

15th Global Conference on Environmental Taxation

24-26 September 2014, Copenhagen Denmark

The political and institutional economy of Swiss climate policy

Sandra Daguet, Dr



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of Finance FDF
Federal Finance Administration FFA
Economic Analysis and Policy Advice EAPA

Contents

- 1 Swiss climate policy
- 2 The effectiveness on CO₂ emissions
- 3 Political economy
- 4 Institutional analysis
- 5 Conclusion and perspective

1 Swiss climate policy

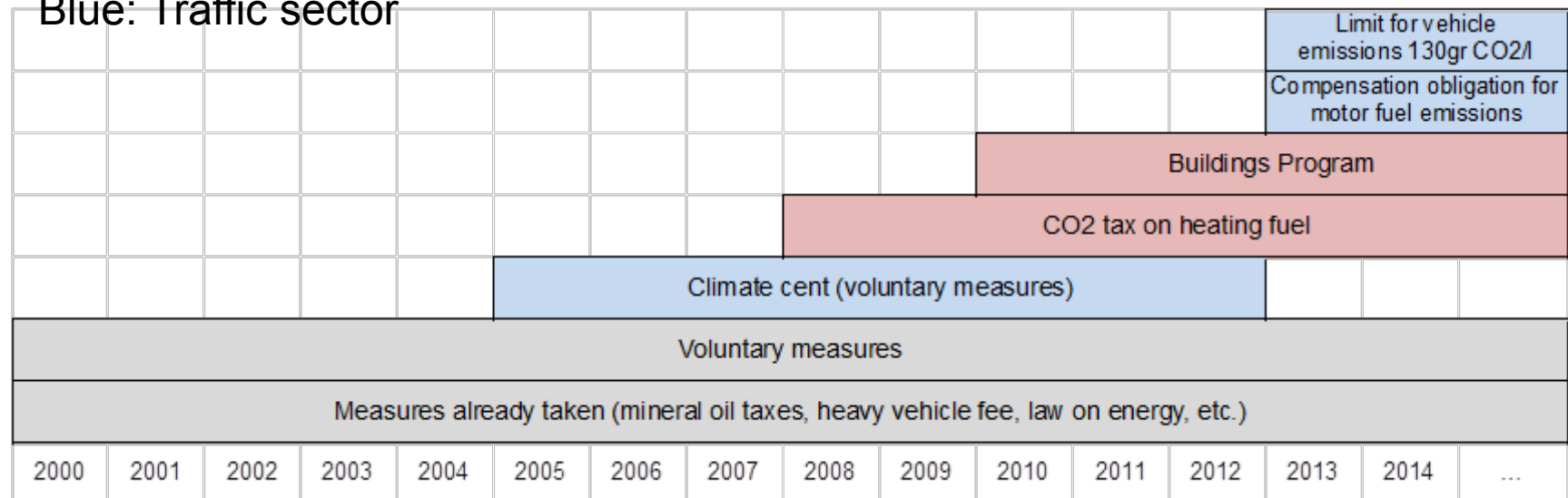
	CO ₂ law of 1999	CO ₂ law of 2011
Objectives	<ul style="list-style-type: none"> ▪Reduction of 10% of CO₂ emissions in 2010 compared with 1990 <ul style="list-style-type: none"> ▪Minus 15% for heating fuel ▪Minus 8% for motor fuel 	<ul style="list-style-type: none"> ▪Reduction of 20% of GHG emissions in 2020 compared with 1990 ▪If binding international agreements: possibility to raise the objective to 40%
Instruments	<p><i>Mainly:</i></p> <ul style="list-style-type: none"> ▪Measures already taken to reduce pollution (fuel tax, heavy vehicle fee, law on energy, etc.) and ▪Voluntary measures <p><i>Additional measure:</i></p> <ul style="list-style-type: none"> ▪CO₂ tax on fossil energy sources (if the main measures are not enough) 	<ul style="list-style-type: none"> ▪Voluntary measures ▪Other measures <p><i>Vehicles</i></p> <ul style="list-style-type: none"> ▪Emissions standard for new vehicle: 130 grams of CO₂ per km ▪Obligation for importers and consumers of fuel to compensate 5 to 40% of the CO₂ emissions emitted <p><i>Heating</i></p> <ul style="list-style-type: none"> ▪CO₂ tax only on heating fuel ▪Building program

