



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

**Federal Office of Civil Aviation FOCA**  
Aviation Policy & Strategy

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# Guidelines

## Aviation and Climate funding programme

13.11.2025

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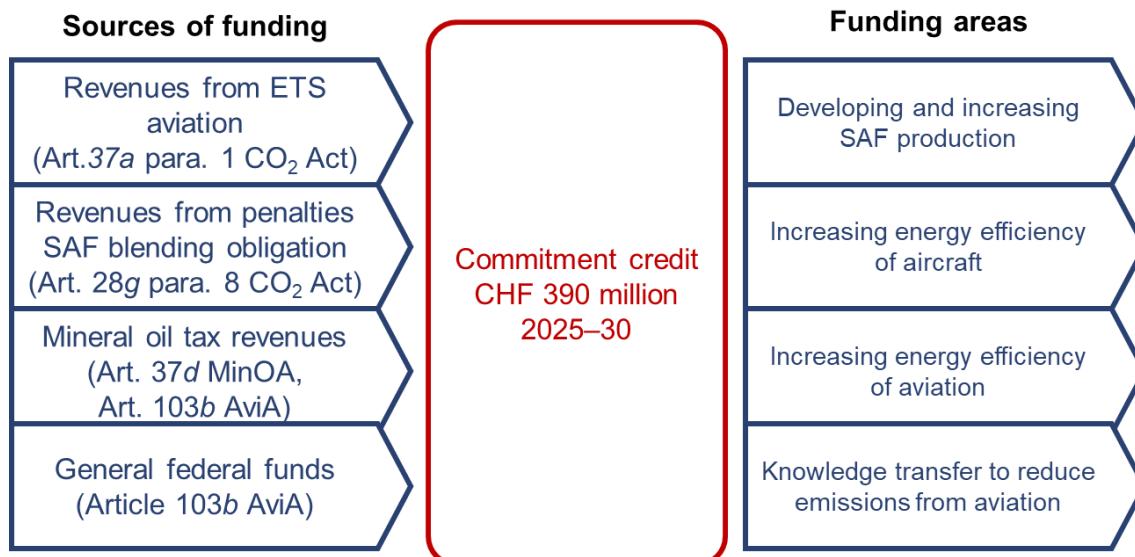
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## 1 Introduction

### 1.1 Fundamentals

The basis for the funding programme is set out in the Aviation and Climate Funding Strategy of October 2025. The funding strategy is an integral part of these guidelines and may be referred to.

Payments into the funding programme and the use of funds can be summarised as follows:



The relevant legislation is as follows:

- Federal Act on Aviation (AviA) of 21 December 1948 (as of 1 January 2025);
- Federal Act on the Reduction of CO<sub>2</sub> Emissions (CO<sub>2</sub> Act, of 23 December 2011 (as of 1 January 2025);
- Ordinance on the Reduction of CO<sub>2</sub> Emissions /CO<sub>2</sub> Ordinance of 2 April 2025;
- Federal Act on the Use of Funds Earmarked Mineral Oil Tax and Other Earmarked for Road and Air Transport (MinOA) of 22 March 1985 (as of 1 January 2022);

The funding strategy and these Aviation and Climate funding programme guidelines are not legally binding. However, they become binding as part of a funding decision.

### 1.2 Enforcement organisation

The FOCA is responsible for enforcement (Art. 130 para. 8 CO<sub>2</sub> Ordinance). Funding decisions are made by the FOCA director. The Aviation and Climate funding programme Unit of the Environment Section (Aviation Development Division) is responsible for operating the funding programme.

The FOCA plans to engage an external agency to perform administrative and operational tasks from 2026 onwards. Until then, the specialist unit will perform the duties of the administrative office in accordance with this guideline. The specialist unit can be contacted at [Foerderung-Klima@bazl.admin.ch](mailto:Foerderung-Klima@bazl.admin.ch).

The FOCA may appoint a committee of experts to deal with technical matters and prepare funding decisions (Art. 127g CO<sub>2</sub> Ordinance). This committee will also be set up from 2026.

