

SWISS CHARTER



Climate Protection
by Recycling



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Introduction

The Swiss Charter is a principles-driven document that defines a framework for an environmentally, economically, and socially responsible code of conduct when implementing climate protection projects based on recycling. This document describes the implementation of climate protection projects in conformity with the Swiss Charter. It covers the principles and rules to be followed when developing methodologies and projects, and sets specifications for sustainable social, environmental, economic, and technological development benefits of projects.

The Swiss Charter has been developed by SENS International Foundation, Obstgartenstrasse 28, 8006 Zurich, Switzerland. SENS International Foundation is entitled to endorse any changes or updates to this document.

Project operators that adhere to the procedures under the Swiss Charter are entitled to the issuance of «Swiss Charter Units» which are measured in tons of CO₂-equivalents [t CO₂e] and represent greenhouse gas emission reductions that are real, permanent, measurable, additional, and independently verified. Furthermore, Swiss Charter Units are tied to the achievement of measurable and socially, environmentally, economically, and technologically sustainable development benefits.

Swiss Charter Units represent greenhouse gas emission offsets from projects with an outstanding and traceable contribution to sustainable development. Governmental and non-governmental institutions, companies, and individuals can use the units to offset greenhouse gas emissions on a voluntary basis or to demonstrate leadership and responsibility in fighting climate change.

Preface

Swiss Agency for Development and Cooperation (SDC)

The SDC is committed to finding global solutions to help reduce the effects of climate change. The organisation supports innovative approaches that contribute to the reduction of emissions, adaptation to climate change, and the implementation of international legislation.

The Swiss Charter is a set of rules and regulations for climate protection projects that has been defined to govern the recycling of electrical and electronic waste materials, particularly old refrigerator units containing CFCs in developing and emerging economies.

The SDC believes that climate protection projects implemented under the Swiss Charter have enormous potential to bring about change. These projects make a significant contribution to reducing greenhouse gas emissions and slow down the depletion of the ozone layer. Projects under the Swiss Charter are therefore in line with the objectives of the Montreal and the Kyoto Protocol.

The Swiss Charter sets exacting standards for the ecological, economic and social acceptability of recycling projects. In particular, the SDC welcomes the fact that the remit of the Swiss Charter is not restricted to reducing greenhouse gases, but also places a high value on improving the income situation of disadvantaged social groups.

The requirements for climate protection projects established in the Swiss Charter are consistent with the SDC's development policy goals: on the one hand, projects under the Swiss Charter create new job opportunities and generate sustainable employment at a variety of qualification levels. On the other hand they encourage global climate action partnerships between the public and private sectors in the area of reducing greenhouse gas emissions.

Above and beyond this, Swiss Charter projects facilitate the transfer of knowledge and technology from north to south and open up the potential for future south-south know-how transfer as the projects are disseminated within developing and emerging nations. Finally, they also provide important stimulus for the establishment of the basic legal frameworks to govern the environmentally sound disposal of hazardous substances contained in domestic appliances.

For these reasons, the SDC supports and welcomes climate protection projects implemented under the Swiss Charter.

Jörg Frieden, Assistant Director General

Head of Department Global Cooperation,
Swiss Agency for Development and Cooperation

Statement

Federal Office for the Environment (FOEN)



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of the Environment,
Transport, Energy and Communications DETEC

Federal Office for the Environment FOEN
Climate, Economics, Environmental Observation Division

July 15, 2009

Swiss Charter «Climate Protection by Recycling» - Statement of the Climate, Economics and Environmental Observation Division of the Federal Office for the Environment (FOEN)

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The Swiss Charter defines the basic conditions for a so far almost entirely unnoticed area of climate protection: the recycling of electric and electronic equipment in developing countries and emerging markets. It specifically targets recycling programs for the reduction of climate affecting and ozone-depleting substances like chlorofluorocarbon (CFC) and thus directly and effectively help to protect the climate and the ozone layer.

In the Montreal Protocol there is currently no binding international commitment to destroy old CFC stock. Simultaneously, the Kyoto protocol is limited to CO₂, CH₄, N₂O, HFC, PFC and SF₆.

