

SWITZERLAND

AWG-KP 17

Information by Parties listed in Annex I to the decision on their QELROs for the second commitment period under the Kyoto Protocol

Decision 1/CMP.7 paragraph 5

Introduction

1. Switzerland supports the adoption at the eighth session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 8) of relevant decisions to allow the entry into force of the second commitment period under the Kyoto Protocol, namely the length of the second commitment period, the Quantified Emission Limitation or Reduction Objectives (QELROs) and the carry-over of assigned amount units to the second commitment period.

2. This submission provides useful information for the determination of the value of Switzerland's QELRO. This information may be subject to later modification depending on the applicable rules for the second commitment period that still have to be decided. The final value of our QELRO will then be adopted at CMP 8.

National climate legislation

3. On 26 August 2009, Switzerland's Federal Council adopted a draft legal text on national climate policy for the period between 2013 and 2020, the Federal Act on the Reduction of CO₂ Emissions (the CO₂ Act)¹, and passed on this draft to Parliament for consideration and final adoption.

4. With some amendments, the Parliament adopted this legal text in December 2011. According to the Swiss Constitution, this law was subject to an optional referendum which allows the people to decide on laws adopted by the Parliament in a popular vote. As no referendum was launched against this law, it will enter into force on the 1st January 2013.

5. The CO₂ Act is the basis for the Swiss position in the UNFCCC and Kyoto Protocol negotiations.

Clarification of the QELRO: LULUCF and use of market mechanisms

6. In the first commitment period of the Kyoto Protocol, Switzerland accounts for the mandatory activities Afforestation and Deforestation under Article 3.3 of the Kyoto Protocol and elected to account for Forest Management under Article 3.4 of the Kyoto Protocol. Whereas accounting for forest management is mandatory in the second commitment period, Switzerland has not yet decided whether it will account for additional activities under Article 3.4 of the Kyoto Protocol in the second commitment period. Applying the accounting approach of the forest management reference level, the estimated emissions or removals from the Article 3.4 activity forest management in Switzerland will be zero in the second

¹ <http://www.bafu.admin.ch/klima/00493/06577/11879/index.html?lang=en>

commitment period. Estimations of emissions and removals from all other Article 3.4 activities, which should be accounted for on a net-net basis, are not available yet.

7. In the second commitment period, Switzerland will use carbon credits (CERs, ERUs) generated from the mechanisms of the Kyoto Protocol and from the new market-based mechanism under the Convention to achieve its QELRO. The exact amount of these carbon credits is not estimated yet. The Swiss CO₂ Act for the 2013-20 period defines Switzerland's -20% reduction objective as domestic. However, carbon credits for emission reductions achieved abroad will play a role in the case of: fossil fuel power plants; the Emissions Trading Scheme (ETS); companies exempted from the CO₂ levy that are not involved in the ETS; and in the sanction mechanism. Furthermore, Switzerland may use additional carbon credits generated under the Kyoto Protocol in the assumed case of a starting point by QELRO 2010 (cf. below paragraph 11).

Length of the commitment period

8. Switzerland prefers a commitment period of eight years (2013-2020).

9. The reasons are:

- This length of the commitment period is consistent with the Swiss CO₂ Act that provides for a reduction objective in the period between 2013 and 2020.
- It takes into account the necessary time for measures to yield greenhouse gas emissions reductions.

QELROs

10. For the second commitment period under the Kyoto Protocol, Switzerland has pledged a reduction of its greenhouse gas emissions by at least 20% between the years 2013 and 2020 compared to 1990 levels.

11. To transform pledges of Parties into QELROs, Switzerland advocates environmental integrity when choosing the starting point of the emission trajectory for the second commitment period for Parties. In our case, this means using the QELRO for the first commitment period (QELRO 2010) as starting point of the trajectory of the second commitment period. This corresponds to Option (a) in paragraph 20 of the Technical Paper FCCC/TP/2010/3/Rev.1, *Issues relating to the transformation of pledges for emission reductions into quantified emission limitation and reduction objectives: methodology and examples*.

12. Switzerland will actively participate in the discussions under the Kyoto Protocol and other UNFCCC processes on raising the level of mitigation ambition (chapter V of decision 1/CP.16, preamble of decision 1/CMP.7, paragraphs 6 and 7 of decision 1/CP.17), that may have consequences on the level of the QELRO. Taking into account the progress made in this context, Switzerland would consider a higher reduction target up to 30% by 2020 compared to 1990 levels under the condition that other developed countries commit themselves to comparable emissions reductions and that economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities.

13. With a reduction pledge higher than 20% by 2020, Switzerland would use carbon credits (CERs, ERUs) generated from the mechanisms of the Kyoto Protocol and from the new market-based mechanism under the Convention to achieve its QELRO. The exact

amount of these carbon credits is not estimated yet. In addition to the carbon credits that will be used for achieving the -20% target and in the assumed case of a starting point by QELRO 2010, carbon credits would also be used by Switzerland for maximum three fourth of the additional emission reductions beyond the -20% target by 2020 compared to 1990, as planned in the Swiss CO₂ Act for the 2013-20 period.

14. For Switzerland, under the above-mentioned assumptions, the provisional QELRO for the pledged reduction target ranging from 20% to 30% by 2020 compared to 1990 would correspond to a QELRO between 84.2% and 77.7%.

Carry-over

15. Switzerland considers that the issue of carry-over of assigned amount units has to be addressed in the context of environmental integrity. Therefore, Switzerland supports a limitation of the carry-over of assigned amount units and of its use. We are ready to discuss with other Parties the modalities and the quantitative aspects of this limitation.