### **1.3 Aim and purpose of these guidelines**

These guidelines specify the provisions of the Aviation and Climate Support Programme of the CO<sub>2</sub> Ordinance in particular for potential applicants (see Section 2.1). It sets out the principles and conditions for submitting and evaluating applications for funding.

When funding is granted, these guidelines become binding requirements for the companies receiving funding.

## **2 The funding programme**

### **2.1 Eligibility**

In principle, any natural or legal person is eligible for funding. The person or company submitting an application for financial assistance is referred to as the applicant within the framework of these guidelines. If several parties are involved, the application must be submitted by the entity responsible for managing the overall project. In addition, a contact person must be designated to liaise with the FOCA.

In accordance with the legal requirement for value creation in Switzerland, it is generally assumed that the funding recipient has a head office, branch office or permanent establishment in Switzerland. An applicant must demonstrate that it has relevant experience in this area, is economically stable and has the resources to carry out the project.

### **2.2 Areas funded**

The areas funded are defined in the CO<sub>2</sub> Ordinance (Art. 127a para. 2 lets a–d):

**a) Development and increase of the production of renewable aviation fuels in Switzerland and abroad (letter a)**

Funding may be provided for the technological development of renewable aviation fuels. Projects that lead to an increase in the production of these fuels are eligible for funding. There is a particular focus on synthetic renewable aviation fuels. Sections 4.1–4.3 of the funding strategy provide more detailed information on the distinction between technology readiness levels (TRLs) and elements of the value chain.

**b) Development and application of technologies to increase the energy efficiency of aircraft (letter b)**

Funding is available for innovative technologies that reduce the climate impact of aircraft per transport service, for example through improved aerodynamics, reduced empty weight or more efficient engines. Further details can be found in Sections 4.1–4.3 of the funding strategy.

**c) Development and application of processes to increase the energy efficiency of flight operations (letter c)**

Measures in flight operations may also receive funding. Here, the reduction of the climate impact of existing aircraft per transport service is a determining factor.

**d) Knowledge transfer between science, industry and society in the field of reducing greenhouse gas emissions in aviation (letter d)**

A lack of knowledge transfer between the above-mentioned stakeholders has been identified as a major obstacle to achieving net-zero targets in aviation. Measures that contribute to this can also be specifically promoted.

In principle, it is possible to promote all measures to reduce the climate impact of aviation that meet the criteria defined in the CO<sub>2</sub> Ordinance. The measures are assessed according to these criteria; in principle, no preference is given to certain technologies (technology neutrality). The programme focuses on measure (a).

The funding programme focuses on projects that are between TRL 4 and 8 at the time of application (see funding strategy). The focus is therefore generally not on basic or applied research, but rather on scaling.

Projects that the applicant is explicitly required by law to carry out are generally excluded from funding.

## **2.3 Project requirements**

### **2.3.1 General**

The applicant must provide as much detail as possible about the project's objectives, approach and management. A clear, concise project title must be chosen and the areas of application covered by the project clearly specified.

The steps planned after completion of the project must also be communicated. Any restrictions on the start date of the project must be specified. As a rule, only activities that begin after the decision has been issued and confirmed can receive funding.

However, the applicant may submit a written request to the FOCA if they wish to commence work at their own risk before this date (see Annex 1).

### **2.3.2 Technology requirements**

The applicant must provide as much detailed information as possible about the technology they are developing or using in the project. This includes, in particular, information on the technology readiness level at the start and end of the project. Based on this, the innovation to be achieved with this project must be described.

A realistic comparison with existing technologies is central to this. Any technological risks must be classified, and the applicant must also explain what measures are planned to mitigate them. Furthermore, the intended scaling and further development after completion of the project must be described.

### **2.3.3 Economic requirements**

It is important to provide as accurate a picture as possible of the project's income and expenditure. Information should always be provided with the current uncertainties in mind. A breakdown of the financial risks and the measures planned to mitigate them is expected.

On the income side, information on self-financing, external financing including sources of financing, proceeds, targeted funding from the FOCA and other possible subsidies must be listed.

The form of funding that is eligible for a project must be specified. Several possible forms may be listed, but in all cases the justification for the need for funding and the form selected is central. Funding will not be granted if a project has already started and is already benefiting from other subsidies. This restriction does not apply to projects that have not yet begun.