Projects targeting the reduction of CFC can therefore not be deposited and realised within the institutionalised Clean Development Mechanism (CDM). This enhances the importance of projects that handle this problem on a voluntary basis. Embedding the projects in the Swiss Charter ensures to meet with the highest quality demands of the recycling and disposal of electric and electronic equipment in developing countries and emerging markets, in particular the destruction of CFC from air conditioning systems, fridges and freezers.

From the perspective of FOEN projects under the Swiss Charter are specifically approved of for the following reasons:

- The Swiss Charter ensures that the reduction of greenhouse gases are real, permanent and measurable and can be verified by independent experts.
- Greenhouse gases are not only reduced but protection of the ozone layer is ensured.
- The projects are sustainable and able to achieve an ecological, social, economic as well as technological surplus.
- The transfer of knowledge and technology between industrial and developing/emerging countries is promoted.

It is therefore that the FOEN approves of recycling projects that are realised within the rules of the Swiss Charter.

Thomas Stadler
Head of division

Statement

State Secretariat for Economic Affairs (SECO)



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs FDEA
State Secretariat for Economic Affairs SECO
Economic Cooperation and Development
Trade Promotion

31 March 2010

Swiss Charter «Climate Change through Recycling» - Statement of the Department of Trade Promotion of the State Secretariat for Economic Affairs (SECO)

Referenz: 2010-05-28/412 den

Within the framework of economic development cooperation, SECO promotes an increased integration of partner countries into the world economy – sustainable trade creates jobs and income, and thus helps to overcome poverty. At the same time, the focus is on the transfer of energy technology as well as environmental and climate protection technologies.

SECO in collaboration with EMPA has therefore been supporting the setup of modern recycling systems for electronic waste in dynamic emerging countries such as China, India, South Africa, Colombia and Peru for several years. The overall objective is to make Switzerland's globally leading expertise in systems and technology also available to poorer countries, and to disseminate this expertise via international networks (the UN initiative StEP; the Basel Convention).

The Swiss Climate Protection Initiative, initiated by the Swiss private sector, is a logical continuation of this approach: Climate damaging and ozone depleting CFCs from old refrigerators in emerging countries should be completely destroyed through the use of the latest technology. Thanks to the quality regulations of the Swiss Charter, the resulting greenhouse gas reductions can be converted into high-quality voluntary certificates in international emissions trading.

This way, the Swiss Charter makes a significant contribution to sustainable trade and development in partner countries. It concretely implements the call for more rapid start-up funding for climate protection in the South, which was made at the Copenhagen Climate Summit in late 2009, by mobilising additional funding and new technologies in the service of climate protection and sustainable use of the limited resources of our planet. With the involvement of local partners and stakeholders, infrastructures as a basis for industrial ecology are established through Swiss Charter projects, and recycling management as well as multiplier effects initiated in the host country. We are very pleased with the fact that the Swiss private sector is taking a leading role in this transfer of technology and the newly created quality of emissions trading. It is for these reasons that SECO welcomes climate protection projects that are realised in accordance with the standards of the Swiss Charter.

Economic Cooperation and Development
Trade Promotion

Hans-Peter Egler
Head of Section

1 Principles and Approval Procedures

1.1 General Principles

1.1.1 Spirit of the Clean Development Mechanism (CDM)

The original spirit of the CDM is characterized by the desire to establish climate protection projects with a real and measurable greenhouse gas emission reduction effect as well as real and credible contributions to sustainable development in the host country. Sustainable development covers environmental, social, economic, and technological development benefits. Methodologies and projects under the Swiss Charter adhere to the original spirit of the CDM.

1.1.2 Scope of Greenhouse Gases (GHGs)

The Swiss Charter encompasses all gases that have a scientifically demonstrated greenhouse effect. The work of the United Nations Environment Program Intergovernmental Panel on Climate Change (UNEP IPCC) serves as scientific reference for the Swiss Charter.

1.1.3 Natural Additionality

In addition to the usual proof of additionality promoted by the CDM, methodologies and projects for the creation of Swiss Charter Units (SCUs) follow the concept of «natural additionality». The condition of «natural additionality» is met if the emission reduction of greenhouse gases per se

- is not implemented due to the enforcement of legal requirements in the host country,
- and does not feature a source of revenues.

As a result, the proof of a project's additionality can not be based on a mere investment analysis¹ or barrier analysis² but must be demonstrated on the basis of the obvious process characteristics or a common practice analysis.