	CO₂ law of 1999	CO₂ law of 2011
CO ₂ tax on heating fuel	<ul style="list-style-type: none"> ▪ Introduced in 2008. ▪ Rate depending on the target's achievement (CO₂ emissions). 2008: 12 CHF, 2010: 36 CHF ▪ Maximum rate: 210 CHF ▪ Range of exemptions 	<ul style="list-style-type: none"> ▪ Rate depending on the target's achievement (CO₂ emissions). 2014: 60 CHF. ▪ Maximum rate: 120 CHF ▪ Range of exemptions
Revenue use of CO ₂ tax on heating fuel	<ul style="list-style-type: none"> ▪ Redistributed to population and firms ▪ Since 2009: 1/3 but max 200 million earmarked to building program 	<ul style="list-style-type: none"> ▪ Redistributed to population and firms ▪ 1/3 but max 300 million earmarked to building program ▪ 25 million earmarked to a fund for technology aiming at reducing GHG emissions (to finance investment guaranties)
CO ₂ tax on motor fuel	Theoretically possible according to the law but not introduced (additional measure)	Not in the law anymore (even as an additional measure)

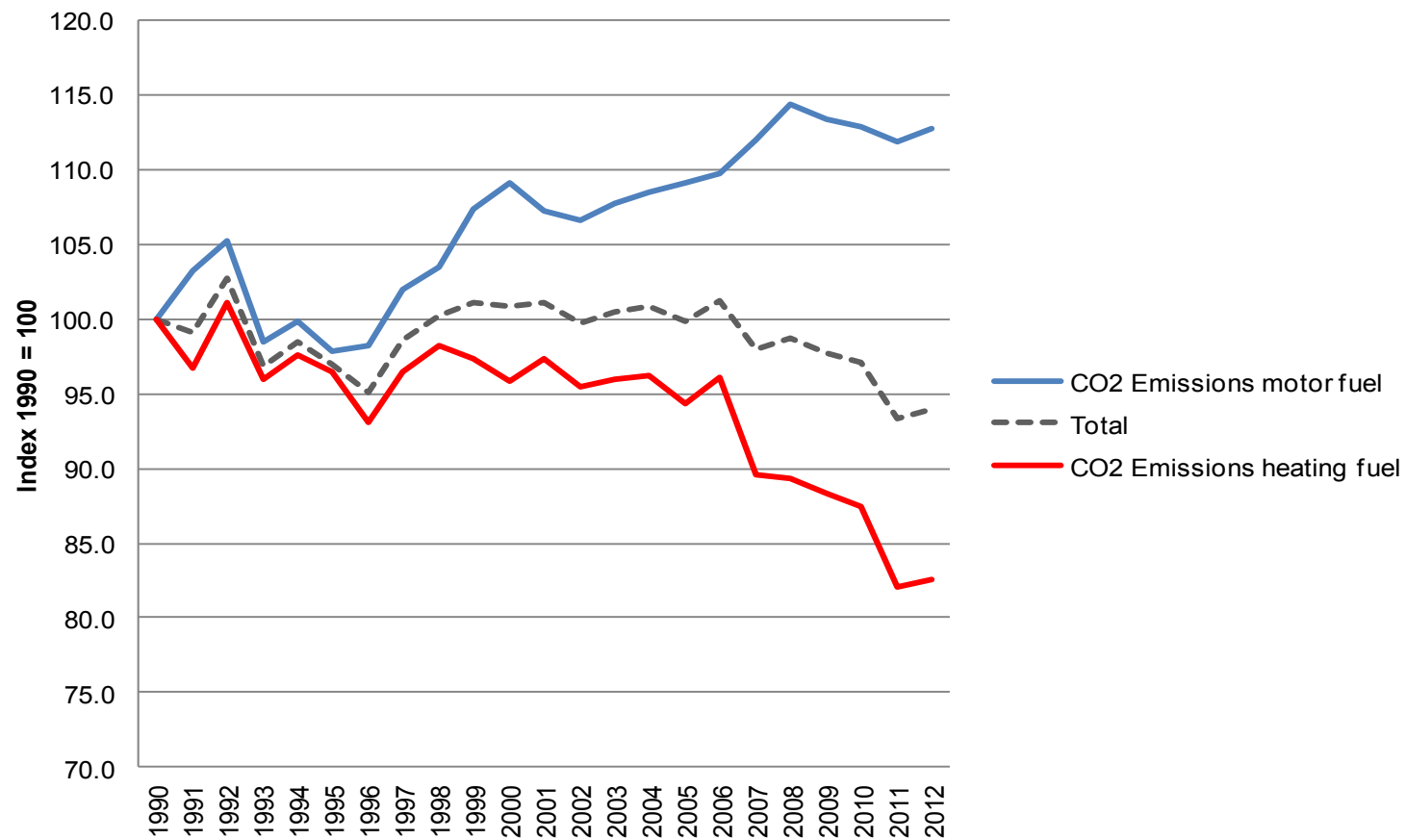
Instruments of Swiss climate policy

Red: Housing sector

Blue: Traffic sector



2 The effectiveness on CO₂ emissions

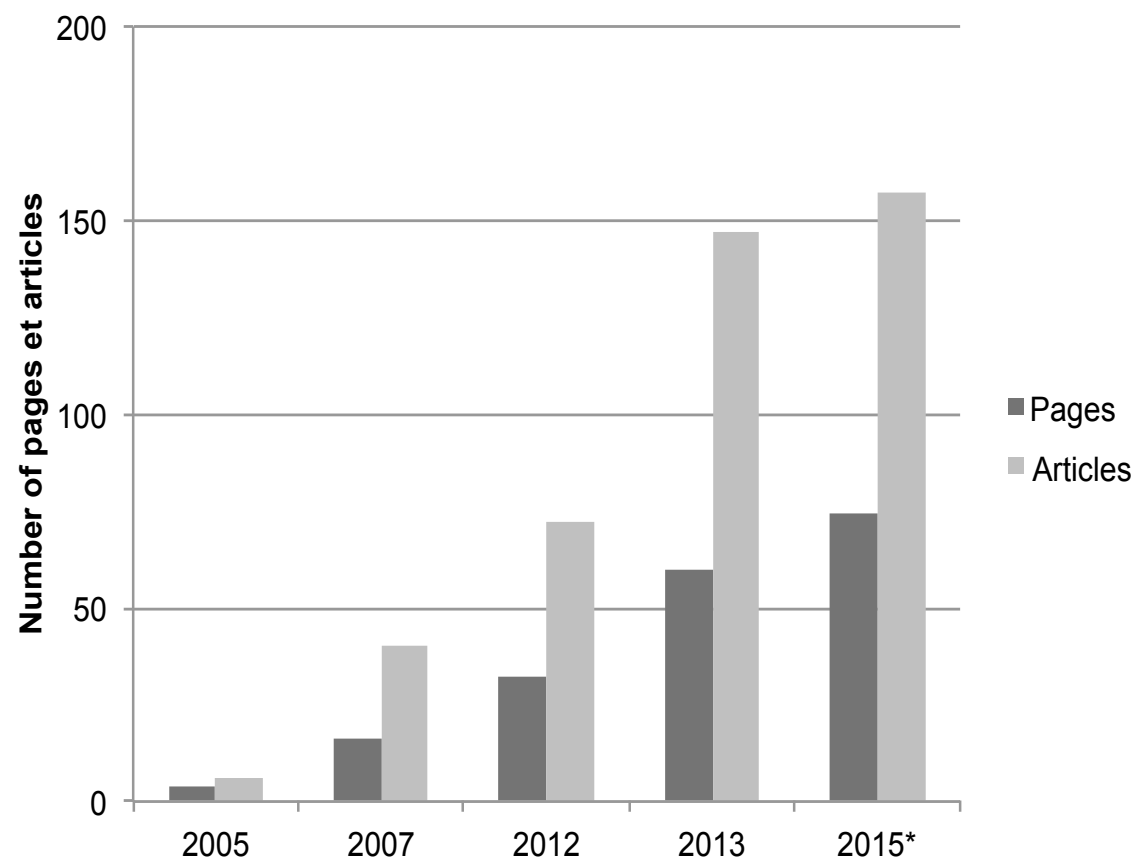


Path of CO₂ Emissions 1990-2012, data: Federal Office for the Environment, 10.04.2014