#### **2.3.4 Provision of reasonable own contribution**

Article 127c paragraph 3 of the CO<sub>2</sub> Ordinance states that applicants must make a reasonable contribution of their own towards the implementation of a measure. Article 37a paragraph 5 of the CO<sub>2</sub> Act specifies that these are limited to 60 per cent (in exceptional cases 70 per cent) of the allowable costs. Exceptions may be made if the federal government has a particular interest or if the cost–benefit ratio determines this. Applicants must demonstrate that they have exhausted commercial opportunities for financing their projects. Cash contributions, other monetary contributions and other forms of assistance, such as relevant know-how or expertise, can be counted as own contributions. The applicant must make a certain contribution of their own. Contributions made by partners, other investors or beneficiaries involved in the specific project are also allowable. In contrast, the following are not allowable: preliminary work in drawing up the application (e.g. applicant draws up own business case); establishing the structure of the new (own) organisation; direct profit surcharges, commercial external financing; conditional own financing (without risk assumption).

#### **2.4 Funding criteria**

The funding criteria must be met sufficiently for funding to be awarded. The preliminary application is used to check basic eligibility according to the defined criteria. Eligibility for funding is determined by the degree to which nine criteria are met (Art. 127c CO<sub>2</sub> Ordinance).

##### **Letter a: Significant reduction in greenhouse gas emissions**

Projects must contribute to reducing greenhouse gas emissions from aviation. Offsetting emissions does not contribute to fulfilling this criterion. The reduced emissions must arise from the operation of aircraft or be caused by their engines. Projects in the field of negative emission technologies are not eligible for funding if the reduced emissions cannot be physically attributed to aviation (see Section 4.1 of the funding strategy).

The reduction in emissions is considered over the entire life cycle. The effect of the measure is compared with the status quo and the use of currently available technologies and processes. Emissions arising from the construction and use of infrastructure, the supply of raw materials and energy, and the operation and disposal of products are included.

Emissions reductions after the end of the funded project may also be included, provided that these are only made possible by the project (Art. 127c para. 2 CO<sub>2</sub> Ordinance). Information on the extent of the emissions concerned is required, e.g. by number of tonnes of CO<sub>2</sub> equivalents or the number of tonnes of aviation fuel, in conjunction with the period over which these emissions are reduced. This can be supplemented by relative information, e.g. tonnes of CO<sub>2</sub> equivalents per megajoule of aviation fuel or percentage reduction compared to the status quo.

Projects with insufficient reduction potential in the area of climate are not eligible for funding. This includes projects that offset greenhouse gas emissions rather than reduce them. Nor are projects that reduce greenhouse gas emissions that not directly attributable to aviation eligible for funding, such as projects in the building sector (power supply, heating) and ground mobility in the landside area. Projects that focus exclusively on upstream areas of the SAF production value chain are also not eligible (see Section 4.1 of the funding strategy).

##### **Letter b: Cost efficiency in relation to climate impact**

The costs incurred per reduced climate impact are assessed, i.e. the total costs per reduced tonne of CO<sub>2</sub> or per tonne of SAF. The investment costs, operating costs, the requested funding volume and the form of funding are taken into account for a project (see also Annex 1). On the emissions side, greenhouse gas emissions and non-CO<sub>2</sub> effects are considered, provided that the project influences the

latter. This value is compared with established measures, CO<sub>2</sub> or SAF market prices and other applications.

The assessment may be made solely based on the project itself, or follow-up plans may also be taken into account (Art. 127 c para. 2 CO<sub>2</sub> Ordinance). This is particularly relevant for projects with a low technological readiness level, as their economic viability may not be representative of further developments. In such cases, credible forecasts for the cost development of further scaling must be made and substantiated. To this end, assumptions on which the cost forecasts are based must be described in detail.

#### **Letter c: Low environmental impact**

In addition to the climate, all other relevant impacts of a project on the environment are taken into account. These include elements directly related to aviation, such as noise and pollutants, but also other areas such as land use, biodiversity and raw material requirements. Legislation applicable in Switzerland must be complied with. Improvements beyond these minimum requirements will also be viewed positively. Environmental risks and mitigation measures will also be assessed in this context.

