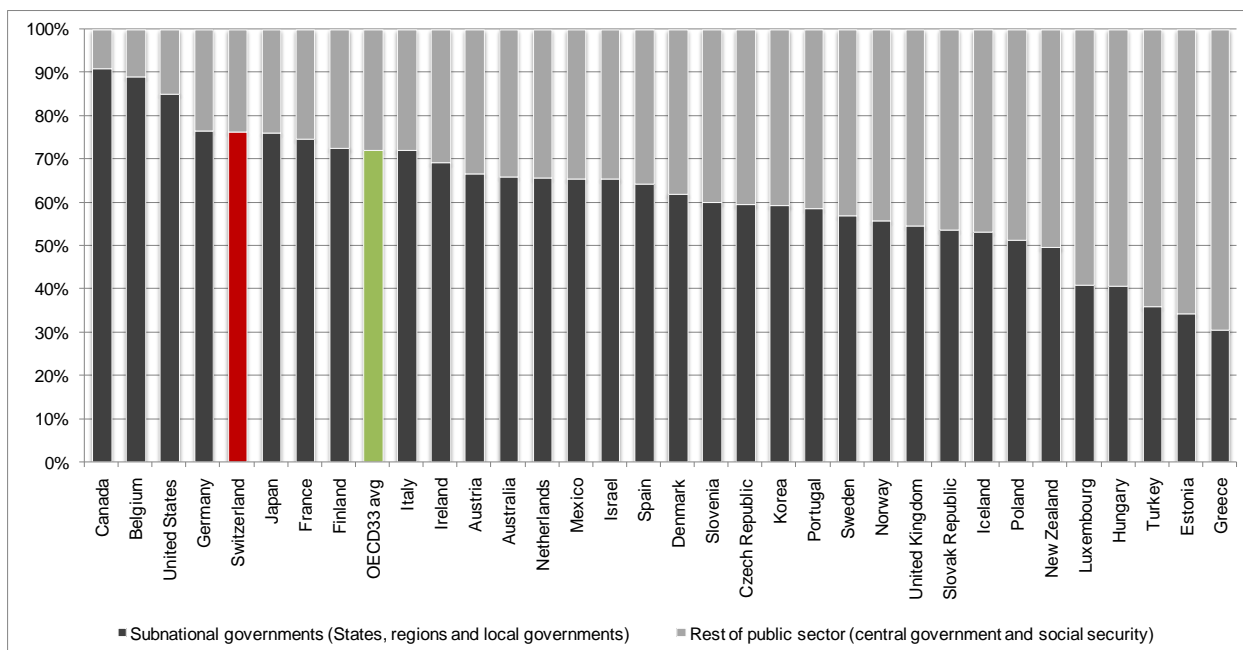


## Country Fact Sheet

### SWITZERLAND

**Figure 1. Sub-national public direct investment in OECD countries, 2012**

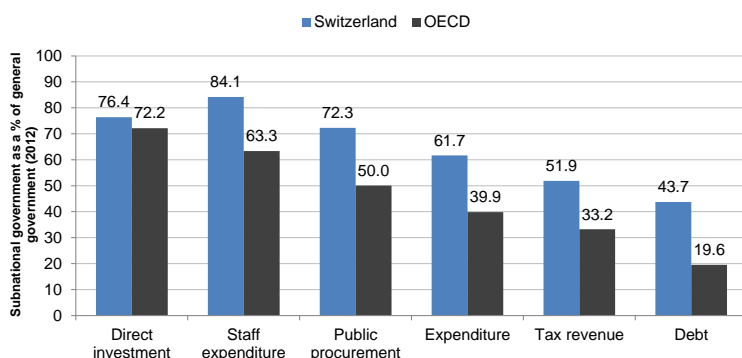
(as a share of public direct investment)



Note: Data for Australia, Mexico, Switzerland, the U.S., Israel, Japan, Korea, & Turkey from 2011; Data for Canada and New Zealand from 2010.

Source: OECD National accounts.

