



Fact sheet

Quality of the Emission Reductions Achieved Abroad

Version: 9th March 2015

Objective:

The principal objective of this document is to assist Swiss emitters that would like to use certificates for emission reductions achieved abroad (emission reduction certificates) under the [CO₂ Act of 23 December 2011](#)¹ (in force as of 1 January 2013). These companies must comply with the criteria (quality, quantity) established in the [CO₂ Ordinance of 1st January 2015](#)² (in force as of 1 January 2013).

To ensure that the certificates they have purchased will be counted rather than rejected as ineligible, the FOEN recommends that companies inform their certificate providers of the quality requirements in force in Switzerland (Art. 4 para. 2 CO₂ Ordinance) and to refer to these requirements in the purchase agreement.

Updates to the fact sheet:

As compared to the version dated 28th May 2013, the current version dated 9th March 2015 contains the following specific new information:

- updates to the internet links mentioned in the document;
- update of the information in the introduction (chapter 1) and on quality of emission reduction certificates (chapter 2).

Chapter 3 of the previous version dated 28th May 2013 (Quantity of emission reduction certificates) and chapter 4 (Carry-over of unused emission reduction certificates) have been deleted in the version of 9th March 2015. Updated information on these topics can be found in other documents (communication of the FOEN in its capacity as enforcement authority of the CO₂ Ordinance and website of the FOEN).

¹ <http://www.admin.ch/opc/en/classified-compilation/20091310/index.html>

² <http://www.admin.ch/opc/en/classified-compilation/20120090/index.html>

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1. Introduction: Emission Allowances and Emission Reduction Certificates

1.1 What are the types of emission allowances and emission reduction certificates and how can they be used in Switzerland?

In the CO₂ market, the various types of emission allowances and emission reduction certificates (called units), each of which represents the reduction of one tonne of CO₂ equivalent, are distinguished. They are characterised by their origins, but also by attributes such as eligibility for being counted towards meeting companies' commitments under the CO₂ Act, for being traded and for being carried over to the next commitment period.

Emission allowances in accordance with Article 2 paragraph 3 of the CO₂ Act:

- **Swiss emission allowances:** [Swiss emission allowances](#)³ (*Swiss units, CHU2*) are emission allowances that the FOEN has allocated to companies that participate in the Emission Trading Scheme (ETS companies) within the framework of the CO₂ Act.

Other emission allowances:

- **AAU:** [Assigned amount units](#)⁴ are the emission allowances assigned to the various Parties to the Kyoto Protocol for a commitment period.
- **RMU:** [Removal units](#)⁵ are emission allowances generated by an improved national carbon sink performance, in addition to AAUs.
- **EUA:** [European Union allowances](#)⁶ (*EU allowances, EUA*) are emission allowances assigned to companies participating in the EU Emission Trading Scheme. EU allowances are divided into EUAs (*general allowances*) and aEUAs (*aviation allowances*).

Emission reduction certificates:

- **ERU:** Emission reduction units (*ERU*) are certificates resulting from [Joint Implementation \(JI\)](#)⁷ projects carried out jointly by two industrialised countries in accordance with Article 6 of the Kyoto Protocol.
- **CER:** Certified emission reductions (*CER*) are certificates resulting exclusively from [Clean Development Mechanism \(CDM\)](#)⁸ projects in accordance with Article 12 of the Kyoto Protocol.
- **tCER:** Temporary CERs, or tCERs, are emission reduction certificates issued for a CDM afforestation or reforestation project. These certificates expire at the end of the following commitment period and may be renewed if CO₂ sequestration in the forest can be proven according to established procedures.
- **ICER:** Long-term CERs, or ICERs, are emission reduction certificates issued for a CDM afforestation or reforestation project. ICERs expire at the end of the project and therefore cannot be renewed. They must be replaced with other certificates if CO₂ sequestration cannot be proven every five years.

Attestations for domestic offset projects:

- **CHA:** Swiss attestations (*CHA*) are issued for emission reduction projects in Switzerland. The issuance of CHAs is subject to the implementation of emission reduction projects or

³ <http://www.bafu.admin.ch/emissions-trading>

⁴ http://unfccc.int/kyoto_protocol/mechanisms/emissions_trading/items/2731.php

⁵ http://unfccc.int/kyoto_protocol/mechanisms/emissions_trading/items/2731.php

⁶ http://ec.europa.eu/clima/policies/ets/index_en.htm

⁷ <http://ji.unfccc.int/index.html>

⁸ <http://cdm.unfccc.int/>

programmes in Switzerland that fulfill the criteria of the CO₂ legislation. CHAs can be used only by entities that have an obligation under the CO₂ Act to compensate their emissions.

Article 4 paragraph 2 of the CO₂ Ordinance specifies which emission reductions achieved abroad can be counted starting in 2013 in the framework of the CO₂ Act (see also chapter 2.2, [Quality requirements](#)). Only the following foreign emission reduction certificates may be counted:

- **Emission reduction units (ERUs)** resulting from Joint Implementation projects (JI, Article 6 of the Kyoto Protocol);
- **Certified emission reductions (CERs)** resulting from Clean Development Mechanism projects (CDM, Article 12 of the Kyoto Protocol).

tCERs and ICERs cannot be taken into account. AAUs and RMUs may not be counted as emission reductions achieved abroad.