In the area of sustainable aviation fuels, Article 35d of the Environmental Protection Act (EPA) must be complied with in particular, even if the fuels produced are not used in Switzerland. Proof of environmental impact can be provided by specifying the certification systems used for the fuels produced.

#### **Letter d: High market opportunities**

Technologies and processes should be applicable beyond the scope of the funded project. The opportunities they present compared to established technologies and processes are therefore assessed. To this end, the costs and benefits of the technology or process for stakeholders are evaluated in comparison with established offerings. Restrictions on transport performance compared to established offerings are assessed negatively.

The technological, project-related, financial and regulatory hurdles to market establishment are taken into account. The applicant must provide evidence of the associated risks and mitigation measures. A low technological readiness level entails a higher technological risk. In particular, projects must not have any negative impact on aviation safety.

#### **Letter e: High probability of success**

Based on the information provided about the project, the FOCA assesses the likelihood of the project objectives being achieved. In particular, the handling of risk in the areas of technology, project, environment and finance are considered. In each of these areas, sufficient understanding must be demonstrated and appropriate measures to mitigate these risks must be included at the planning stage. The risks of development and certification of the technology must be taken into account. Project structure, including partners and their roles, and the timetable are crucial. Undesirable environmental effects throughout the entire life cycle must be considered. And finally, availability and proportionality of the planned financial resources are crucial.

#### **Letter f: High added value in Switzerland**

An appropriate proportion of the added value must be created in Switzerland. The scope of the project and the technological readiness level are taken into account in the assessment. Priority is given to projects according to the degree to which they meet the following criteria (see Section 4.3 of the funding strategy):

- The headquarters of the funded company is in Switzerland.
- A high proportion of the technologies used are supplied by Swiss companies.
- The intellectual property rights to the technologies used are predominantly held in Switzerland.
- A significant proportion of the workforce employed on the funded project is based in Switzerland.
- A significant proportion of the profits from the funded project are generated in Switzerland.
- A large proportion of the financing (debt or equity capital) comes from Switzerland.

#### **Letter g: Creditability of emission reductions to Switzerland**

Emissions reductions must have a connection to Switzerland. The extent of the connection to Switzerland and how direct this connection is will be assessed positively. Contributions to achieving Switzerland's climate targets can be demonstrated in various ways. They are prioritised in the following order:

1. Reduction in the sale of fossil aviation fuels in Switzerland included in the Swiss greenhouse gas inventory (e.g. through the use of SAFs)
2. Bilateral agreements on emission reductions in accordance with Article 6.2 of the Paris Climate Agreement
3. Contribution of SAFs produced to achieving the blending obligation in Switzerland via the flexibility mechanism (Art. 15 of Regulation (EU) 2023/2405), i.e. physical refuelling in other European countries
4. Reduction in the obligations of Swiss aircraft operators under the Swiss emissions trading system (ETS), the EU ETS or CORSIA
5. Contribution to achieving climate targets by Swiss actors (Art. 5 CIA), whereby book & claim systems may be used

All greenhouse gas reduction schemes under which emission reductions are to be credited, including those listed above, must be listed.

#### **Letter h: Identification of partners across the entire value chain**

In conjunction with criteria c) and d), a project must have partners across the entire value chain to be eligible for funding. The form of the partnership is not prescribed. Information on the partners required for a project and the current status of cooperation is required.

SAF demo and commercial plants must have partnerships in place or concrete plans for partnerships covering everything from the provision of raw materials and energy to all technology modules, certification, transport and deployment.

#### **Letter i: Contribution to knowledge preservation and expansion**

Contributions to knowledge preservation and expansion are viewed positively. They can take various forms, such as the publication of research results and other measures that expand the know-how of actors with regard to climate measures in aviation. There are no minimum requirements for compliance with letter i.

### **2.5 Forms of funding**

#### **2.5.1 General**

The funding programme offers three forms of financial assistance: non-repayable contributions, interest-free loans and guarantees (Art. 127b para. 1 CO<sub>2</sub> Ordinance). An overview is provided in Annex 2. The FOCA decides on the form of funding to be awarded. The basis for determining the form of funding is set out in the funding strategy (Chapter 5).