1.1.4 Real, Permanent, and Measurable GHG Emission Reductions

All GHG emission reductions claimed by project operators under the Swiss Charter have genuinely been achieved before being commoditized as a SCU. They are quantifiable via measurement tools according to an underlying baseline and monitoring methodology approved according to the procedures set out in the Swiss Charter and they represent permanent GHG emission reductions. Methodologies and projects with a risk of reversibility of GHG emission reductions are not eligible.

¹The investment analysis is aimed at deducing information on a company's solvency from its assets and liabilities structure with reference to the future.

²A barrier analysis is based on a number of tests to make sure that the project is not «business as usual».

1.1.5 Double Approval Process for Methodologies

Methodologies are subject to an independent validation of two different designated operational entities (DOE) accredited under the UN CDM program and assessed against the requirements of the Swiss Charter.

1.1.6 Identification and Independent Verification of SCUs

All GHG emission reductions are verified by a DOE accredited under the UN CDM program. Each SCU verified by a DOE obtains a unique identification and is clearly assigned to a single GHG emission reduction activity. An independent certificate registry is used for all procedures related to the generation and transfer of SCUs. The legal entity, which is entitled to claim ownership of SCUs created under the project activity, is explicitly defined in the project design documentation.

1.2 Principles for Methodology and Project Documentation

The methodology and project documentation is guided by the principles described in this section. For each methodology and each project, a single document («Baseline and Monitoring Methodology» / «Project Design Document») is provided that contains all required information.

1.2.1 Relevance & Completeness

All GHG sources, sinks, reservoirs, and leakages that are significant for the determination of emission reductions of projects are taken into account. Respective data and scientific evidence is provided in the methodology and project design documents.

1.2.2 Accuracy and Consistency

Uncertainties and sources of systematic bias are avoided as far as practical and the overall documentation is provided in a consistent manner.

1.2.3 Conservativeness

The methodological approach and the design of projects are governed by the use of conservative assumptions, values, and procedures to ensure that GHG emission reductions are not overestimated.

1.2.4 Transparency

Documentation on methodologies, project design, and generated GHG emission reductions contain sufficient and appropriate GHG-related and process-related information to allow for an assessment by third-party validators and verifiers with confidence. With obtained approval of the validator/verifier, a summary of all assessment reports of validators and verifiers is made publicly available.

1.3 Approval Procedures

1.3.1 Methodology Validation

Methodologies are validated by two independent DOEs, accredited under the UN CDM program, against the requirements of the Swiss Charter.

Methodologies adhere to the general principles set out under 1.1 and the principles for the development of methodologies set out under 1.2.

Methodologies are identified by a title and version number and include the description of applicability criteria for the eligibility of projects.

The methodology identifies and describes GHG sources, sinks, reservoirs, and leakages and determines whether they are controlled or affected by projects. The description contains criteria and assessment approaches for the determination of each relevant source, sink, reservoir, or leakage and defines a project boundary for their inclusion.

The methodology provides a list of possible baseline scenarios and defines a procedure for the selection of the most realistic baseline scenario.

The methodology contains an explanation of the natural additionality of relevant processes.

The methodology analyzes baseline emissions, project emissions, and defines the calculation of emission reductions in a structure appropriate in each methodological context. Data and parameters used for this analysis which are not monitored under the monitoring procedures of the methodology are explicitly listed and explained in this section.

The methodology describes a monitoring and reporting procedure and lists all data and parameters required to be monitored under the project activity.

Validation is carried out in conformance with the requirements in ISO 14064:2006.

1.3.2 Project Validation

Projects are validated by an independent DOE, accredited under the UN CDM program, against the requirements of the Swiss Charter.

Projects adhere to the general principles set out under 1.1 and the principles for the development of projects set out under 1.2.

Projects and relevant background information are described in a Project Design Document (PDD).