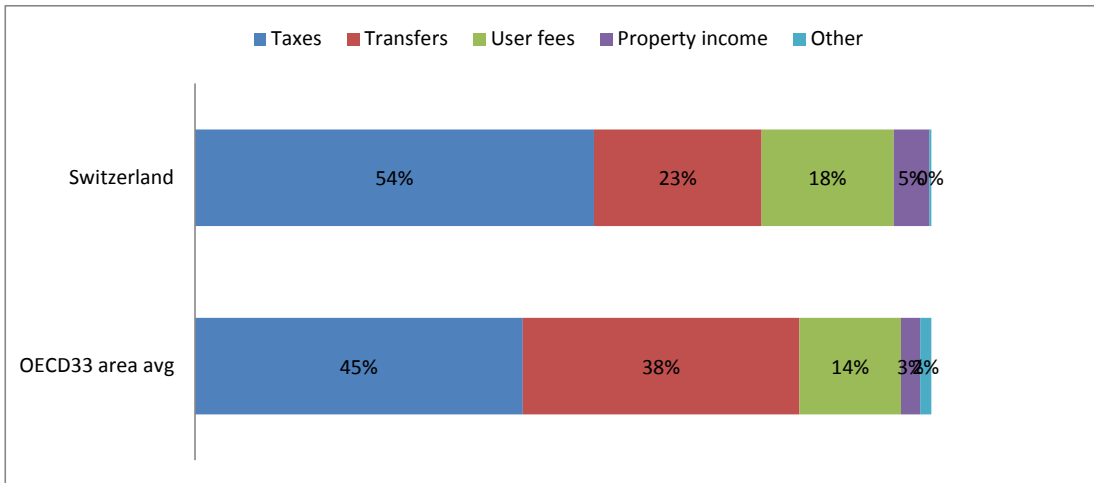
**Figure 2. The role of sub-national governments in public finance in Switzerland**



Source: OECD (2013), [Subnational governments in OECD countries: Key data](#).

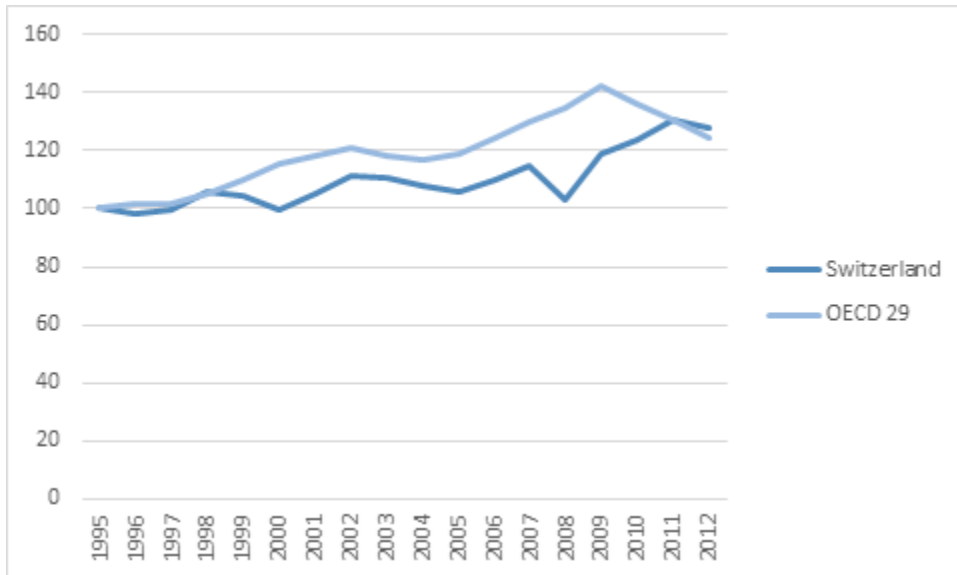
Sub-national investment represents 76% of total investment. Education and social protection are the two largest spending items for SNGs in Switzerland: together they represent 47% of sub-national expenditure, compared to 39% in the OECD area.

**Figure 3. Indicators of sub-national fiscal autonomy in Switzerland**



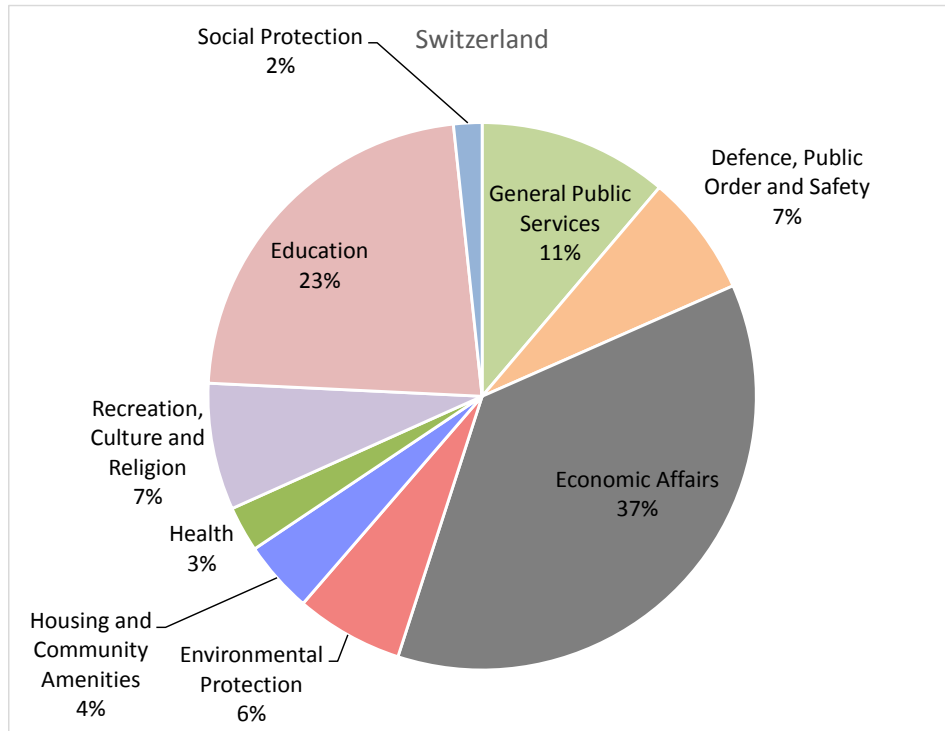
Source: OECD (2013), [Subnational governments in OECD countries: Key data](#).