Article 127a paragraph 3 of the CO<sub>2</sub> Ordinance also allows the use of funds for departmental research in accordance with Article 16 paragraph 2 letters a and c of the Federal Act on the Promotion of Research and Innovation (RIPA), but this form of funding is not covered by these guidelines.

### **2.5.2 Non-repayable contributions**

Projects may be funded with non-repayable contributions if these prove necessary for the project and guarantees or loans are not an option. The amount is generally limited to CHF 15 million per project; the minimum amount is usually CHF 100,000.

### **2.5.3 Loans**

Loans may be granted if repayment appears possible but bank financing is not realistic. The loans are interest-free and are generally granted for a maximum term of five years.

### **2.5.4 Guarantees**

If bank financing is possible in principle but can only be obtained with additional collateral, the federal government can provide a guarantee. In order to secure a guarantee, the lender must take the guarantee into account when setting the loan interest rate (Art. 127e para. 1 CO<sub>2</sub> Ordinance). Guarantees are granted for a maximum term of 10 years (Art. 127e para. 2 CO<sub>2</sub> Ordinance). The guarantee may cover all or part of the guaranteed loan (Art. 127e para. 2 CO<sub>2</sub> Ordinance). The maximum loan amount should not normally exceed CHF 20 million per project.<sup>1</sup> The FOCA strives for balanced risk sharing between the bank or lender and the applicant (see Chapter 5 of the funding strategy).

Guarantees are generally granted as joint and several guarantees. The federal government secures the applicant's guarantee by means of a decision defining the conditions and requirements of the guarantee. A guarantee agreement is concluded between the federal government and the lender (see model in annex). The content of this agreement is based on Article 492 ff. of the Swiss Code of Obligations. In particular, the maximum amount, the type of guarantee, the duration and the place of jurisdiction must be specified. Additional obligations may include provisions to ensure repayment of the loan.

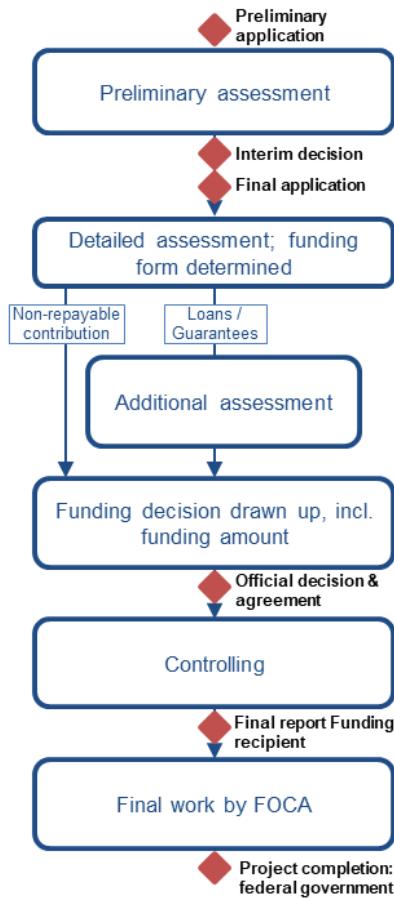
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<sup>1</sup> Art. 127e para. 2 CO<sub>2</sub> Ordinance, including total interest due: maximum amount of CHF 100 million

### 3 Application process

#### 3.1 General

Applications may be submitted as part of a thematic call for applications or by a specific deadline announced by the FOCA.



The FOCA uses a multi-stage process to review applications, in the interests of efficiency. The diagram on the left shows the process; the individual steps are described in Sections 3.2 to 3.7. In the case of thematic calls for projects (see Art. 127b para. 3 CO<sub>2</sub> Ordinance) this process may be deviated from; the processes applicable are described in the call documents.

All information and documents submitted in connection with preliminary applications and applications is treated confidentially. The information is used exclusively for the purpose of reviewing and evaluating the submitted (preliminary) applications and is not disclosed to third parties. Exceptions to this are contractors who support the FOCA in connection with this programme (with a confidentiality agreement) and the exchange of information with the lender in the case of guarantees.