The PDD contains the following information:

- project title, classification of project methodology type, project starting date and crediting period, and a description of the project location sufficiently accurate to uniquely identify the project,
- contact information of the legal entity that is entitled to the ownership of SCUs generated under the project activity, and contact information on the registry issuing SCUs from the project activity,
- a brief project description, information on project technologies, processes, products, services, and why these represent best environmental and technological practice,
- a statement of compliance with relevant local laws and regulation, and a summary assessment of environmental impact when such an assessment is required by applicable regulation or legislation,
- a preliminary concept for addressing the project requirements towards environmentally, socially, economically, and technologically sustainable development benefits,
- an identification and description of GHG sources, sinks, reservoirs, and leakage relevant under the baseline and the project scenario,
- a description of the determination of the baseline scenario according to the procedures defined in the methodology, including conditions prior to project initiation,
- a description of the procedure used to determine emission reductions in accordance with variables and parameters monitored under the monitoring methodology, and an estimate of the amount of emission reductions to be achieved in the crediting period,
- a definition of the monitoring procedures including estimation, modeling, measurement, and calculation approaches, as well as data and parameters monitored,
- a list of data and parameters defined upfront and not monitored under the methodology but used in the monitoring procedures, including units of measurement and origin.

Validation is carried out in conformance with the requirements in ISO 14064:2006.

1.3.3 Monitoring and Verification

Project operators submit monitoring reports for verification to DOEs.

Project monitoring reports adhere to the general principles set out under 1.1 and the principles for the development of projects set out under 1.2.

SCUs are issued by the selected carbon registry on the basis of the DOE's verification report.

Monitoring reports include all the data, calculations, estimations, conversion factors, and other standard factors as defined in the monitoring procedures of the applied and approved methodology.

Verification is carried out in conformance with the requirements in ISO 14064:2006.

Project operators keep all documents and records related to a verification report in a secure and retrievable manner for a period of five years after issuance of the verification reports.

2 Project-Based Sustainable Development

Projects implemented under the Swiss Charter achieve sustainable environmental, social, economic, and technological development benefits. Project operators under the Swiss Charter provide a thorough assessment and documentation of these benefits in a transparent and structured way. In order to quantify these benefits, project operators develop measurement approaches for verification purposes through DOEs and other third parties.

2.1 Environmental Benefits

Swiss Charter projects do adhere to high environmental protection standards and apply best available technological practice with regard to climate protection. Projects deliver an outstanding contribution to reduce GHG emissions.

Swiss Charter projects achieve additional quantifiable benefits in at least two of the following areas:

- Resource preservation: projects maximize the use of secondary materials and avoid the employment of exhaustible raw materials wherever possible.
- Energy efficiency: projects aim at employing energy efficient production processes, technologies, buildings, and means of transportation so that energy savings can be achieved throughout the project.
- Hazardous waste management: projects address safe and protective reuse and reclamation of hazardous materials and seek to reduce the amount, toxicity, and persistence of wastes that are generated.
- Biodiversity: projects ensure environmental sustainability for the biodiversity within a particular area, community or ecosystem for the future use by people.
- Ozone layer protection: projects seek to employ technically or economically feasible alternatives to Ozone Depleting Substances (ODS) and engage in their safe collection and disposal as well as in the combat against illegal ODS trade and in a stronger implementation of control measures.

2.2 Social Benefits

Project operators under the Swiss Charter ensure that local populations benefit from project implementation. Swiss Charter projects achieve quantifiable benefits in at least two of the following areas:

- Advancement of employment conditions: projects improve «established» working conditions such as safe mechanical equipment, adequate staff equipment, regulated working hours, first aid provision, etc.
- Creation of sustainable jobs: projects create new employment opportunities on different levels. Workers and employees but also contractors and local management are integrated in the project set-up and the project operation.
- Capacity building: projects involve continuous efforts for education and training of staff and both motivate and transfer skills to people.

2.3 Economic and Technological Benefits

Swiss Charter projects stimulate new market activity and create by involving local population and stakeholders technological development prospectives in the host country.

Swiss Charter projects achieve quantifiable benefits in at least two of the following areas:

- Multiplier effects: projects create an economic basis for suppliers and service providers from local partners.
- Contribution to circle economy: projects establish infrastructures that serve as a basis for industrial ecology.
- Technology transfer: projects transfer knowledge into the host country as a basis for a sustainable technological as well as economic progress.

2.4 Sustainability

Swiss Charter projects are uncontroversial regarding their sustainability contribution. Project operators under the Swiss Charter deal responsibly with environmental challenges and fully respect human rights.



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