3 Political economy

- Incoherencies between objectives and measures
- Tax rate set in order to attain an objective
- Exemptions: extremely broad for firms
- Use of revenue: redistributed to population and firms + partial earmarking
- Policy mix: all the instruments in environmental policy in use

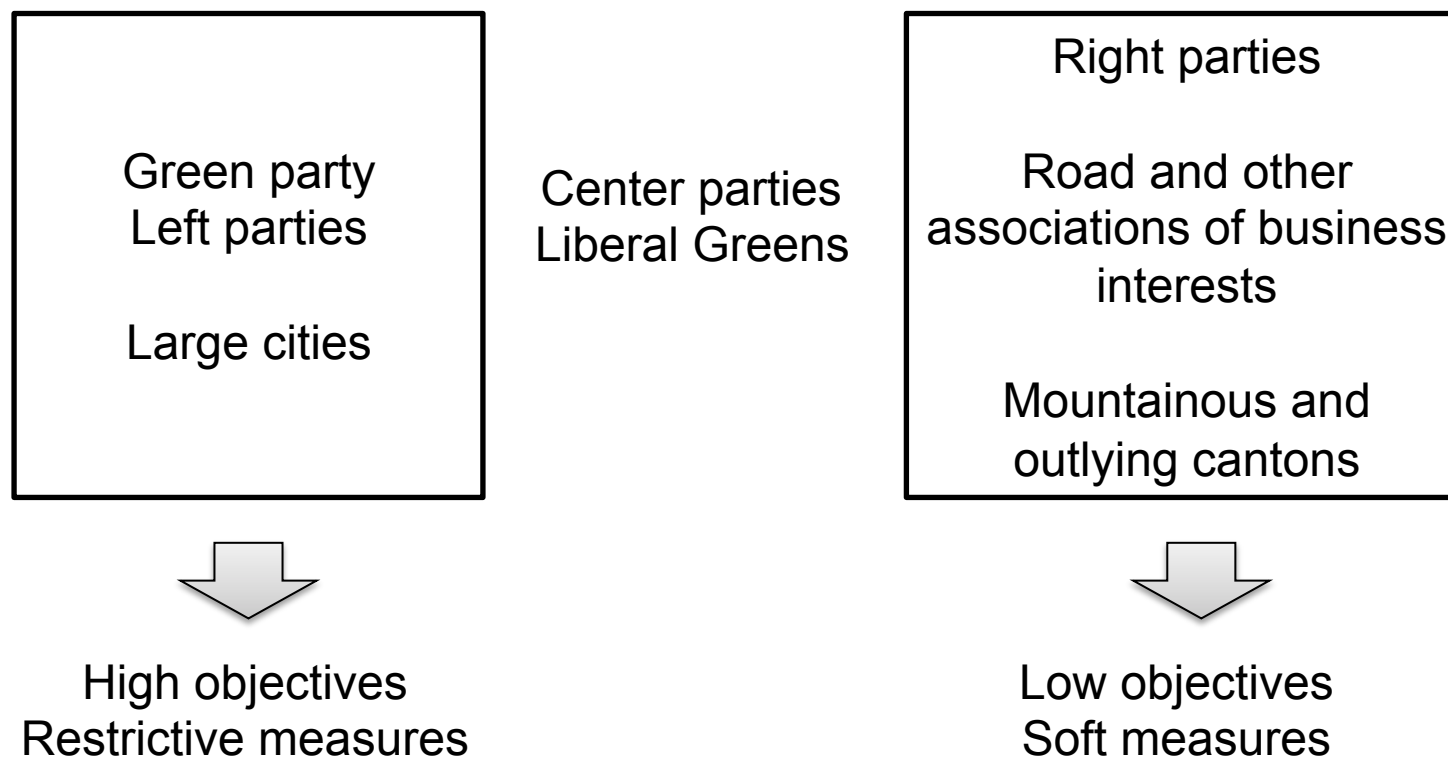
Implementation of the CO₂ laws



Elaborated by the author from Systematized Collection of Federal Law (*2015: Estimations)

4 Institutional analysis

→ Switzerland: Strong quest for consensus



5 Conclusion and perspective

- Draft of a new constitutional article
- Support scheme abolition
- Incentive taxes
- Strong opposition in traffic sector

Thanks for your attention

sandra.daguet@efv.admin.ch