The FOCA charges a **fee** for the detailed assessment and additional review in accordance with Article 127b paragraph 5 of the CO<sub>2</sub> Ordinance. No fees are charged for the examination of preliminary applications or for support during the course of funded projects (see Section 3.8).

#### 3.2 Preliminary application

The preliminary application is the first mandatory step in the application process. It serves to determine basic eligibility for funding. The form provided in the annex must be used to submit a preliminary application. Preliminary applications may be submitted at any time. Applications are reviewed approximately twice a year on the dates specified on the FOCA website. All applications submitted by the deadline are reviewed at the same time.

The administrative office reviews the information provided in the preliminary application. If an application is incomplete, it may ask for further information and set a reasonable deadline for a response. If, even after this, the criteria cannot be adequately assessed because information is missing, the office will class the criteria as unmet.

The preliminary assessment evaluates the degree to which the criteria set out in Article 127c CO<sub>2</sub> Ordinance are met (see Section 2.4). For each criterion, the office distinguishes between 'not met', 'partially met' and 'fully met'.

A project is classed as **fundamentally eligible for funding** if a preliminary application fulfils at least eight of the nine mandatory criteria, at least in part. This means that the FOCA considers the project to be sufficiently mature for a final application to be submitted. In particular, the information on the project status and the possible project start date are considered.

If a project is not approved for a final application, a revised preliminary application may be submitted for consideration in the next application cycle.

Applicants are notified of the **approval decision** by email (address as provided in the preliminary application). They receive feedback on the degree to which all criteria are met, with reasons for the assessment given. If the preliminary application is rejected, an official decision, which is subject to appeal, may be requested.

### **3.3 Final application**

Once the preliminary application has been approved, a final application can be submitted, upon which a detailed assessment for funding eligibility is made. The attached template should be used to submit the final application. If the applicant is a legal entity, the application must be signed by the persons entered in the commercial register. The final application must be submitted by the deadline communicated with the approval decision. If this deadline is missed, the final application is not considered until the following application cycle.

### **3.4 Detailed assessment and decision on the form of funding**

The administrative office examines in detail the information submitted in the final application in order to establish eligibility for funding. The degree to which the criteria set out in Article 127c of the CO<sub>2</sub> Ordinance are met is established (see Section 2.4). The administrative office may request additional information from the applicant, to be submitted within a reasonable deadline. An interview may be conducted with the applicant, if appropriate. A panel of experts may be consulted during this process (see Art. 127g CO<sub>2</sub> Ordinance).

Once the detailed assessment has been conducted, a **decision on the form of funding** is made. If the FOCA decides to award a loan or guarantee, an additional review is carried out (see Section 5.6). If it decides to award a non-repayable contribution, no additional review is made. The decision regarding the form of funding cannot be contested independently, only in conjunction with the funding decision.

### **3.5 Additional review**

An additional review is made when a loan or guarantee is considered. In the event of default at a later date, it must be possible to provide sufficient evidence that the eligibility requirements, probability of success and risk situation were carefully assessed. The additional review involves:

- assessment of the subjective requirements for granting guarantees or loans (counterparty risks/reputational risks);
- assessment of the viability of the business plan in terms of project success and the probability of loan default.

These assessments are an extension of the detailed assessment already made, with further support from external experts.

### **3.6 Calculation of amount**

The funding amount is calculated on the basis of the allowable costs. A maximum of 60% of the allowable costs can be met (in exceptional cases 70%: see Annex 1).

Only costs that are actually incurred and are absolutely necessary for the proper fulfilment of the task are allowable. Depreciation is only taken into account to the extent customary in the industry. If the total costs or individual cost elements exceed the usual level for comparable projects, the allowable costs may be reduced accordingly.

The maximum amount of financial assistance available is determined annually by the FOCA in view of the credit committed by Parliament and the budget. The funds available each year may be allocated to specific areas in accordance with the strategy.

If the number of eligible applications exceeds the available funds, the projects submitted are **ranked** according to how well they meet the criteria mentioned above, based on an average score. Taking the highest-ranking first, as many applications are approved as the allocated funds allow. Projects that are rejected at this stage can be resubmitted directly in subsequent application cycles.

