



Expo.01/02: A task involving unlimited liability

Special investigation on the national exhibit in the Three Lakes Region

Key facts

The Swiss Federal Audit Office (SFAO) fulfils a mandate set by the Federal Council with this report. The aim was to make a record of the problems in organising and implementing Expo.01/02 and to chronicle the experience gained, so that mistakes could be avoided in similar, future projects. The investigation concentrated on the problems surrounding the fact that the Confederation had to spend far more on financing Expo than the sum originally envisaged (approximately one billion Swiss francs instead of CHF 130 million).

The main investigation findings may be summarised as follows:

- **When the Confederation gives instructions for a national exhibition to be held, it effectively assumes unrestricted political and financial liability.** Parliament and the Federal Council must be aware of this responsibility from the outset, and hold the cantons and the communes financially responsible for the corresponding consequences concerning professional, strategic monitoring .
- **The feasibility study at the outset must assume pivotal significance in taking decisions on major projects.** In the decision in favour of Expo.01, core issues were insufficiently clarified and discussed only at a superficial level. This was once again the case for Expo.02 concerning revenue expectations. Basic decisions which had been insufficiently clarified constituted a heavy burden later on.
- **During Expo.02, many Expo.01 shortcomings were able to be remedied.** Expo.01 suffered from considerable structural deficiencies, in particular client and «militia» structures were overburdened and the role played by strategic controlling was insufficient. At the start of Expo.02, structures and processes were greatly improved. The national exhibition was able to take place thanks to the tremendous dedication of those involved. In comparison with other large-scale exhibitions abroad, the national exhibition fared well in terms of attendance, visitor satisfaction and sponsoring.
- **During Expo.01/02, those in charge at Expo, as well as the political stakeholders, were consumed by a purposively optimistic approach to cash receipts.** Expectations concerning sponsoring and revenues from tickets continued to be too high during Expo.02. As a result, after the release of the additional credit in January 2000, the Confederation had to invest an additional CHF 548 million up to the opening of Expo.02, thereby negatively affecting the credibility of those in charge of Expo and the Federal Council.
- **During Expo.01, awareness of financial husbandry was insufficient, and even during Expo.02 not enough use was made of savings potential.** This led to a veritable explosion in costs during Expo.01. Expo.02 was much better at keeping costs under control. However, it did not optimise its savings capacity due to the fact that only some of the orders subject to tender were put through the competitive selection procedure.
- **In spite of the various shortcomings revealed, there were no signs of misguided behaviour in accordance with civil or criminal law in the sectors examined by the SFAO.** It should be noted that the special investigation could only pursue particular points on the topic of responsibilities under civil or criminal law. A more detailed examination of this issue would have gone beyond the scope of the special investigation.

Holding a national exhibition is a difficult undertaking in which mistakes are unavoidable. However, the analysis of Expo.01/02 helps in recognising fundamental structural mistakes which are to be avoided in the case of future national exhibitions or comparable projects. With this in mind, the report draws up 20 guidelines for the main players – parliament, the Federal Council, the federal administration, the cantons and the communes and project management.

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