in the NDC implementation period until 2030.

The Calculation of mitigation outcomes is based on the following T-VER methodologies, while some modifications have been applied:

1. T-VER-METH-TM-05 Version 03 – Use of Electric Vehicles in Public Transportation System (TM-05); and
2. T-VER-METH-TM-06 Version 03 – Modal Shift from Private Vehicles to Public Passenger Transportation with Electric Vehicles (TM-06).

The monitoring is based on data of measured fuel consumption of comparable buses or electricity consumption of electric buses. For modal shift, annual surveys via a ticket sales app are the primary basis for calculating emissions reductions.

The program promotes the new technology of e-buses including the associated service improvements (air conditioning, real-time timetable, etc.) and increase social acceptance. The program contributes to advances in the manufacturing and integration of e-vehicles and batteries in Thailand and improves air quality in Bangkok.

Leakage in the fuel switch scenario is considered negligible as the replaced vehicles shall not be used within the program boundaries and other areas. Leakage emissions are considered in the case of the modal shift. This includes the reduction of other public transport vehicles on the road, taxi and road congestion as a result of the modal shift to the e-busses for transit.

3. Description of how the cooperative approach is minimizing the risk of non-permanence of mitigation across several NDC periods and how, when reversals of emission reductions or removals occur, the cooperative approach will ensure that these are addressed in full (para. 18(h)(iii), to be updated by para. 22(b)(iii))

The cooperative approach ensures environmental integrity by demonstrating that ITMO revenues close the existing total cost of ownership (TCO) gap for the initial batch of 154 e-buses (plying 8 routes) that are to be put into operation. The carbon finance will allow to adhere to existing bus ticket prices, thus ensuring a viable, commercial operation of this initial fleet.

The TCO gap is reduced in the long-term as a result of:

- i expected battery cost reductions and improved battery performance;
 - ii increasing ridership (better acceptance, service, convenience by riders over time);
- and
- iii acceptable/moderate ticket price increases (higher willingness to pay for a better service).

H. Additional description of the cooperative approach (para. 18(i))

1. Description of how the cooperative approach minimizes and, where possible, avoids negative environmental, economic and social impacts (para. 18(i)(i), to be updated by para. 22(f))

The compliance of the activity with environmental and social requirements is established via the Environmental and Social Management Framework (ESMF) of TGO. The ESMF is a tool for assessing city greenhouse gas mitigation projects for eligibility under T-VER Program and enhancing stakeholders' participation.

Switzerland invites any direct or indirect stakeholders detecting the possibility of negative impacts to contact the Federal Office for the Environment through a grievance mechanism where stakeholders have the opportunity to confidentially submit complaints to Switzerland. Complaints shall be addressed to carbonoffset@bafu.admin.ch.

Switzerland fully subscribes to the view that Parties should, when taking action to address climate change, respect, promote, and consider their respective human rights obligations, including due consideration for gender equality and gender sensitive policies, intergenerational equity, and the needs of particularly vulnerable groups.

2. Description of how the cooperative approach reflects the eleventh preambular paragraph of the Paris Agreement, acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well

as gender equality, empowerment of women and intergenerational equity (para. 18(i)(ii), to be updated by para. 22(g))

General: Per “Implementing Agreement to the Paris Agreement between the Swiss Confederation and the Kingdom of Thailand” (hereafter referred to as the “Cooperation Agreement Thailand Switzerland”), ITMOs will not be recognized in case of evidence for violation of human rights during the implementation of the activity. Thereby, eleventh preambular paragraph of the Paris Agreement is operationalized in a robust manner in the “Cooperation Agreement Thailand Switzerland”.

Activity specific: The Activity adheres to the Environmental and Social Management Framework (ESMF) of TGO, as mentioned before. Bangkok e-bus Program scores well on social benefits such as inclusion, job creation, poverty alleviation, health and safety benefits, cooperation, and people empowerment. Also, in accordance with the Labour Protection Act, employees have the rights to file complaints or raise issues through the company, and the company shall address the issue accordingly. The overall conclusion is that there are no negative human rights impacts from Bangkok e-bus Program activities.

3. Description of how the cooperative approach is consistent with the sustainable development objectives of the Party, noting national prerogatives (para. 18(i)(iii), to be updated by para. 22(h))

The “Cooperation Agreement Thailand Switzerland” requires both participating countries to review a mitigation activity against its consistency with sustainable development and the country’s relevant strategies, where applicable. The mitigation effect of this activity targets fossil-fueled buses – reducing levels of hazardous local air pollution levels contributing to SDG 11 – Sustainable cities and communities and SDG 13 – climate action.

The activity improves the passenger experience with air conditioning, more connections to modal hubs and on-demand services, while the activity operator is committed to maintaining the same (low) bus fares. Therefore, the activity improves accessibility and commuting times for existing passengers at no additional cost. Not only the activity improves the passengers’ experience, it also contributes to SDG 8: Decent work and economic growth in job creation in the Bangkok Metropolitan area.

4. Description of how the cooperative approach applies any safeguards and limits set out in further guidance from the CMA pursuant to chapter III.D (para. 18(i)(iv), to be updated by para. 22(i))

Not applicable.

5. Description of how the cooperative approach contributes resources for adaptation pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable (para. 18(i)(v), to be updated by para. 22(j))

Switzerland announced voluntary contributions to the Adaptation Fund of CHF 15 million in 2019 and CHF 10 million in 2021. These contributions were made to provide resources for adaptation, because of the effectivity of the fund and its thematic focus to support developing countries in their efforts to adapt to the adverse effects of climate change and as encouraged in the Annex to the decision 2/CMA.3.

6. Description of how the cooperative approach delivers overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable (para. 18(i)(vi), to be updated by para. 22(k))

On a voluntary basis, the buyer in Switzerland will cancel 2 percent of the ITMOs recognized under the cooperative approach authorized “Bangkok e-bus program” to deliver an overall mitigation in global emissions if this is not already done on the side of Thailand

Furthermore, the Swiss Government has submitted a proposal to the Swiss Parliament to establish a legal basis to cancel a portion of all ITMOs recognized by Switzerland under the Article 6.2 of the Paris Agreement.