

AUDIT

Horizontal audit of the payment of the second Swiss contribution to EU member states

State Secretariat for Economic Affairs, Swiss Agency for Development and Cooperation, State Secretariat for Migration

KEY FACTS

Switzerland provides selected EU states with support. The aim is to reduce economic and social inequality in the EU and to better manage the effects of migration. For this purpose, Switzerland is providing a total of CHF 1.3 billion for the period 2019–2029; the programmes and projects to be supported are agreed directly with the partner countries. The State Secretariat for Economic Affairs (SECO) and the Swiss Agency for Development and Cooperation (SDC) are jointly responsible for the cohesion framework credit. The State Secretariat for Migration (SEM) is responsible for the migration framework credit, which was not part of the first enlargement contribution (2007–2024).

The Swiss Federal Audit Office (SFAO) conducted a follow-up audit at SECO and the SDC on the implementation of key recommendations from the 2014 audit of the first enlargement contribution.⁴ There have been significant improvements compared to the first enlargement contribution. The SFAO has therefore been able to close four of the original five recommendations. Despite the improvements, it has issued five new recommendations for the second enlargement contribution, in which the SEM now also participates. These recommendations refer to key aspects for future development, and are aimed at strengthening efficiency, effectiveness and transparency.

Insufficient focus impairs efficiency and effectiveness

The second Swiss contribution promotes projects in 16 subject areas – far fewer than the first enlargement contribution. SECO now focuses on fewer, more extensive programmes. By contrast, the SDC remains active in nearly all countries, and continues to run a large number of programmes. Efficiency and effectiveness would be higher if clearer priorities were set and programmes were larger. For this reason, the SFAO regards the corresponding recommendation from 2014 as still outstanding for the SDC.

Programme approval process can be simplified

Since the first enlargement contribution, key aspects of cooperation have been improved: the roles, tasks and powers of the participants both at home and abroad are now clearly defined in the general implementing provisions. In addition, a comprehensive supervision and monitoring structure has been established for the second Swiss contribution. As a result, the related recommendations from 2014 have been closed.

Programme requests are carefully examined during the approval phase. However, the detailed and complicated template for requests is too daunting for some partner countries, which makes the two-stage approval process unwieldy for SECO, the SDC and the SEM. This remains true despite key parameters still not being clear when the approval is granted. The severe time pressure results in compromises on less important requirements. The SFAO finds the process too complicated and recommends a simplified request template that focuses on key criteria. Moreover, a simplified programme approval process should be allowed under clearly defined conditions.

⁴ Switzerland's enlargement contribution – does the division of tasks with EU partner countries allow efficient implementation? (audit mandate 14447), available on the SFAO website

The key processes in the cooperation with the partner countries are not digitalised. Data is entered manually and is not available in good time. Further efficiency gains from digital transformation are not exploited. The SFAO recommends that the benefits and feasibility of a digital management system be examined.

Operating expenses must be uniformly and fully recorded

Five percent of the second Swiss contribution is reserved for the Confederation's operating expenses. By 2025, the SDC, SECO and the SEM had used less than this. However, reporting of operating expenses at the main offices of these three authorities is incomplete and inconsistent. Some workplace costs, expenditure for developing and running IT applications, and other material and operating costs are not included. The SFAO is calling for uniform and full calculation of operating expenses, to ensure that the general public finances are not burdened by costs associated with the Swiss contribution.

A more systematic examination of public contracts awarded abroad

Switzerland has a complete set of rules governing the award of public contracts in partner countries. Due to the high risk of corruption, the Swiss authorities check tenders before any contract is concluded. Their checks are more rigorous than those carried out for other support mechanisms. The fact that they do not systematically request the evaluation reports for the tenders is problematic. As a result, the prior checking of procurements thus remains incomplete and potential risks are not fully taken into account. The SFAO recommends that the checks after the signing of the contract be improved, and that an evaluation plan be drawn up for procurements in partner countries.