

Audit of the benefits of the fund for the promotion of forestry and wood research

Fund for the promotion of forestry and wood research

Key facts

The fund for the promotion of forestry and wood research supports projects for promoting the development and competitiveness of the Swiss forestry and timber industry. The Federal Office for the Environment (FOEN) manages the Fund office. The Fund has an annual budget of CHF 770,000, whereby the federal share amounts to CHF 470,000. On average, CHF 90,000 goes to each project. The Swiss Federal Audit Office (SFAO) checked whether it is necessary to have an independent fund for the promotion of forestry and wood research.

Savings potential: the SFAO has a critical view of the justification for the fund

Eight of the ten of the new projects approved in 2016 were managed by institutions of the Swiss Federal Institutes of Technology (ETH) or cantonal universities of applied sciences. These beneficiaries receive contributions from the Confederation for operating costs. In this way, the Confederation finances parts of the capital contributed by the institutions to run projects. According to the fund regulations, the Fund should not have supported such requests. Furthermore, the project contributions are insignificant in proportion to the subsidies from the Confederation. At the ETH these only amount to 0.02%.

According to the SFAO, the provisions concerning involvement that does not exceed reasonable economic capacity were not met. The projects could have been run without any additional support (deadweight effect). In addition, the SFAO considers funds structures with the involvement of a canton to be outdated against the backdrop of the new fiscal equalization and programme agreements. They present additional legal and organisational requirements. Generally, for small projects, it is difficult to ensure the necessary rigour with efficient use of resources.

The SFAO recommends abolishing the fund. The FOEN should at least seek alternative solutions to the current structure, in order to save on administrative costs. The FOEN may no longer support projects of tertiary-level institutions if the capital is co-funded by the Confederation.

The resources deployed are not sufficient for full implementation in compliance with the law

The Fund has a lean administration and carries out the majority of its work correctly. File management is clear. However, various requirements are not fulfilled or sacrificed on the grounds of economic efficiency. The Fund must close these gaps. In particular, there is currently no Federal Council decision which validates the fund. The policy-makers' declaration of impartiality only covers certain aspects. Key controls are lacking in the processes, e.g. the dual control principle. Neither the approval nor the rejection of applications is contractually agreed or regulated by the Fund. In addition to these formal deficiencies, the Fund

does not verify, for example, its own contributions or capital made available. Overall, additional resources would be required in order to remedy these shortcomings, which would result in a negative economic impact.

The SFAO has made corresponding recommendations. The FOEN must implement these should the Fund be maintained.

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