



History of the Climate Cent Foundation

Essential facts and figures

Operational since	1 October 2005
Registered office	Freiestrasse 167, CH-8032 Zurich, Switzerland
Founding organisations	economiesuisse, Erdöl-Vereinigung (Swiss Petroleum Federation), Schweizerischer Gewerbeverband (Swiss Trade and Industry Federation), strasseschweiz FRS (Swiss Road Traffic Federation)
Funding	Charge of 1.5 cents per litre levied on diesel and petrol imports
Revenue	Around 100 million Swiss Francs a year
Quantity of emissions reductions	Switzerland: 2 million tonnes of CO ₂ / Abroad: 10 million tonnes of CO ₂

Timeline

The concept of the "climate cent" as a voluntary measure in accordance with the Swiss Carbon Law was developed and refined over the years 2001/2002. A first detailed business plan, commissioned by the Swiss Petroleum Federation, was presented to representatives of the Swiss Confederation in December 2002. In the first term of 2003, the Swiss Confederation submitted the concept of the climate cent to an in-depth examination in an independent study. In particular, the study contrasted the benefits and drawbacks of the concept with those of a carbon tax on motor fuels.

Over the second term of 2003 and the first term of 2004, the concept was fleshed out in talks between representatives of the Swiss industry and the Swiss Confederation. On one hand, the task was to position the concept within the wider context of climate policy, which encompasses not only the motor fuels sector but also the combustibles sector; this also included coordinating the concept with other ongoing or planned measures, such as e.g. the programme SwissEnergy or the scheduled exemption of biofuels from the mineral oil tax. On the other hand, the legal framework for using the Kyoto Protocol's flexible mechanisms had to be defined, as these represent a crucial basis of the concept.

In June 2004, the Swiss Federal Council decided to conduct a consultation on possible options that would allow Switzerland to meet its climate targets. The consultation, which opened on 20 October 2004, presented four options ranging from a pure carbon tax solution to a pure climate cent solution. As the consultation did not yield a clear result in favour of any one specific option, the

Swiss Federal Council decided on 23 March 2005 to levy a carbon tax of 35 Swiss Francs per tonne on combustibles and to grant the concept of the climate cent the opportunity to prove its effectiveness until the end of 2007.

On 30 August 2005, the Federal Department of the Environment, Transport, Energy and Communications (DETEC) and the Foundation thus signed an agreement regarding the Foundation's contribution to Switzerland's reduction targets as well as the modalities following which the Foundation was to provide evidence of the impact of its activities. The Foundation launched its operations on 1 October 2005.

In June 2007, the Foundation submitted its final business plan, which indicated that its targets could be achieved without exhausting available funds. This set the basis for an additional agreement signed in February 2009, in which the Foundation committed to achieving further CO₂ reductions.