

# Audit of supervision of compliance with 2014 to 2017 Federal Council strategic objectives by SIFEM AG

## State Secretariat for Economic Affairs

### Key facts

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The Swiss Investment Fund for Emerging Markets (SIFEM) AG is a company limited by shares, wholly owned by the Confederation. The purpose of SIFEM AG is the provision of risk capital to SMEs in developing and transition countries. In 2011, the management of the fund and direct investments has been assigned to OBVIAM DFI AG, a private service company specialized in this type of investment.

SIFEM AG is managed as a legally independent unit in the Federal Administration by the Federal Council in accordance with the rules of the Confederation's corporate governance via strategic objectives. Compliance with these objectives is monitored by the State Secretariat for Economic Affairs (SECO), which represents the Confederation, sole shareholder of SIFEM AG.

The financial commitment (31 December 2016 balance sheet) of the Confederation in SIFEM AG amounts to CHF 293 million and CHF 199 million of holdings. SIFEM AG is listed in the state financial statements as a significant interest.

The audit by the Swiss Federal Audit Office (SFAO) should establish how the Federal Council or SECO guarantees that the set strategic objectives of SIFEM AG are achieved.

### **SECO supervision of SIFEM AG is ensured**

An important basis of Switzerland's international cooperation is the "Dispatch on Switzerland's international cooperation". This is jointly drawn up by SECO and the Swiss Agency for Development and Cooperation (SDC). The coherence of the objectives at this level is thereby ensured. The strategic objectives of the Federal Council for SIFEM AG which are structured on the guidelines of the dispatch, are prepared by SECO and the SIFEM AG Governing Board. They finally go through an office consultation so that all interested federal offices can provide their comments.

The control and monitoring processes of SIFEM AG have been described in writing by SECO. As far as the SFAO can ascertain, the measures described have been complied with. Great importance is accorded to measuring and maximising the impact in particular. OBVIAM DFI AG's reporting and subsequently that of SIFEM AG are of a high quality.

The question as to whether SIFEM AG creates jobs more efficiently with its approach than for example the SDC does can only be partly answered by the SFAO. The target areas, instruments and objectives of the various organisations are too diverse to allow a direct comparison to be made. An evaluation published recently on the topic acknowledges SIFEM AG's high level of effectiveness in creating jobs. The administrative costs at 1.05% of the total active commitments are below the maximum limit (1.5%) set by the Federal Council.

**Original text in German**

## Generelle Stellungnahme der Geprüften

Wir danken der EFK für die gute Zusammenarbeit bei der Durchführung der Prüfung. Von den positiven Resultaten des Berichts haben wir mit Befriedigung Kenntnis genommen. Der Bericht bestätigt die Auffassung des Bundesrates, dass die SIFEM ein integraler Bestandteil der Schweizer Entwicklungszusammenarbeit ist. Die SIFEM trägt dazu bei, zentrale Ziele der Botschaft zur Internationalen Zusammenarbeit 2017-2020 in Ergänzung der klassischen Instrumente von DEZA und SECO auf wirksame und kosteneffiziente Weise zu erreichen. Der Bericht anerkennt auch die solide Arbeit auf allen Ebenen, welche die professionelle Führung, Steuerung und Aufsicht der SIFEM seit ihrer Etablierung gewährleistet. Das SECO, der Verwaltungsrat und die Firma Obviam werden sich auch weiterhin nach Kräften dafür einsetzen, dass die SIFEM in allen Bereichen die höchsten Standards erfüllt.