### **3.7 Funding decision**

The administrative office submits a request to the FOCA director with the results of the detailed assessment, including an additional review in the case of loans or guarantees, and the project ranking (as appropriate). This may be passed on for further assessment to a panel of experts, which then makes a recommendation to the FOCA.

The FOCA director makes a final decision regarding each application, including the form and amount of funding. In the case of a negative decision, the applicant is informed in writing, and is told that they may request an official decision within 30 days. This decision is subject to appeal. There is no legal entitlement to funding.

In the case of a positive decision, the FOCA issues an official funding decision to the applicant. This specifies the form, amount and duration of the funding, collateral and other rights and obligations. Approved funding applications are subject to the Freedom of Information Act.

### **3.8 Fees**

The FOCA charges a fee for assessing final applications (Section 3.3) in accordance with Article 127b paragraph 5 of the CO<sub>2</sub> Ordinance. The provisions of the Ordinance on Fees Charged by the Federal Office of Civil Aviation (FeeO-FOCA) apply. The FeeO-FOCA is due to be revised at the end of 2025. The FOCA intends to make the fee dependent on the volume of funding, with a minimum and maximum amount. The FOCA informs applicants of the amount of the fees, with an explanation of how this amount is calculated. Other than this, no fees apply.

## **4 Reporting obligations and project controlling by FOCA**

### **4.1 Reporting obligations**

Funding recipients must submit to the FOCA incident reports, interim reports and final reports about the progress of the project. The nature and frequency of reporting are set out in the official funding decision. All notifications and reports must be submitted in digital form.

Projects that receive funding from the FOCA in the form of guarantees have the following minimum reporting obligations based on Article 127f of the CO<sub>2</sub> Ordinance:

- To be reported immediately: Incidents, changes and new findings that may affect the granting of financial assistance. Reporting obligations are driven by the level of financial risk for the federal government. Major changes to the project should be reported, as well as any potential inability to repay a loan or an imminent guarantee claim.
- To be reported annually: Status of the use of the guaranteed loan; business performance and expected developments, including the annual report, balance sheet and income statement; any further information requested by the FOCA (e.g. assessment of the probability of default).
- Interim reports in accordance with FOCA requirements.

- Final report, including the implementation status of the measure and cost summaries.

#### **4.2 Project controlling by the FOCA**

The FOCA controls the projects in the programme. The funding recipient collects data on costs, finances and deadlines and periodically submits them to the FOCA in digital form. The data must be submitted in accordance with the agreed structures (project plan and phases). These data form the basis for the FOCA's project monitoring. The FOCA may request further information or carry out on-site inspections of the project's progress.

The provisions of the Subsidies Act (SR 616.1, SubA) apply to programme implementation, in particular the provisions on non-fulfilment or inadequate fulfilment in the case of financial assistance (Art. 28 SubA) or on misappropriation and disposal of financial assistance (Art. 29 SubA). The federal government may revoke a decision regarding financial assistance if this has been granted in breach of legal provisions or on the basis of incorrect or incomplete facts (Art. 30 SubA).

## Annex 1: Allowable costs

### Statutory basis

In accordance with Article 37a paragraph 5 of the CO<sub>2</sub> Act, financial assistance for measures may not exceed 60% of the allowable costs. In exceptional cases, this may be increased to 70% of the allowable costs. Exceptions may be made if the measures in question represent a special interest for the Confederation or with regard to the cost-benefit ratio.

The CO<sub>2</sub> Act and Ordinance do not define the term 'allowable costs' for the Aviation and Climate funding programme. The provisions of Article 14 of the Subsidies Act (instructions to the legislator) provide some explanation:

- Paragraph 1: Only expenses that are actually incurred and are absolutely necessary for the proper fulfilment of the task are allowable.
- Paragraph 2: Interest on capital for buildings is not an allowable expense.
- Paragraph 3: When financial assistance or compensation for deficits is provided, the following applies when determining the business results:
  - a. Depreciation is only taken into account to the extent customary in the industry;
  - b. Depreciation on investments is not considered if the latter have been co-financed with non-repayable financial assistance and subsidies.

