



Implementation of the New Regional Policy in the cantons of Bern, Jura and Valais

State Secretariat for Economic Affairs SECO

Key facts

In accordance with article 4 of the Federal Ordinance on New Regional Policy, and based on the programme agreements between the Swiss Confederation and the cantons, the SFAO has audited the implementation of the New Regional Policy (NRP) in three cantons in collaboration with the cantonal financial auditors.

The objective of the audit was to verify the information and data communicated by the cantons to the Confederation in their reports for 2011 (i.e. the existence, accuracy and plausibility of data). The audit procedures also covered adherence to the revised legal basis for regional policy, i.e. the content of projects as well as certain aspects of monitoring and the appropriateness of the controlling measures. Finally, audit carried out by the cantons themselves were used to gain findings in order to improve the programme agreements at federal level.

The financial data disclosed in the three audited cantons' final reports of July 2011 can be confirmed, including the semi-financing by the cantons, as stipulated in the Federal Law on the NRP. The plausibility of indicators used by the cantons in their reporting was checked at random. A distinction should be made between those indicators that are relatively easy to measure (e.g. number of projects, number of courses held) and the more complex indicators serving to test the effectiveness (e.g. number of jobs created, investment volume triggered). Because the latter indicators are, estimates by project management, their information value could not be verified.

The differentiation between the content of the NRP and the sectoral policies proved to be a major challenge for the auditors at federal and cantonal level. The legal guidelines grant extensive discretionary powers to the cantons. The SFAO would like to see SECO actively addressing important content-related questions on the NRP and taking a generally binding position thus to ensure that all cantons are treated according to the same rules. In its statement, SECO expresses some scepticism with regard to narrower content-specific requirements. The flexibility granted to the cantons should not be restricted by additional regulations.

For two cantons that finance projects of organisations close to government with flat-rate contributions, it was recommended that the processes should be more formalised. Interdependence of personnel between recipient organisations and the cantonal offices should be avoided, and written mandates should be introduced for the delegation of cantonal representatives. These matters met with a positive response from the cantons.

The understanding of the control function differs among the cantons. In one canton, measures are limited to a straightforward performance control; two of the cantons have a basic approach in regard of a system for monitoring effectiveness, which apparently might be expanded.

The NRP was launched in 2008 on the basis of programme agreements, according to which, instead of cost contributions, global contributions were to be paid. These contributions depend on pre-defined targets to be reached. Today, however, no legal consequences are tied to the results i.e. whether the targets are attained or not, neither at the federal level (with respect to the cantons) nor at the cantonal level (with respect to the service providers). The defining criterion is still the use of financial means. To come closer to the original plan, i.e. to operate the NRP on the basis of flat-rate contributions, would require further development of the system of goals and indicators, standardisation of the voluminous reporting, accompanied by a corresponding change in culture.

In its statement, SECO mentions that the report is the first detailed audit of NRP implementation since the beginning and is based on a thorough analysis of the three cantons in question. The audit findings largely match its own observations. This analysis is seen as a thorough study that will support the cantons and SECO in their further development of NRP implementation. SECO points out, that evaluations of previous regional policy tools in 2004 found their effectiveness to be less than expected. The paradigm shift, not least taking place on account of the NRP, needs sufficient time before the theoretical requirements can be met and realized in practice. Comments and statements on the SFAO's findings and recommendations are included in the document as text boxes in italics.

The Joint Committee on Finance of the Federal Assembly took note of the findings of this audit.

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