Within the framework of the Swiss emissions trading scheme (ETS), only Swiss emission allowances (CHU2) can currently be used as emission allowances. AAUs and RMUs may not be used. Switzerland aims to link its ETS with that of the EU. Negotiations for an appropriate bilateral agreement are underway. If a linkage is successfully established, the logic of a single market would be applied, i.e., Swiss and European emission allowances would be deemed equal. ETS companies may therefore be able to buy emission allowances from the EU (EUA/aEUA) without restrictions.

Units: types, eligibility for fulfilment of obligations, tradability and eligibility for carry over					
(The following indications are valid until 30.04.2015 for units with applicable commitment period 1 and 2. As of 01.05.2015 these indications are only valid for units with applicable commitment period 2.)					
Units	Abbreviation	Unit type (Kyoto)	Eligibility for companies to meet their obligations within the framework of the CO ₂ Act	Tradability in Switzerland	Carry over in Switzerland from the 1 st to the 2 nd commitment period
Assigned amount unit	AAU	1	X	X	X
Removal unit	RMU	2	X	√	X
Swiss units	CHU2	-	√ (only by ETS companies)	√	-
European Union allowance	EUA, aEUA	-	X	X	X
Emission reduction unit (converted from AAUs)	ERU	3	√*	√	√*
Emission reduction unit (converted from RMU)	ERU	4	X	√	X
Certified emission reduction	CER	5	√*	√	√*
Temporary CER	tCERs	6	X	X	X
Long-term CER	ICERs	7	X	X	X

* Under certain conditions regarding quality, quantity and carry over

In addition, there are various types of voluntary/verified emission reductions (*VER, certificates for voluntary or verified emission reductions*) from the voluntary CO₂ market that meet the standards of private institutions outside the internationally recognised UN system. These include, for example, the Gold Standard Voluntary Emission Reduction (VER) certificates of the Gold Standard Foundation, Verified Carbon Units (VCU) of the Verified Carbon Standard (VCS) and "Plan Vivo Certificates" of the Plan Vivo Foundation. Certificates from the voluntary market can neither be counted by Parties toward

their emission reduction commitments under the Kyoto Protocol nor by Swiss companies toward their legally binding commitments under the CO₂ Act. They are used by companies, NGOs or individuals to try to reduce their ecological footprint beyond legal requirements.

Certificates that are valid for the commitment period 2008-2012 can be surrendered only until 30th April 2015 according to the CO₂ Ordinance for meeting an obligation under the CO₂ Act or can be traded nationally and internationally. After this date, international entries, national transfers and surrendering transactions of these certificates in the Swiss Emissions Trading Registry will be blocked. To allow certificates of the first commitment period to be used also in the second commitment period (2013-2020), the Confederation have to submit – within specific quantitative restrictions - to the Secretariat of the UNFCCC a request to carry over these certificates.

The CO₂ Ordinance specifies who is eligible for carrying over certificates and the respective quantities. The Confederation and those stakeholders that are entitled to use certificates to fulfill their legal obligations according to the CO₂ Act are so allowed (Art. 139 para. 1 CO₂ Ordinance). The CO₂ Ordinance does not allow other stakeholders to carry over certificates and does not allow carry-over of other unit types (AAUs, RMUs, ICERs, tCERs).

Certificates that are valid for the commitment period 2008-2012 for which a carry-over request has not been submitted within the deadlines and certificates that do not fulfill the applicable quality requirements of Art. 4 of the CO₂ Ordinance are no longer valid in the second commitment period. These certificates will be cancelled by FOEN from 1. Mai 2015 in the Swiss Emissions Trading Registry.

2. Quality of Emission Reduction Certificates

2.1 What is the legal framework in Switzerland regarding the quality of the certificates?

Article 6 of the CO₂ Act requires the Federal Council to specify quality requirements for emission reductions achieved abroad. These quality requirements must at least ensure that only reductions that would not have resulted without support from Switzerland are counted, that they contribute to domestic sustainable development and that they have no negative social or ecological impacts (Art. 6 para. 2 CO₂ Act).

The first criterion relates to the additionality of the projects, i.e. the emissions would not have been reduced without the prospect of selling certificates and/or without direct or indirect financing by emitters that are subject to the requirements of the CO₂ Act.

In Article 4 Paragraph 2 of the CO₂ Ordinance, the Federal Council implemented the Act and specified quality requirements for eligible emission reductions achieved abroad. In accordance with these quality requirements, emission reductions achieved according to the rules of the UNFCCC (including the Kyoto Protocol) are taken into account as long as they are not from project types or specific projects listed as excluded (Appendix 2, CO₂ Ordinance).

The quality requirements defined in the Ordinance apply to all emission reduction certificates issued starting in 2013 under the Act, regardless of whether they are surrendered to meet reduction commitments by ETS companies and companies with reduction obligations or the compensation obligations of fossil fuel thermal power plants.

2.2 What are the quality criteria that determine the eligibility of certificates?

Because the quality of emission reduction certificates varies by project type, the Ordinance sets out in Appendix 2 the types of projects that may not be counted under the law (list of excluded types).

The quality requirements must be fully satisfied when the certificates are counted towards fulfilling the emitter's commitments under the CO₂ Act.

