

# **AGREEMENT**

between

the Swiss Confederation,

represented by

the **Federal Department of the Environment,  
Transport, Energy and Communications (DETEC)**

3003 Berne

and

the **Climate Cent Foundation**

Freiestrasse 167

8032 Zurich

regarding the

**Climate Cent**

(amendment to the agreement dated 30 August 2005 between the  
same parties)

**Preamble**

On 30 August 2005, the Swiss Confederation agreed with the Climate Cent Foundation that the Climate Cent Foundation would finance climate protection projects in Switzerland and abroad using funds stemming from a voluntary charge levied by the private sector on fuels (petrol and diesel oil), thus contributing to reducing CO<sub>2</sub> emissions at a yearly rate of 1.8 million t CO<sub>2</sub>.

According to recent calculations by the Federal Office for the Environment (FOEN), Switzerland will miss its emissions reductions target as set by the Swiss CO<sub>2</sub> Law for the period 2008 to 2012 by a yearly 0.5 million t CO<sub>2</sub> (2.5 million t CO<sub>2</sub> overall). This is due to delays in introducing several instruments of climate policy (carbon tax on combustibles, bonus/malus system for the import tax on passenger cars, as well as promotion of biogenic and natural gas fuels).

In its definitive business plan dated 29 June 2007, the Climate Cent Foundation records a strategic reserve of 106 million Swiss Francs, which can be made available in order to achieve further reduction targets. The Foundation is furthermore expecting to exceed its contractual targets. The Climate Cent Foundation and the Swiss Confederation have agreed to use the strategic reserve to provide an additional contribution to the achievement of Switzerland's emissions reductions target.

To this end, the contracting parties conclude a contract which amends the agreement of 30 August 2005.

In setting this supplemental agreement's reduction target, the parties align themselves on the gap in emissions reductions computed by FOEN. In addition, they have agreed on a risk margin of a further 0.1 million t CO<sub>2</sub> per year.

**1. Object of the agreement**

This supplemental agreement to the contract between the Swiss Confederation and the Climate Cent Foundation dated 30 August 2005 does not affect the original contractual relationship, insofar as the

present agreement does not expressly stipulate modifications or additions.

## **2. Additional duties of the Climate Cent Foundation**

Beyond the reduction of CO<sub>2</sub> emissions agreed by contract on 30 August 2005 (min. yearly average of 1.8 million t CO<sub>2</sub> over the years 2008 to 2012, i.e. 9 million t CO<sub>2</sub> in total), the Climate Cent Foundation commits to reducing CO<sub>2</sub> emissions by a further 0.6 million t CO<sub>2</sub> annually (averaged over the years 2008 to 2012, i.e. 3.0 million t CO<sub>2</sub> in total).

## **3. Ratio of reductions within Switzerland and abroad**

Of the CO<sub>2</sub> reduction targets set in the context of this supplemental agreement (yearly average of 0.6 million t CO<sub>2</sub> resp. 3.0 million t in total over the stipulated period 2008 to 2012), at least 0.2 million t CO<sub>2</sub> in yearly average resp. 1 million t CO<sub>2</sub> overall must be achieved through projects within Switzerland.

The imputability (additionality) of projects towards meeting the reduction target set in this supplemental agreement is determined according to the existing agreement dated 30 August 2005 and the basic principles since then jointly established by the parties as regards the imputation of impact.

## **4. Imputability of over-fulfilments of voluntary target agreements**

The volume of over-fulfilments of voluntary target agreements within Switzerland which may be imputed by 2012 is limited.

In order to meet the targets set in the agreement dated 30 August 2005, a total of 81'000 t CO<sub>2</sub> stemming from voluntary target agreements have already been allowed at auction for the period 2008 to 2012.

In order to meet the targets set in this supplemental agreement, further over-fulfilments of voluntary target agreements are permitted within a maximum total range of 100'000 t CO<sub>2</sub> over the period 2008 to 2012 (max. 20'000 t CO<sub>2</sub> in yearly average). The Foundation notifies DETEC

of the auditing timeline for affected voluntary target agreements, and ensures that companies which sell over-fulfilments of voluntary target agreements to the Foundation must disclose to DETEC the annual analysis generated by EnAW's monitoring system.

#### **5. Carbon tax on motor fuels**

By way of clarifying the agreement dated 30 August 2005, it is established that on 20 February 2008, the Federal Council decided to put up for discussion in the context of the revision of the Swiss CO<sub>2</sub> Law the issue of a carbon tax levied also on fuels. A carbon tax on fuels could thus be introduced in 2013 at the earliest. This is subject to political developments which lie outside DETEC's sphere of influence.

#### **6. Transferability of excess certificates**

The transferability to a subsequent commitment period after 2012 of foreign certificates held by the Foundation which are not needed to meet the targets set by this agreement lies outside the scope of this agreement and shall be established at a later date.

#### **7. Salvo**

The present agreement becomes null and void if the Federal Council does not amend article 5 paragraph 1 of the Decree on the crediting of emissions reductions achieved abroad (CO<sub>2</sub> Imputation Decree) dated 22 June 2005 (as at 1 July 2007) by late 2009 to the effect that the Climate Cent Foundation may compensate a further yearly average of 0.4 million t CO<sub>2</sub> resp. a total of 2 million t CO<sub>2</sub> abroad.

#### **8. General provisions**

The provisions of the agreement dated 30 August 2005 relating to the duration of the agreement, its termination and applicable legislation apply by analogy.

**9. Annexes**

The supplemental agreement takes precedence over the annex. The annex forms an integral part of the agreement.

Annex: Business Plan Supplemental Agreement

Berne, ...

Swiss Confederation,  
represented by the  
**Federal Department of the Environment,  
Transport, Energy and Communications  
(DETEC)**

Moritz Leuenberger  
Federal Councillor

**Climate Cent Foundation**

David Syz  
President

Ronald Ganz  
Vice President