

State Secretariat for Economic Affairs (SECO)

Audit of the Regional Development Fund and implementation of the New Regional Policy in three cantons

Key facts

The Swiss Federal Audit Office (SFAO) audited several questions relating to the implementation of the New Regional Policy (NRP) at federal and cantonal level, partly in collaboration with the cantonal audit offices. Having visited the cantons of Jura, Bern and Valais in 2011, the SFAO audited a further three cantons (Vaud, Ticino and Grisons) in 2013. The financial subsidies for the six audited cantons amount to CHF 68.77 million for federal contributions and CHF 136.5 million for federal loans (first programme period 2008-2011 excluding cantons' share).

The financial data relating to the cantons' reporting for 2011 and 2012 was confirmed in the three cantons. The application of the equivalence principle to funding was also confirmed in the audited cantons, i.e. a minimum of 50 percent of the funding for the projects/measures came from the cantons.

The SFAO commented on similar problems and risks to those highlighted in 2011 (e.g. recurring subsidies instead of start-up funding). It identified room for improvement in similar topic areas to those identified in 2011, e.g. simplification of reporting, coordination with other federal subsidy areas and demarcation of the NRP with respect to sector-specific policies. One of the SFAO's focus areas in the report was the switch to performance- and impact-based control, which was connected with the instrument of programme agreements under the new system of fiscal equalization and division of tasks (NFE) between the Confederation and the cantons. Up to 2015, NRP contributions vis-à-vis the cantons will be mainly accounted for in accordance with the use of resources (input-oriented management). From 2016 on, controlling will shift its focus to output-oriented management.

The Regional Development Fund, which stood at CHF 1,067 billion at the end of 2012, is duly administered by SECO. Despite the fact that the administrative management of loans shifted from the Confederation to the cantons during the switch from the old regional policy to the NRP in 2008, the SFAO believes the administrative procedures for loans in SECO are still complex. While the SFAO finds that the administration of the old IAARA loans (loans based on the Federal Act on Investment Aid for Alpine Regions) runs smoothly (apart from the necessary replacement of the Oracle database), it sees a need to simplify the management of NRP loans and recommends making minor corrections to the valuation model. In its statement on the SFAO audit, one canton suggests going back to the old loan management system from 2016 on because it claims the new system is too burdensome on the whole (considering the administration on both sides).

The SFAO gives a critical assessment of the studies performed on the NRP 2008-2015 and the background report on the NRP for the 2016+ periods as commissioned by SECO. The procedure was not well coordinated in terms of timing. The foundations for the new period were already being developed while the evaluations were still being conducted. It should also be noted that the envisaged NRP 2016+ has a strong political focus that does not correspond to the conclusions of the evaluation reports (increase of tourism support by CHF 200 million).



The SFAO recommends that SECO submit a statement on the results and recommendations of commissioned evaluations and publish it together with the corresponding reports. As part of the dispatch on business development, it is recommended that evaluation activities be coordinated better in future for the NRP 2016-2023.

On the whole, SECO agrees in principle with these recommendations. Its statement is annexed to the report.

Published on the SFAO's website in April 2014, the report "Programme agreements – risks and challenges" consolidates the results of several SFAO audits within the scope of application of programme agreements.

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