Eligible project types in Switzerland are, for example:

- energy efficiency of the end user: agriculture, households, industry (only for ultimate consumption), services, transport;
- renewable energy: biomass, geothermal, hydro power with a maximum installed production capacity of 20 MW, landfill gas, methane avoidance (excluding coal bed methane / coal mine methane), various renewable sources, solar, tidal, wind energy).

Ineligible in Switzerland are, as in the EU ETS starting from 2013:

- emission reduction certificates from the use of nuclear energy;
- emission reduction certificates from biological CO₂ sequestration, i. e. afforestation/reforestation and other non-permanent emission reductions in forestry and agriculture (tCERs, ICERs, ERUs converted from RMUs);
- already used emission reduction certificates, in particular CERs/ERUs that were recycled in the framework of the EU ETS in or before 2010;
- emission reduction certificates from projects for the reduction of HFC-23 and N₂O emissions from the production of adipic acid;

- emission reduction certificates from CDM projects registered after December 31, 2012 and realized in countries that are not deemed least developed countries (LDCs);
- emission reduction certificates for emission reductions achieved after 31 December 2012 from JI projects.

In addition, the following are **ineligible** in Switzerland:

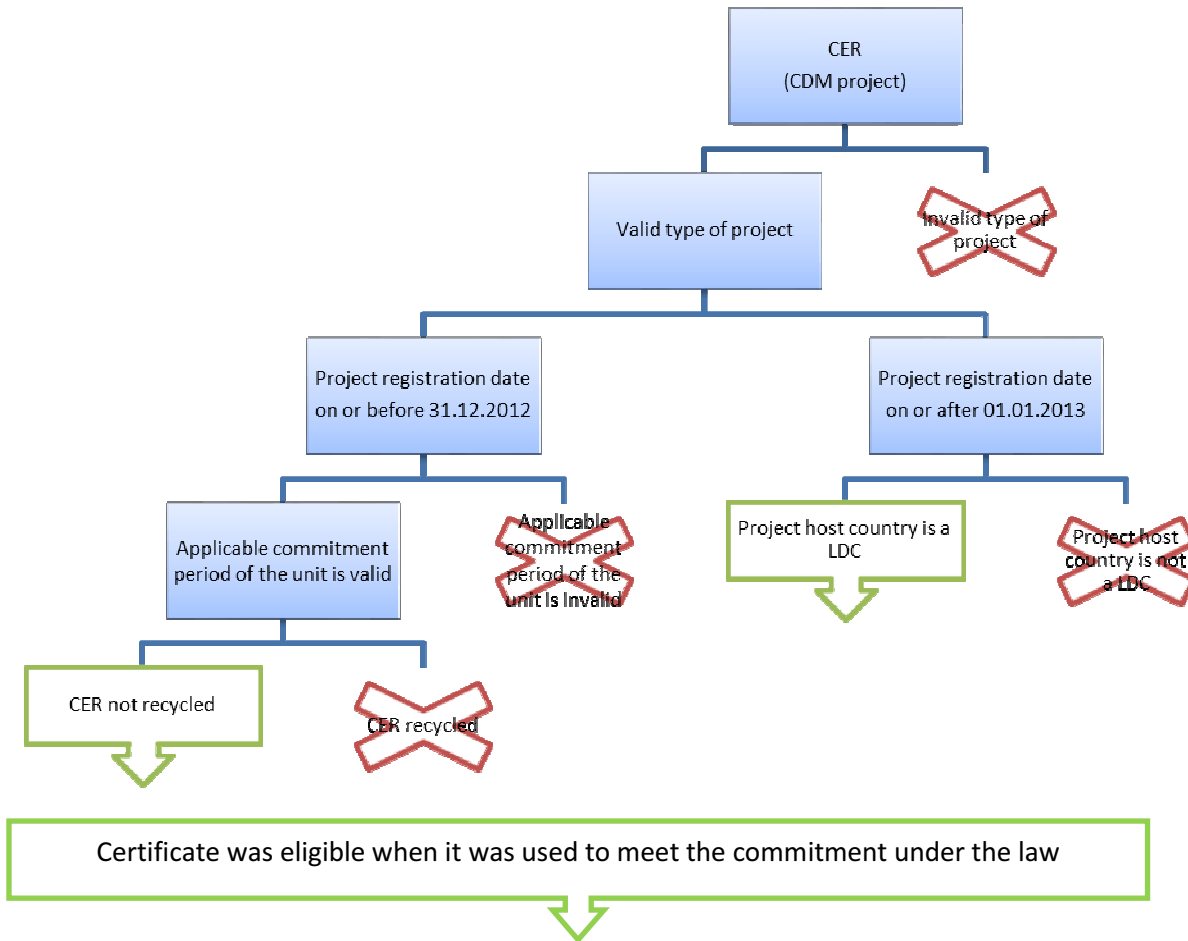
- emission reduction certificates from projects for geological CO₂ capture and sequestration (CCS);
- emission reduction certificates from large hydroelectric power plants with an installed production capacity of more than 20 MW;
- emission reduction certificates from types of projects that use non-renewable energy or do not improve the energy efficiency of end-users. The following in particular fall into this category: energy efficiency of the manufacturer's site, including power distribution and power generation; emission reductions in the production of power/fossil fuels or the consumption of fossil fuels, such as coal bed methane / coal mine methane and coal-fired plants; other industrial gases (N₂O, PFC and SF₆); substitution of fossil fuels by other fossil fuels for the production of power; fugitive emissions; substitution of clinker in cement production.
- emission reduction certificates from projects in which human rights were violated or that had significant negative social or environmental effects, and emission reduction certificates, the counting of which would contravene Swiss foreign and development policy.

