

Revision of Federal Act on the Reduction of CO₂ Emissions

December 18 2017 | Contributed by [Pestalozzi Attorneys at Law Ltd](#)

Past developments

Measures under revised CO₂ Act

On December 1 2017 the Federal Council published its dispatch regarding the total revision of the Federal Act on the Reduction of Carbon Dioxide (CO₂) Emissions⁽¹⁾ (the CO₂ Act) for 2021 to 2030. The parliamentary debate on the revision of the CO₂ Act will start in 2018. This will define the development and course of Swiss climate policy for upcoming years.

Past developments

In response to the growing threat of climate change for humans and the ecosystem and in order to reduce global emissions, the United Nations (UN) adopted the UN Climate Convention in 1992, the Kyoto Protocol in 1997 (including two commitment periods) and the Paris Agreement in 2015.

As of December 2017, 197 countries have signed the Paris Agreement and 170 have ratified it. These signatory states must take measures as of 2021 in order to reduce greenhouse gas emissions and limit the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels (the goal being a maximum temperature increase of 1.5 degrees Celsius above pre-industrial levels).

By ratifying the Paris Agreement on October 6 2017, Switzerland committed itself to reduce its greenhouse gas emissions by at least 50% by 2030 compared to 1990 levels. In order to implement the Paris Agreement into national law and establish the new objectives and measures for Switzerland for the period 2021 to 2030, the CO₂ Act must be revised.

Measures under revised CO₂ Act

The CO₂ Act focuses on the period until 2020 and aims to reduce domestic greenhouse gas emissions by 20% compared with 1990 levels (the greenhouse gas emissions of Switzerland in 1990 amounted to 53.7 tonnes of CO₂ equivalent). The revised act implements the Paris Agreement and sets reduction targets for the period following 2020. By pursuing and intensifying reduction measures already implemented under the act – particularly in the traffic, real estate and industry sectors – the domestic greenhouse gas emissions within Switzerland are to be reduced by at least 30% by 2030 compared to 1990. A maximum of 20% of the reduction goal must be achieved abroad, resulting in a 60:40 ratio of domestic and foreign greenhouse gas emissions reductions. The reductions outside Switzerland will be realised by supporting and implementing climate protection projects and cooperating with other countries.

To comply with its commitment to the Paris Agreement, the Federal Council intends to provide for the following measures in the revised CO₂ Act:

- In the traffic sector, the CO₂ requirements for cars will be regulated in line with the EU regulations, therefore setting an emission limit of 95 grams (g) of CO₂ per kilometre (km) on new passenger cars and limiting the allowed emissions for new delivery vans and semi-trailers to 147g CO₂/km. Further, the compensation duty for importers of fossil motor fuel is to be

AUTHORS

[Michael Lips](#)



[Madeleine Schreiner](#)



extended. Such importers will be required to compensate between 15% and 90% of traffic-related CO₂ emissions, whereas at least 5% of the traffic-related CO₂ emissions are to be compensated with renewable fuels. The main aim of these measures is to increase the amount of hybrid and electric vehicles and the use of renewable fuels in the traffic sector.

- In the real estate sector, a higher CO₂ levy on fossil fuels with a maximum of Sfr210 per tonne of CO₂ is to be introduced, thereby creating an incentive to reduce the use of thermal fuels and promote greater use of renewable and environmentally friendly energy sources. As the increase of the CO₂ levy on fossil fuels also affects other sectors, it is considered a cross-sector measure. Additionally, a CO₂ threshold for buildings is to be implemented if the CO₂ emissions in this sector do not decrease by at least 50% by 2027.
- In the industry sector, the CO₂ Act is to be revised in order to comply with the Agreement between the European Union and the Swiss Confederation on the Linking of their Greenhouse Gas Emissions Trading Systems⁽²⁾ and to implement the aviation emissions and emissions of fossil fuel thermal power plants into the Swiss emissions trading system.⁽³⁾ Enterprises that have to pay more than Sfr15,000 in CO₂ levy per year but are not obliged to participate in the emission trading system (ie, less than 5,000 tonnes of CO₂ emissions per year) may still be exempt from the obligation to pay the CO₂ levy, provided that they commit to undertake their own measures in order to reduce their CO₂ intensity levels.

Further, the revised CO₂ Act contains provisions regarding the adaptation to climate change. The average temperature in Switzerland rises twice as much as the global average. Therefore, the coordination between the state and the cantons will be reinforced when it comes to risk prevention, natural hazard events or the determination of financing requirements.

By these means, Switzerland aims to tighten the CO₂ Act and reinforce its contribution to the limitation of global warming to below 2 degrees Celsius above pre-industrial levels, even targeting a maximum temperature rise of 1.5 degrees Celsius. In the long term, Switzerland aims to reduce its greenhouse gas emissions by 70% to 85% by 2050 and eventually wants to achieve climate neutrality.

For further information on this topic please contact [Michael Lips](#) or [Madeleine Schreiner](#) at Pestalozzi Attorneys at Law by telephone (+41 44 217 91 11) or email (michael.lips@pestalozzilaw.com or madeleine.schreiner@pestalozzilaw.com). The Pestalozzi Attorneys at Law website can be accessed at www.pestalozzilaw.com.

Endnotes

(1) The Federal Act on the Reduction of CO₂ Emissions, SR 641.71.

(2) Proposal for a Council Decision on the signing on behalf of the European Union of the Agreement between the European Union and the Swiss Confederation on the linking of their Greenhouse Gas Emissions Trading Systems, November 7 2017, COM (2017) 428, 2017/0194 (NLE). This agreement was signed by the parties on November 23 2017 and has yet to be ratified in order to be valid.

(3) For further details please see "[Major steps taken towards linking Swiss and EU emissions trading systems](#)".

The materials contained on this website are for general information purposes only and are subject to the [disclaimer](#).