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Energy and Communications DETEC  
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## **Session 4: Considerations and challenges: how to proceed?**

16.02.2022, Partnership for Market implementation technical  
workshop



# Carbon pricing instruments in Switzerland

Measures in place (CO2 Act 2022)	Price / value in 2022
CO2 levy on fossil heating and process fuels	CHF120 / ton CO2e (~ USD 120)
Swiss Emissions Trading System (ETS) linked to the EU ETS	(~ USD 100)
Offset obligation for fossil motor / transport fuel (levied on importers)	% of emissions offset (max. 5 cents per litre)

Measures proposed and narrowly rejected in popular referendum in June 2021:

- Price increase of CO2 levy to CHF 210
- Increase offset obligation to max. levy to 12 cents per litre)
- Flight ticket tax (CHF 30 – CHF 120)



# Lessons learnt

- Pricing instruments encounter different levels of opposition by sector
  - Transport sector more difficult, emotional arguments on city / rural divide through dependence on cars
- Revenue redistribution helps popular acceptance
  - 2/3 of CO2 levy are redistributed to Swiss population
  - 1/3 supports climate measures: building program / technology fund
- Build in automatic triggers for policy reinforcement in case of missed sectoral targets (applied for CO2 levy)