Finally, the applicable commitment period (period of validity of the certificates) is decisive for the calculation of emission reduction certificates for the company's fulfilment of obligations for the period 2013-2020 (see chapter 2.9).

Generally speaking, CDM and JI projects certified by the [Gold Standard](#)⁹ label (which guarantees ambitious sustainable development criteria) can be assumed to meet the eligibility criteria for the types of emission reduction projects that are eligible in Switzerland. There are, however, exceptions: in particular, hydropower projects with over 20 MW of installed production capacity are in some cases eligible for the Gold Standard. Additional examples are certain waste heat or waste gas recovery projects for producing electricity that are eligible for the Gold Standard, but not eligible in Switzerland because they do not improve energy efficiency of end-users. The Gold Standard also does not restrict the country in which a project is implemented (host country). If in doubt about the eligibility of a project, you can contact [SwissFlex](#).

⁹ <http://www.cdmgoldstandard.org/>

Schematics for determining the eligibility of emission reduction certificates



For more information:

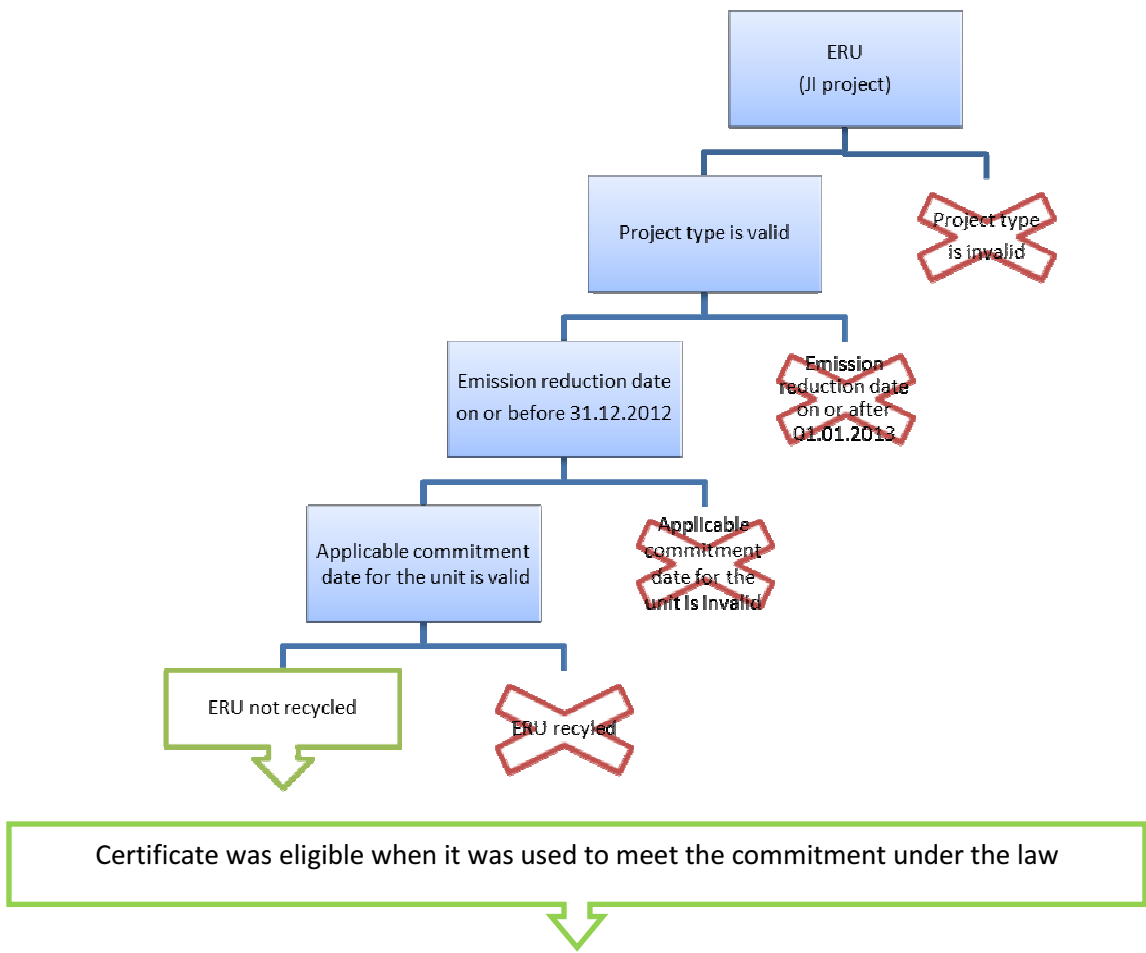
[Project types](#) (chapter 2.5)

[Project registration date](#) (chapter 2.7)

[Applicable commitment period of the unit](#) (chapter 2.10)

[Host country and less developed countries \(LDCs\)](#) (chapter 2.8)

[Recycled CERs](#) (chapter 2.11)



For more information:

[Project types](#) (chapter 2.5)

[Date of emission reduction](#) (chapter 2.9)

[Applicable commitment period of the unit](#) (chapter 2.10)

[Recycled CERs](#) (chapter 2.11)

2.3 How can project features be found on the UNFCCC website?

All CDM or JI emission reduction projects are listed in a database that is accessible on the web site of the United Nations Framework Convention on Climate Change (UNFCCC). Visible are the project features that are relevant for determining whether the specific emission reduction certificates meet the quality requirements of the CO₂ Act. The status of each project also is indicated (e.g. registered, rejected).

