

Procurement audit in Swiss representations abroad

General Secretariat, Federal Department of Foreign Affairs

Key facts

As part of the general Federal Administration, the Federal Department of Foreign Affairs (FDFA) and all its Directorates are subject to the provisions of the Federal Act on Public Procurement. The Contracts, Procurement, Compliance Division of the General Secretariat FDFA (GS-FDFA) provides normative guidelines and aids to ensure that the purchase of services, goods and buildings by the various organisational units of the FDFA complies with the law. Between 2018 and 2021, procurements totalling CHF 657 million were made in the missions abroad. 90% (CHF 590 million) of this was attributable to the Swiss Agency for Development and Cooperation (SDC).

The Swiss Federal Audit Office (SFAO) examined whether the representations abroad comply with procurement law and whether the objectives related to public procurement law are achieved. By way of example, procurements by the SDC representations in Pristina (Kosovo, cooperation with Eastern Europe¹), Kathmandu (Nepal, cooperation with Southern countries) and the embassy in Paris (France, State Secretariat of the FDFA) were audited. This audit focused on procurements made in the representations abroad under a mandate for the benefit of international cooperation projects (IC) as well as on procurements for the representations themselves, e. g. procurements of security services for embassies and representations.

Overall, the audit findings were positive. Since the SFAO analysed procurements in only 3 of 170 missions abroad as part of this audit, the result is not representative. However, it shows what is possible in terms of quality of procurements in the representations abroad and that the basic elements for compliant procurement are in place.

The internal procurement processes and guidelines enable legally compliant, effective and efficient procurements in the representations abroad

The FDFA's internal directive on the procurement of services, supplies and construction work is of high quality and in line with the requirements of public procurement law.

There are enough appropriate tools, both normative and operational. These enable the representations abroad to procure in accordance with the objectives of public procurement law despite the specific situations on the ground. The existing directives, templates and processes also support efficient processes between the central office and the representations abroad.

Overall, the case studies paint a positive picture, but there is still room for improvement regarding declarations of impartiality

Declarations of impartiality relating to specific tender procedures were available in the case studies examined. However, there is a need for action with regard to general declarations of impartiality that do not relate to a specific procedure. The responsibility and the renewal

¹ The classification of the representations corresponds to their status prior to the reorganisation of the SDC as of 1 September 2022.

rhythm should be regulated uniformly at the FDFA in order to contribute to the fight against corruption.

Invitations to tender are published on simap.ch. In the interest of competition, these should generally also be advertised or communicated in the relevant local media.

The SDC operates in a very specific market with its services. In open procedures, it is evident that new or potential providers tend to balk at the effort involved in submitting a bid. The FDFA should examine ways to motivate these providers to submit a bid, thereby further promoting competition and counteracting any potential favouritism towards certain suppliers.

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