

Audit of the monitoring of land purchases as part of the Rhone correction project

Federal Office for the Environment

Key facts

The third Rhone correction (R3) is a construction project aimed at remodelling the river in order to reduce the risk of flood damage and making its course more natural. It is by far the largest project of its kind in Switzerland. It will take several decades to complete and the total cost is estimated at CHF 3.6 billion, of which CHF 2.1 billion will be covered by the Confederation.

Thanks to periodic standardised reports and regular exchanges with the cantons, the Federal Office for the Environment (FOEN) has an overview of the information required to assess the quality and progress of the project. This last aspect is subject to the same monitoring as the roughly 200 other flood protection projects. Owing to its scale, duration and complexity, it should be a particular focus of attention. The Swiss Federal Audit Office (SFAO) recommends that the FOEN draw up a specific R3 risk assessment and introduce monitoring based on the risks it has identified as the subsidy-granting authority.

The draft concept for monitoring land purchases must be reworked

The SFAO's audit focused mainly on the monitoring of land purchases. Some CHF 350 million, or around 10% of total costs, must be put towards the purchase of the plots of land needed to carry out the work on R3. Before work started, a system of prefunding was set up for these purchases. The FOEN had delegated the monitoring tasks to the Federal Roads Office (FEDRO) up to February 2021. The mandate did not include the specifications, which led to confusion regarding the roles and responsibilities of each office. As a result, the need to purchase plots of land was not systematically monitored.

The FOEN once again assumed full responsibility for monitoring in March 2021, but does not currently have the specific skills in the area of land purchases that would allow it to perform this task effectively. The office has drawn up a draft concept for monitoring land purchases, but it needs to be made more detailed and comprehensive. In the view of the SFAO, the targeted monitoring of dossiers based solely on financial aspects, as currently planned, is not enough. Other risks, such as pollution, fixing of rents, compensation payments or rights of retrocession, may also be relevant and should be taken into account.

As regards pollution, the SFAO recommends that the FOEN stop prefunding plots of land in need of cleanup, and grant subsidies when the detailed project is activated.

Subsidies to be checked and repaid where necessary

A detailed analysis by the SFAO of around twenty purchasing files revealed a number of cases where the subsidies were paid too early, or where the amounts were too high: land containing buildings was prefunded in contravention of FOEN rules, land for which there was no demonstrable need under the project was subsidised, rents receivable were significantly below the value of the asset, direct payments were made in addition to

compensation for the loss of agricultural land. Finally, the salary, family allowances and social security contributions for at least one cantonal employee were too generously subsidised, as were the administrative costs.

The total amount involved can be roughly estimated at between CHF 500,000 and CHF 1 million, solely for those cases identified by the SFAO as problematic. Given that this sample is not representative, it is not possible to draw any conclusion about the land purchases as a whole based on these figures. The SFAO recommends that the FOEN examine these cases in detail and take the necessary corrective measures (return of subsidies, etc.).

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