CDM research projects: [CDM projects](#)¹⁰ can be searched for by title or reference number.

Project Search	
More information on project status	Programme of Activities
+ Requesting renewal of Crediting Period + Pending publication + Requesting registration (93) + Under review (0) + Review requested (32)	+ Corrections requested (3) + Registered (4304) + Rejected (224) + Withdrawn (56)
+ Background + Registered + Requesting registration + Validation + Corrections requested	+ Rejected + Review requested + Under review + Withdrawn

Search Criteria [Advanced Search]	
Title:	<input type="text"/>
Sectoral Scopes:	Find results that are in <input type="button" value="any"/> of the selected: Energy industries (renewable - / non-renewable sources) (1) Energy distribution (2) Energy demand (3) Manufacturing industries (4) Chemical industries (5)
Scale:	<input type="button" value="All"/>
Status:	<input type="button" value="All"/>
Reference number:	<input type="text"/>
Sort by:	<input type="button" value="Registration Date"/> descending: <input type="checkbox"/>
<input type="button" value="Search"/> <input type="button" value="Reset Query"/>	

Source: <http://cdm.unfccc.int/Projects/projsearch.html>

















¹⁰ <http://cdm.unfccc.int/Projects/projsearch.html>

CDM project information: The data base provides access to all project documents, particularly the project description, and information such as the host country and project registration date.

Project 0121: Bagepalli CDM Biogas Programme	
Project title	Bagepalli CDM Biogas Programme - project design document (402 KB) - registration request form (137 KB)
Host Parties	India approval (311 KB) authorization (311 KB) Authorized Participants: Agricultural Development and Training Society
Other Parties Involved	France approval (65 KB) authorization (65 KB) Authorized Participants: Velcan Energy Switzerland , involved indirectly approval (174 KB) authorization (174 KB) Authorized Participants: Velcan Energy Germany , involved indirectly approval (2185 KB) authorization (2185 KB) Authorized Participants: Atmosfair gGmbH
Sectoral scopes	1 : Energy industries (renewable - / non-renewable sources)
Activity Scale	SMALL
Methodologies Used	AMS-I.C. ver. 5 - Thermal energy for the user
Amount of Reductions	19,553 metric tonnes CO2 equivalent per annum
Fee level	USD 10000
Validation Report	Explanation of taking due account of comments (70 KB) List of documents (103 KB) List of interviewed persons (70 KB) List of interviewed persons (70 KB) Modalities of Communication valid as of 08/03/2011 MoC Annex 2 (Add Project Participant) valid as of 04/07/2011 MoC Annex 2 (Change/update authorized signatory, name or contact details) valid as of 31/08/2010 MoC Annex 2 (Change/update authorized signatory, name or contact details) valid as of 15/09/2009 Other documents (descriptions provided by the DOE) Validation Report and Protocol (354 KB) Public availability information The validation report will be made publicly available with this request for registration. Compilation of all comments received (70 KB)
Registration Date	10 Dec 05 view history
Crediting Period	01 Sep 06 - 31 Aug 13 (Renewable) Changed from: 18 Dec 05 - 17 Dec 12:
Requests for Issuance and related documentation	Monitoring report: 01 Sep 2006 - 31 Aug 2007 (353 KB) Issuance request state: Issued CERs requested: 11751 Serial Range: Block start: IN-5-34101316-1-1-0-121 Block end: IN-5-34113076-1-1-0-121 [Full view and history] Monitoring report: 01 Sep 2007 - 31 Jul 2009 (190 KB) Issuance request state: Issued CERs requested: 35872 Serial Range: Block start: IN-5-90994173-1-1-0-121 Block end: IN-5-91030044-1-1-0-121 [Full view and history]

Source: <http://cdm.unfccc.int/Projects/projsearch.html>

JI research projects: [JI projects](#)¹¹ can be searched for by title or reference number (ID).

