

## Performance audit of the Swiss external network for education, research and innovation (Swissnex)

### Key facts

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The establishment of the Swissnex network is based on the initiative of the Swiss Science and Innovation Council of the Swiss Embassy in Washington to combat brain drain. Supported by a donation from a Swiss bank, the State Secretariat for Education, Research and Innovation (SERI) set up the first Swiss centre for science (now Swissnex) in Boston in 2000. This arose from the consulate general which previously existed in Boston. SERI gradually rolled out this concept at the interface between Swiss education, research and innovation (ERI) players and the locations for international scientific excellence in five cities. Over the 15 years the Swissnex network has existed, the focus has changed from combating brain drain to promoting international exchanges of researchers and experts, brain circulation. Swissnex's activities are geared to the needs of ERI stakeholders. SERI management is shaped by the large degree of autonomy of the individual locations and the initiatives of the local Swissnex managers. Aside from the Swissnex network, SERI manages and finances about nine science councils. The Swissnex network and these science councils, which are integrated in Swiss embassies and consulates abroad, form the education, research and innovation external network of the Swiss Confederation. It is part of the official external network of the Confederation and is coordinated by the Federal Department of Foreign Affairs (FDFA).

#### **The annual cost of the Swissnex network is around CHF 10 million**

Up to the end of 2016, only the costs of approximately CHF 5.5 million borne directly by the Confederation for the Swissnex network are shown under SERI in the state financial statements. SERI was authorised by the Federal Finance Administration (FFA) and the Swiss Federal Audit Office (SFAO) to be exempted from the no-offsetting principle up to the end of 2016. 55% of the network is financed by SERI resources and 45% by resources from external organisations (other federal offices, Swiss universities, cantons and other units financed by the Confederation and private individuals). The share of the committed federal funds is higher than the CHF 5.5 million shown under SERI. The current accounting does not allow for a split statement according to the origin of the funds used. The exemption from the no-offsetting principle may not be extended. The Swissnex network costs approximately CHF 10 million annually. Approximately CHF 1.6 million is paid in kind (travel costs and infrastructures).

#### **Improvements could be made to accounting**

The SFAO supports SERI's approach to centralise and harmonise accounting, which is done in cooperation with the FDFA and requires SERI to set up more transparent and comprehensible accounts after the exemption expires at the end of 2016. The cooperation agreements entered into for events are not to be considered as public-private partnerships but rather as service contracts and sponsoring.

#### **No explicit legal framework, objectives must be formulated in a more specific and measurable way**

In contrast to the other external networks of the Confederation, the Swissnex network is not explicitly mentioned in the legal foundations. Under the heading of the internationalisation of Switzerland as a



location for education, research and innovation, the Federal Council's strategy also covers activities in the areas of business and culture. Areas which the SFAO associates with Switzerland Global Enterprise (S-GE), Pro Helvetia and Presence Switzerland, for example. The performance indicators need to be developed further. The current indicators are based on indirect parameters such as the involvement of second and third party funds instead of output indicators. Disincentives should be avoided in further development. This could support a coherent foreign policy between the foreign representations of the Confederation and minimise redundant costs. The Swissnex employees hired abroad in accordance with local conditions are highly committed and extremely flexible.

### **Integrate Swissnex into the FDFA foreign representation network and thereby realise potential for synergies**

The SFAO recommends that SERI integrate Swissnex into the FDFA foreign representation network to realise content and administrative synergies. Being involved in the FDFA foreign representation network, results in positive development prospects for the staff employed locally by the Swissnex network. The existing service level agreement between the FDFA and SERI from 2002 should be renewed and reworked as a mandate with more specific and more measurable targets. The criteria for country selection are currently listed in SERI's international strategy and roadmap of December 2015. Up to now, actual selection was largely on a case by case basis taking account of specific opportunities. Prioritising countries as possible Swissnex locations according to the needs of Swissnex interest groups by analogy with S-GE could improve the comprehensiveness of location decisions. The Swissnex committee (interest group representation) evaluated the network together with an external expert in 2010 and 2015. The results from the client questionnaires in these evaluations were always positive. The recommendations from the only external evaluation in 2006 (SERI mandate) on purpose, areas of activity, delimitation and management by objectives were only partially implemented.

### **Original text in German**