

## Audit of supervision of the technology fund Federal Office for the Environment

### Key facts

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The technology fund has officially been operating since 2015. The fund is used by the Federal Office for the Environment (FOEN) to promote innovative technologies that reduce greenhouse gas emissions or the consumption of resources, support the use of renewable energies and increase energy efficiency. To achieve this objective, the FOEN uses the fund to grant loans to companies which develop and market innovative products and processes to reduce greenhouse gas emissions. The assets of the fund are taken from the revenue from the CO<sub>2</sub> tax. By 2020, approximately CHF 200 million will have been transferred to the fund's capital. These funds are used to cover guarantee losses and to finance administrative costs.

For the purposes of implementation, the FOEN has committed Emerald Technology Ventures (ETV) as an external service provider. This is a relatively new phenomenon in the Confederation's subsidy system. Structures of this nature could increasingly be used in an ever-more complex technical environment. ETV assesses applications, accompanies the borrowers and manages the fund office. Guarantee recommendations are issued by the guarantee committee, which is composed of experts. The FOEN takes the final decision. By the end of the third quarter of 2016, 25 sureties amounting to CHF 28.9 million had been granted. The guarantees are generally restricted to 60% of the overall financing. No losses have been recorded as yet. The fund office has preselected a total of 75 applications up to now.

### **Planning and organisational structure evaluated positively**

Before the launch of the new instrument, the FOEN established a comprehensive realisation concept. The assessment of implementation is thus correspondingly positive. The FOEN has separated the supervisory and implementation tasks in the best possible manner. In organisational terms, it is possible to talk of good governance. The tasks, responsibilities and powers have been correctly assigned. This is why the SFAO did not discover any inadmissible accumulation of tasks, power overlaps or dual functions. Normative bases such as guidelines, regulations and agreements are good. The applied withdrawal and integrity regulations are appropriate.

The fund office and the specialist unit of the technology fund ensure in the decision-making and support process that there is sufficient documentation of all key requirements regarding the law, ordinance and regulations. The assessment has been made as objective as possible. This is facilitated by templates, checklists and structured due diligence reviews. The early-warning system, the indicators and the damage-limitation arrangements are appropriate. They ensure that there will be a response to negative developments and that the reaction time will be short.

### **Appropriate supervision overall with optimisation potential in the area of fees**

Supervision by the FOEN features high levels of specialist expertise and appropriate accompaniment of the fund office in the important process phases. The SFAO identified room for improvement in the supervision of fee revenue. It is also in this area that it recommended specifying fee settlement in the ordinance. In the case of accounting, the amendments from the optimisation of the new accounting model are to be noted.

### **Original text in German**