Project Overview		Track 1" (select/unselect all)	Track 2" (select/unselect all)
	Belgium	<input type="checkbox"/>	<input type="checkbox"/>
	Bulgaria	<input type="checkbox"/>	<input type="checkbox"/>
	Czech Republic	<input type="checkbox"/>	<input type="checkbox"/>
	Estonia	<input type="checkbox"/>	<input type="checkbox"/>
	Finland	<input type="checkbox"/>	<input type="checkbox"/>
	France	<input type="checkbox"/>	<input type="checkbox"/>
	Germany	<input type="checkbox"/>	<input type="checkbox"/>
	Hungary	<input type="checkbox"/>	<input type="checkbox"/>
	Lithuania	<input type="checkbox"/>	<input type="checkbox"/>
	New Zealand	<input type="checkbox"/>	<input type="checkbox"/>
	Poland	<input type="checkbox"/>	<input type="checkbox"/>
	Romania	<input type="checkbox"/>	<input type="checkbox"/>
	Russian Federation	<input type="checkbox"/>	<input type="checkbox"/>
	Spain	<input type="checkbox"/>	<input type="checkbox"/>
	Sweden	<input type="checkbox"/>	<input type="checkbox"/>
	Ukraine	<input type="checkbox"/>	<input type="checkbox"/>
Search all projects under the selected "Track(s)" and hosted by the Party(ies) indicated:		<input type="button" value="Search projects"/>	
Search by project title:		<input type="text"/>	<input type="button" value="Search projects"/>
Search by ITL project ID:		<input type="text"/>	<input type="button" value="Search projects"/>







Project title

Project reference number

Source: http://ji.unfccc.int/JI_Projects/ProjectInfo.html

¹¹ http://ji.unfccc.int/JI_Projects/ProjectInfo.html

Jl project information: The data base provides access to all project documents, including the project description.

BG1000155: Kaliakra Wind power project	
Last updated	20 Aug 10
ITL project ID	BG1000155
Project title	Kaliakra Wind power project
Project location	Municipality of Kavarna, Bulgarevo Village
Host Party	Bulgaria
Other Party	Japan
Type of Project	
Fee to be paid	
Sectoral scope(s)	1: Energy industries (renewable/non-renewable sources)
"Track"	1
LULUCF project	No
Total Emission reductions expected	81400.0 t CO ₂ equivalent
Crediting period	01 Jan 2008 - 31 Dec 2012
Project information provided by host Party	<p>Project documentation:</p> <ul style="list-style-type: none">  project summary (13 MB)  PDD (13 MB)  Determination report (13 MB)  Annex (13 MB)  Untitled (uploaded 27 May 10 14:51:31) (22 KB)  Letter of Approval Japan 29.01. 2010 (28 KB) <p>Project related text:</p> <p>Letter of Approval Government of Japan: 29.01. 2010 Letter of Approval Government of Bulgaria: Number: 26-00-2924 f</p> <p>The Kaliakra Wind Power Project includes within its scheme the cor the nearest substation. The energy will be delivered to Bulgarian na The area identified for the Project shows to be a good wind location</p>
Current status of the project	Operational
Total verified emission reductions	119024.0 t CO ₂ equivalent
Additional information (as appropriate)	

Source: http://ji.unfccc.int/JI_Projects/ProjectInfo.html

2.4 How are the features of a project and the corresponding emission reduction certificates seen in the Swiss Emissions Trading Registry?

Information relevant for determining whether the specific emission reduction certificates meet the quality requirements of the CO₂ Act also is visible in the [Swiss Emissions Trading Registry](#)¹².

The emission reduction certificates can be identified by their serial number, which is assigned according to the technical specifications of the Kyoto Protocol¹³. Each unit has an individual serial number that contains specific information about the project's host country, the type of unit (AAU, RMU, ERU, CER, tCER, ICER), the original commitment period of the unit and the applicable commitment period of the unit.

Serial Number Identifiers										
1	2	3	4	5	6	7	8	9	10	11
XX	1		000,000,000,000,001	999,999,999,999,999	01	01	1	0000001	1	XX/YY/ZZ

Identifier	Range or Codes		
1	Originating Registry	Two-letter country codes in ISO3166, as of 01 January 2005	Project host country
2	Unit Type	1 = AAU, 2 = RMU, 3 = ERU converted from AAU, 4 = ERU converted from RMU, 5 = CER, 6 = tCER, 7 = ICER	Unit type (AAU, RMU, ERU, CER, tCER, ICER)
3	Supplementary Unit Type	Blank for Kyoto-only Units, or as defined by STL (supplementary transaction log)	
4	Unit Serial Block Start	Unique numeric values assigned by registry from 1 - 999,999,999,999,999	
5	Unit Serial Block End	Unique numeric values assigned by registry from 1 - 999,999,999,999,999	Original commitment period of the unit
6	Original Commitment Period	1 - 99	
7	Applicable Commitment Period	1 - 99	Applicable commitment period of the unit
8	LULUCF Activity	1 = Afforestation and reforestation, 2 = Deforestation, 3 = Forest management, 4 = Cropland management, 5 = Grazing land management, 6 = Revegetation	
9	Project Identifier	Numeric value assigned by registry for Project, unique per originating registry. The Project Number is the combination of the Originating Registry and the Project Identifier.	Project reference number
10	Track	1 or 2	
11	Expiry Date	Expiry Date for tCERs or ICERs	Track of a JI project

Source: *CDM in charts*, version 22.0, April 2013, Institute for Global Environmental Strategies (IGES), page 65, <http://pub.iges.or.jp/index.html>

¹² <http://www.emissionsregistry.admin.ch>

¹³ *Data Exchange Standards for Registry systems under the Kyoto Protocol – Technical Specifications*, Annex F, page F-2, http://unfccc.int/kyoto_protocol/registry_systems/items/2723.php (current version: top-right)

The type of unit (e.g. CER, ERU, CHU2) and the quantity of units held in an account are easy to find in the [Swiss Emissions Trading Registry](#)¹⁴.