### Explanation of allowable costs

Basic principles:

- Allowable costs are those that have actually been incurred and are necessary for project implementation to be economic, fit-for-purpose, appropriate and proportionate.
- If the total costs or individual cost elements exceed the usual level for comparable projects, the allowable costs may be reduced accordingly.

Allowable costs by cost type:

Investment costs	
Allowable	Not allowable
<ul style="list-style-type: none"><li>• Project planning costs</li><li>• Planning costs</li><li>• Costs for approval procedures and required expert opinions (e.g. environmental reports, certifications, engineering studies) directly related to the project</li><li>• Acquisition of licences</li><li>• Building and construction costs</li><li>• Commissioning costs</li><li>• Land acquisition via loans and guarantees</li><li>• Project management costs, including monitoring and reporting</li><li>• Value Added Tax</li><li>• Inflation</li></ul>	<ul style="list-style-type: none"><li>• If investments are also partly used for other projects which do not receive funding, a distinction must be made; the part not related to the funded project may not be considered</li><li>• Financing costs, including capital costs for buildings (see Art. 14 para. 2 SubA)</li><li>• Insurance</li><li>• Reserves</li><li>• Additional costs due to exchange rate fluctuations</li><li>• Imputed costs</li></ul>

Operating costs	
Allowable	Not allowable
<ul style="list-style-type: none"> <li>• Staff costs</li> <li>• Material costs</li> <li>• Services costs</li> </ul>	<ul style="list-style-type: none"> <li>• Operating costs of profitable projects</li> <li>• Overhead costs</li> <li>• Imputed costs</li> <li>• Insurance</li> </ul>

Other aspects to consider:

- *Planned versus actual costs*: The allowable costs are determined on the basis of the project planning. Funding is calculated and awarded on the basis of actual costs. It is generally not possible to pay out more than the planned costs. If the amount varies, this must be explained and approved by the FOCA in advance.
- *Project start*: Article 26 of the Subsidies Act states that the applicant may only commence construction or make major purchases once the financial assistance or compensation has been definitively or in principle approved, or once the competent authority has granted authorisation. Expenses incurred before this are therefore not allowable. However, applicants may submit a request to commence the project before the funding has been approved and for the corresponding costs to be considered allowable. Costs may be considered allowable from the date of written confirmation by the FOCA.
- *Assessment of cost efficiency*: In assessing cost efficiency, it is not primarily relevant *whether* the given cost can be counted when assessing funding, but rather *to what extent*. This is looked at in detail when the application is considered.
- *Inflation*: An appropriate index must be used to calculate inflation, and this must be described in the project planning.

## Annex 2: Overview of forms of funding

Synopsis in accordance with funding strategy

Type of funding	Non-repayable contributions	Guarantees	Loans
<b>Remark</b>	Non-repayable grants, usually for investments	Ideally up to 80% of the loan granted	Repayable on condition and interest-free
<b>When applicable (see funding strategy)</b>	Projects up to and including TRL 7 or projects that do not generate sufficient income over the funding period and are therefore not considered creditworthy by banks (laboratory/R&D projects, P&D facilities)	Primary instrument for projects at or above TRL 8  Concept, preliminary project (up to investment decision), implementation following investment decision	Secondary instrument for projects at or above TRL 8  (if funding objective cannot be achieved with guarantees or if default probability > 50%)
<b>Maximum funding rate</b>	60% of allowable costs (70% in exceptional cases)		
<b>Maximum amount</b>	Generally* CHF 15 million	Generally* CHF 20 million per project; total CHF 50 million per beneficiary	Generally* CHF 20 million
<b>Minimum amount</b>	Generally* CHF 100,000	Generally* CHF 3 million	Generally* CHF 3 million
<b>Maximum duration</b>	n.a.	5 years	10 years

\* Exceptions possible if project is of specific federal interest or cost/benefit ratio.

### **Annex 3: Key documents**

The following implementation documents are of relevance to applicants and are required for the application process in addition to these guidelines.

#### **Documents required (attached)**

- Aviation and Climate Funding Strategy of October 2025
- Preliminary application form
- Final application template
- Model guarantee agreement