



The federal and cantonal "building" programme Evaluation of the programme organisation

Key facts

Since 2010, the federal government and cantons have been promoting the energy-efficient renovation of buildings; to date, around CHF 180 million a year has been made available for this purpose from the partial earmarking of the CO₂ tax. At least two-thirds of this amount flows into part A of the programme, which encourages renovation of the building envelope in accordance with standards that have been harmonised at a national level. The remaining funds go towards part B of the programme in the form of global contributions to the cantons for projects in the areas of renewable energy, waste heat utilisation and building technology. Parts A and B of the programme are largely independent and each has its own separate organisation. The aim of both parts of the programme is to motivate as many home owners as possible to renovate their buildings in an energy-efficient manner, thus preventing as many CO₂ emissions as possible. Pursuant to the CO₂ Act, the programme will run for ten years (2010 to 2019).

Part A of the building programme

Part A of the programme is financed entirely from the CO₂ tax; the Federal Office for the Environment (FOEN) is responsible for its implementation on the part of the Confederation. The Swiss Federal Office of Energy (SFOE) has many years of experience in sponsoring measures related to the building envelope. Each office's scope of authority in relation to the building programme has not been sufficiently clarified. Practically every task must be discussed with the other office. In addition, the power of the two federal offices to determine the level of contributions to the objects eligible for assistance has not been clearly regulated.

The cantons are responsible for harmonised implementation. The Confederation has concluded a programme agreement with the Conference of Cantonal Energy Directors (EnDK), which is set to run until the end of 2014.

Part A of the programme is not systematically organised and the decision-making processes are complicated. There are two strategic steering bodies. With regard to the responsibilities of the latter, there remains a difference of opinion between the federal government and cantons and to a certain extent also between the federal offices. A binding arrangement regarding the roles of these bodies did not emerge until autumn 2012, and has not yet been fully clarified. The Swiss Federal Audit Office (SFAO) has further pointed out that the EnDK bodies steer part A of the programme although financial responsibility ultimately lies with the individual cantons, thus leading to a contradictory delegation of powers and responsibilities. Moreover, there is not a sufficiently clear separation of personnel at the strategic and operational levels.

Against this backdrop, however, the SFAO considers it positive that the implementation tasks are nevertheless being handled well and that day-to-day cooperation is open and constructive. The problems inherent in the challenging organisational structure are often compensated for by high commitment and efforts.

Since 2010, the demand for financial assistance has clearly outstripped the funds available. However, the federal government and cantons were unable to agree on two amendments to the conditions for assistance until late, owing to a lack of clarity regarding the strategic powers and

responsibilities. Added to this were uncertainties regarding receipts, which arose from the revision of the CO₂ Act, the drafting of the 2050 energy strategy and external factors (climate fluctuations, price of oil, etc.).

The current amendments to the conditions for assistance have done too little to curb the demand for financial assistance. Although the number of applications has fallen, this has been offset by a rise in the average amount of assistance requested. The approximately CHF 575 million expected to be available for the period 2010 to 2014 had therefore been committed already by autumn 2012. Without additional funds, it would have been necessary to stop the programme. In January 2013, the federal government and cantons thus extended the programme agreement by one year, to enable the expected revenue for 2015 to be used. In spite of this emergency measure, the demand for financial assistance continues to exceed the funds available.

From a legal point of view, the cantons enter into a commitment by approving an application for financial assistance. In the opinion of the SFAO, however, the Confederation shares in the political responsibility, since it played an active role in shaping the two programme amendments and agreed to them.

The prevailing supervisory concept, which provides for checks and controls of the work carried out, is appropriate and fit for purpose. The SFAO was not able to detect any over-supervision. However, the benefit of both the federal government and cantons producing a quality assurance report is questionable.

As the SFAO sees it, the Federal Office for the Environment and the Federal Office of Energy have done little to eliminate the organisational weaknesses and uncertainties regarding receipts. In part A, there is a wide gulf between the tasks, powers and responsibilities of the federal offices and of the players at cantonal level.

Part B of the building programme

The Federal Office of Energy is responsible for the implementation of part B of the programme at federal level. The global contributions in this part conform to the basic intentions underlying the new fiscal equalization system. The Confederation restricts itself to strategic requirements and controlling, while operational responsibility lies with the cantons. Financial assistance by way of global contributions was initiated in 2000; since the start of the building programme in 2010, part B of the programme has been processed in this way. In order to receive global contributions, the cantons must contribute their own financial support in the same amount.

Implementation of part B varies according to canton. However, difficulties rarely arise given that there is a reasonable congruency of tasks, powers and responsibility at cantonal level, and there is less need for coordination amongst all the players. The harmonised model of financial assistance represents a key element that serves to standardise the cantonal programmes and makes it possible to conduct an impact analysis across all the cantons. The results of the analysis are material to the impact-driven model of financial assistance: the more effective the support programme of a canton, the more global contributions it receives.

The financial assistance model can easily be adjusted to the needs of the cantons. It provides incentives for the cantons to learn from the support programmes of other cantons which prove particularly CO₂-effective. However, there is a danger that not all the financial support is being used

and there can be major differences between the cantons. Among other factors, this can be attributed to the fact that the building programme restricts the group of measures eligible for assistance. In addition, if the Confederation suddenly increases its subsidies by a significant amount, the cantons may not be able to raise their budgets in good time. The federal funds cannot then be drawn upon, since the cantons are bound by law to contribute the same amount of funds themselves.

The Confederation's supervisory concept in part B is insufficient in the context of the promised funds.

Evaluation and recommendation of the SFAO

As a result of the financial over-commitment situation in part A, it will be necessary to fundamentally rethink the continuation of this part of the building programme as early as spring 2013, and decisions will have to be made on the next steps.

As parts A and B of the programme largely require the same subject matter expertise and both additionally support measures carried out on the same buildings, it does not make sense to divide implementation responsibility at federal level. Furthermore, there is some duplication to be found in the current programme organisation. The SFAO therefore recommends, at the very least, that the Federal Department of the Environment, Transport, Energy and Communications (DETEC) concentrate responsibility for implementation of the programme in the hands of the SFOE. The FOEN should ensure compliance with the CO₂ requirements. Both federal offices should systematically evaluate the building programme through their risk management systems, and document this in an appropriate fashion. In addition, supervision should be strengthened in relation to global contributions.

As the SFAO sees it, a significant improvement can also be achieved by increasing the delegation of tasks and decision-making powers to the cantons. The fact that liability for the financial assistance provided already lies with the cantons speaks in favour of this solution. The Confederation should restrict itself to ensuring that the aims of the legislation on energy and CO₂ are duly taken into account.

The SFAO basically envisages two development paths for the national part of the building programme after 2015: a change of system or optimisation of the existing organisation.

As a change of system, the SFAO recommends that DETEC merge the two parts of the programme and look into financing it by means of global contributions. Doing so would create a clearer congruency of tasks, powers and responsibilities. The SFAO is aware that critical questions will still have to be clarified in this respect, especially regarding the costs of making the change, the financing of existing over-commitments and the future costs of implementation. Ancillary measures – including, for example, a potential adjustment of the statutory financing formula – should be taken to counter the risk of funds remaining unused. The agreements must include clear framework conditions. These could provide for a minimum share of measures to the building envelope, for example, in order to duly accommodate the desire for a uniform, nationwide part.

If it is decided not to pursue a change of system, then the SFAO recommends vastly simplifying the organisation of part A of the programme, in the interests of optimisation.

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