Once the login information has been validated, click on the account number to see its details. A list is then displayed, showing the quantity of units for each type of unit.

Example:

Accounts



Account details

Unit Type	Applicable CP	Balance	New Transaction		
			Transfer	Surrendering	Voluntary Cancellation
▶ 3-0-ERU (AAU)	2008-2012				
▶ 5-0-CER	2008-2012				
Balance		17,143,934			

→ Transaction list → **Units** → Account management → Accounts

Source: Swiss Emissions Trading Registry

Likewise, by clicking on the type of unit, it is possible to see a detailed list of the units held in an account and the following features (see also Chapter 2.3): host country, type of unit, original and applicable commitment period of the unit and the project reference number. For JI projects, the track is also indicated. For temporary units (tCER, ICER), the expiry date is mentioned.

Example:

Accounts

Unit Blocks

Unit Type	All	Original Period	All	Applicable Period	All
Originating Country	All	From Start Block		To End Block	
Project ID		Track	All		

23 items, displaying 1 to 20. | [First/Prev] 1,2 [Next/Last]

Originating Country	Unit Type	Block ID	Start Block	End Block	Original CP	Applicable CP	LULUCF Activity	Project ID	Track	Expiry Date
IN	5-0-CER				1	1		IN838		
RU	3-0-ERU (AAU)				1	1		RU1000434	1	

Source: Swiss Emissions Trading Registry

2.5 How can the eligibility of emission reduction certificates be determined?

The type of emission reduction project can be determined from the [project title or project description](#) (chapter 2.3) available on the UNFCCC website.

The eligibility of emission reduction certificates can be determined with the [whitelist](#)¹⁵ in the Swiss Emissions Trading Registry.

¹⁴ <http://www.emissionsregistry.admin.ch>

¹⁵ <https://www.emissionsregistry.admin.ch/crweb/public/whitelist/list.do>

2.6 How is the registration date of CDM projects determined?

A CDM project that has been registered before 31 December 2012 is not subject to host-country restrictions. Emission reductions from CDM projects that are registered after 31 December 2012 and carried out in non-LDCs ([least developed countries](#), chapter 2.7) are excluded (Appendix 2 No. 1 letter a and No. 3 letter a CO₂ Ordinance). This means that the emission reductions of a project registered on or after 1 January 2013 will only be eligible in Switzerland if the project is carried out in an LDC.

The [project registration date](#) can be found on the UNFCCC website (chapter 2.3).

Please note that the renewal of the crediting period has no influence. Likewise, the relevant date for the Programme of Activities (PoA) is the registration date of the PoA and not the date on which new activities (CDM programme activity, CPA) are added to the PoA.

2.7 Which countries are least developed countries (LDCs)?

Emission reductions from CDM projects that are registered after 31 December 2012 and carried out in non-LDCs (least developed countries) will be excluded (Appendix 2 No. 1 letter a and No. 3 letter a CO₂ Ordinance). This means that the emission reductions of a project registered on or after 1 January 2013 will only be eligible in Switzerland if the project is carried out in a LDC.

The [host country](#) can be identified from the serial number on the certificates or the information published on the UNFCCC website (chapter 2.3).

The [list of LDCs](#)¹⁶ is compiled by the Committee for Development Policy and approved by the Economic and Social Council of the United Nations.

The date on which the host country must appear on the list of LDCs is the project registration date. If the host country is removed from the list after the [project registration date](#) (chapter 2.6), the eligibility of the certificates resulting from the project is not affected in any way.

The eligibility of emission reduction certificates can be determined with the [whitelist](#)¹⁷ in the Swiss Emissions Trading Registry. For Programms of Activities (PoAs) of the CDM, please read carefully the information under "country code". Only units from PoAs for which the host country fulfills the quality requirements of the CO₂ Ordinance are included in the whitelist. This is especially important for PoAs that have been registered as of 1st January 2013, where the requirement regarding the host country applies.

2.8 How is the date of JI project emission reductions determined?

Emission reductions units (ERUs) of JI projects achieved after 31 December 2012 are excluded (Appendix 2 No. 1 letter a and No. 3 letter b CO₂ Ordinance).

For emission reductions issued under "[Track 2](#)", under the supervision of the Joint Implementation Supervisory Committee (JISC), there is no specific requirement because, under "Track 2", issuance of ERUs can take place only for emission reductions achieved on or before 31 December 2012. The date of the emission reductions appears in the serial number under "[initial period](#)" (chapter 2.4).

Companies that would like to have emission reduction certificates from "[Track 1](#)" projects (without JISC supervision) counted must prove the date of the emission reductions by means of a verification

¹⁶ http://www.un.org/en/development/desa/policy/cdp/ldc_info.shtml

¹⁷ <https://www.emissionsregistry.admin.ch/crweb/public/whitelist/list.do>

report. The verification report must be created by a UNFCCC- accredited verification body in accordance with decision 9/CMP.1 (so-called «Accredited Independent Entity», AIE).

