



Climate Policy, Fiscal Policy

Climate fund initiative *is not sustainable*

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At a glance

- economiesuisse clearly rejects the climate fund initiative.
- The initiative will cost up to ten billion francs a year. It will lead to a massive mountain of debt and high new federal expenditure. Tax increases will be the result.
- Efficient climate protection can be achieved with lean procedures, robust framework conditions and private investment. The initiative is the wrong path.

After the vote on the JUSO initiative at the end of November, the next dangerous proposal will follow at the beginning of March 2026. The climate fund initiative would be very expensive and harmful for Switzerland without solving any problems.

Billions-euro project to circumvent the debt brake with massive new borrowing

The climate fund initiative calls for new federal spending of around five to ten billion francs a year for additional climate protection measures. Because the initiators know that the electorate would never say yes to such an expensive request, they have taken a different approach: they are attacking the debt brake and thus want to conceal the costs of the initiative. In the transitional provisions of the popular initiative, they are demanding that up to ten billion francs a year be channelled into the fund bypassing the federal budget. The result is a massive build-up of debt. Within ten years, a mountain of debt as large as the entire federal budget (CHF 100 billion) would be created. The dimensions are unprecedented in Switzerland - the additional interest costs alone would add up to more than CHF 5 billion over this period. That is more than what we currently spend on agriculture or development aid. Because the basic requirement of the debt brake that income and expenditure must be in balance remains valid even with the initiative, the climate fund cannot be financed by debt in the long term. Counter-financing is needed. Realistically, this will result in tax increases that will burden us all with up to CHF 10 billion per year. In addition, debts will have to be repaid at some point - so the problem will be passed on to future generations. This is not sustainable.

Throwing money at the problem is not a sustainable solution

The initiative is not only incredibly expensive, it is also not a smart way forward for the climate. Switzerland has defined the net-zero path in the Climate and Innovation Act and further developed the instruments in the CO₂ Act and the Energy and Electricity Supply Act in a targeted manner. At least CHF 14 billion of state funds are already flowing directly and indirectly into decarbonization every year - not including the expenditure of the cantons. Swiss emissions are currently around 26 percent lower than in 1990, despite significant economic and population growth. Switzerland has decoupled its prosperity from emissions - even if imports of goods are included. There is therefore no need for a risky change of course in the form of a fund. The successful mix of steering instruments, support programs and clear rules approved by the people works and must be pursued even more consistently. This is also the conclusion reached by the Federal Council and Parliament, which clearly reject the initiative.

A look abroad also confirms that more money rarely solves a problem. Years later, for example, only around 5 percent of the billions spent on the EU climate fund actually reaches its target. Enormous sums seep away in bureaucratic idleness. It is unrealistic to assume that we would achieve fundamentally different results with a climate fund.

Focusing on innovation and real impact

In the "Climate Program for Business", Swiss companies commit to reducing emissions through technology openness, international coordination and innovation-friendly framework conditions. Our success proves us right: emissions in the industrial sector are now around 45 percent lower than in 1990, while value creation has doubled. This means that the economy has almost reached its reduction target for 2040. The required climate fund wastes money with bureaucracy, overregulation and inefficient use. Private investment is being squeezed out. Yet studies show that with the right framework conditions, around 90% of the funding required by 2050 could be provided via private sector channels. Anyone who cares about climate protection must tackle the fundamental problems, e.g. blockades and leaner procedures in the expansion of emission-free energy generation.

Climate protection needs international impact instead of national debt policy

Climate protection is a global phenomenon and therefore a challenge that can only be overcome together with the rest of the world. Switzerland must continue to do its homework and take responsibility. One major opportunity for Switzerland's contribution to the climate, for example, is its innovative strength. Through clean, efficient technologies, Switzerland as an export nation can achieve a global climate impact. This has a more sustainable impact on the climate than throwing money at the problem and making future generations pay.



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