The Track of a JI project can be determined from the serial number:

Serial Number Identifiers										
1	2	3	4	5	6	7	8	9	10	11
XX	1		000,000,000,000,001	999,999,999,999,999	01	01	1	0000001	1	XX/YY/ZZ

10	Track	1 or 2
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Track of a JI project

Source: *CDM in charts*, version 22.0, April 2013, Institute for Global Environmental Strategies (IGES), page 65, <http://pub.iges.or.jp/index.html>

2.9 How can the applicable commitment period of a certificate be determined?

The applicable commitment period corresponds to the period in which an emission reduction certificate is eligible. This feature ensures that the counting of emission reduction certificates is consistent with the Parties' emission reduction commitments under the Kyoto Protocol over the same period.

According to the modalities of the Kyoto Protocol, all certificates are assigned an original commitment period (period in which the emissions are reduced) in their serial number that initially corresponds to the applicable commitment period (period in which the certificate can be counted).

A period is set determined in accordance with the commitment period agreed upon by the Parties to the Kyoto Protocol. Period (1) corresponds to 2008-2012, and period (2) corresponds to 2013-2020.

The [applicable commitment period of a certificate](#) can be determined from the serial number (chapter 2.4):

Serial Number Identifiers										
1	2	3	4	5	6	7	8	9	10	11
XX	1		000,000,000,000,001	999,999,999,999,999	01	01	1	0000001	1	XX/YY/ZZ

7	Applicable Commitment Period	1 - 99
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Applicable commitment period of the unit

Source: *CDM in charts*, version 22.0, April 2013, Institute for Global Environmental Strategies (IGES), page 65, <http://pub.iges.or.jp/index.html>

To fulfill obligations under the CO₂ Act (the 2013-2020 period), certificates counted must be from the commitment period (2) applicable at the time of the transfer, with the exception of certificates issued on or before 30th April, which can be from the first commitment period (1).

The greenhouse gas inventory of the Parties for the last year of the commitment period (2012) must be verified according to an international review process by mid-2015. The Confederation can submit a request to the Secretariat of the United Nations Framework Convention on Climate Change to carry over unused certificates from the first commitment period to the second commitment period (which entails a change in the certificate's serial number). The certificates that are not included in a carry-over request will not be valid in the second commitment period and will have to be deleted. These certificates are cancelled in accordance with decision 13/CMP.1 (Annex, para. 36) under the Kyoto Protocol.

2.10 How are recycled CER/ERUs identified?

Recycled CER/ERUs may not be counted towards the fulfilment of obligations under the CO₂ Act, particularly certificates that have already been used within the EU Emissions Trading Scheme (EU ETS) and recycled by 2010. A [list of recycled CER/ERUs](#)¹⁸, entitled “List of CERs that have been surrendered under EU ETS”, is available on the European Commission’s Web site. This list shows the [serial numbers](#) (chapter 2.4) of the certificates that have already been used.

2.11 Which specific projects are ineligible?

In accordance with Appendix 2 No. 2 of the CO₂ Ordinance, specific projects or approaches can be excluded if they violate human rights, have direct serious ecological or social impacts or contravene Swiss foreign and development policy (e.g. if there are international sanctions against the project’s host country).

2.12 What should be done with certificates that are ineligible in Switzerland starting in 2013?

Qualitative restrictions of the CO₂ Act and the applicable CO₂ Ordinance apply only to the eligibility of certificates in the framework of legal obligations in the 2013-2020 period.

The certificate eligibility restrictions do not apply to trading activities or certificates held in the Swiss registry for purposes other than meeting commitments under the CO₂ Act.

2.13 What is the process for determining the eligibility of certificates?

The Swiss Emissions Trading Registry will perform an automatic quality control process before allowing certificates to be counted toward the reduction or compensation commitments of emitters. The FOEN will implement this quality control and examine the quantitative restrictions based on the criteria and exclusions (Arts. 3(1), 48, and 75 CO₂ Ordinance, Art. 22 para. 2 CO₂ Act) that are in effect on the date that the emitters surrender certificates to be counted toward their objectives.

To ensure that the certificates they have purchased will be counted rather than rejected as ineligible, the FOEN recommends that companies inform their certificate providers of the quality requirements in force in Switzerland (Art. 4 para. 2 CO₂ Ordinance) and to refer to these requirements in the purchase agreement.

2.14 How might the quality criteria potentially change?

The list of exclusions (Appendix 2 CO₂ Ordinance) will be periodically updated and, if necessary, additional types of projects that do not meet the criteria of Article 6 of the CO₂ Act may be added.

Appropriate transitional periods will be provided. Companies should be allowed to continue to use emission reduction certificates, for example, that were acquired in good faith before the quality requirements were changed, until the end of 2020.

¹⁸ http://ec.europa.eu/clima/policies/ets/registry/documentation_en.htm

2.15 Which quality criteria apply to letters of approval/authorisation (LoA)?

For [letters of approval/authorisation \(LoA\)](#)¹⁹ for direct participation in CDM or JI projects, Art. 4a of the CO₂ Ordinance applies. According to this article, the same quality criteria apply as for the eligibility of certificates within the framework of the CO₂ Act (Appendix 2 CO₂ Ordinance). These aspects and the procedure to request letters of approval or authorization are defined in the Communication of the FOEN in its capacity as the enforcement authority of the CO₂ Ordinance, in relation to participation in CDM or JI projects.

¹⁹ <http://www.bafu.admin.ch/cdm-e>

3. Contact

3.1 Who should I contact if I have questions?

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