**Figure 4. Trends in sub-national investment in Switzerland**



Source: OECD National Accounts.

**Figure 5. Breakdown of sub-national investment in Switzerland**



Source: OECD (2013), [Subnational governments in OECD countries: Key data](#).

FACTS AND FIGURES RELATED TO PUBLIC INVESTMENT:	
General government public direct investment (USD billion), 2012	9.1
<ul style="list-style-type: none"> <li>• Percent of GDP</li> <li>• Percent of public expenditure</li> <li>• In USD per capita</li> </ul>	2.2 6.6 1 148
Sub-national government public direct investment (USD billion), 2012	6.9
<ul style="list-style-type: none"> <li>• Percent of GDP</li> <li>• Percent of sub-national public expenditure</li> <li>• Percent of total public direct investment</li> <li>• In USD per capita</li> </ul>	1.7 8.2 76.4 876
INDICATOR SUBNATIONAL FISCAL ATONOMY	
<ul style="list-style-type: none"> <li>• Tax revenues (2012) [Percentage in total sub-national revenues]</li> <li>• Transfers (2012) [Percentage in total sub-national revenues]</li> <li>• Property income</li> <li>• User fees (2012) [Percentage in total sub-national revenues]</li> </ul>	54% 23% 5% 18%
MAIN MECHANISMS FOR COORDINATING PRIOTISATION AND IMPLEMENTATION OF PUBLIC INVESTMENT BETWEEN NATIONAL AND SUB-NATIONAL LEVELS (2012)	
<i>Vertical relations</i>	
<ul style="list-style-type: none"> <li>• Sectoral body in charge of national/sub-national co-ordination</li> <li>• National body in charge of national/sub-national co-ordination;</li> <li>• Forum gathering sub-national governments</li> <li>• Contractual arrangements across levels of government</li> <li>• National sectoral representatives appointed to sub-national levels</li> <li>• Regional Development Agencies</li> </ul>	No Yes  Yes  No
<i>Horizontal relations</i>	
<ul style="list-style-type: none"> <li>• Mechanisms or incentives exist to encourage co-operation for public investment (horizontally) across sub-national authorities, 2012</li> </ul>	Yes)
STRENGTHENING CAPACITIES FOR PUBLIC INVESTMENT AT DIFFERENT LEVELS OF GOVERNMENT	
<ul style="list-style-type: none"> <li>• There is recognition of procurement officials as a specific profession, 2010</li> <li>• Percent of general government procurement occurring at the sub-national level, 2011<sup>(1)</sup></li> <li>• PPP unit(s) exist at the national (Nat'l) or sub-national (SN) levels</li> <li>• Use of relative and/or absolute value-for-money (VFM) assessments of PPPs</li> <li>• Intergovernmental co-ordination mechanisms impose obligations in regulatory practice</li> </ul>	Yes 72% No Rel. VFM, ad hoc basis No

Sources: OECD (2013), [Subnational governments in OECD countries: Key data](#); OECD (2013), [OECD Regions at a Glance 2013](#); OECD (2013), [Government at a Glance 2013](#); OECD (2012), Questionnaire: Multi-Level Governance of Public Investment, unpublished; OECD (2010), [Dedicated Public-Private Partnership Units: A Survey of Institutional and Governance Structures](#); OECD (2009), ["Indicators of Regulatory Management Systems, 2009 Report"](#).

## GOOD PRACTICE EXAMPLES IN SWITZERLAND

Principle	Good practice examples from different levels of government
<b>Principle 1.</b>	<b><i>Invest using an integrated strategy tailored to different places and coordinate across sectors</i></b>
	<p><b>Cross-sectoral coordination</b></p> <p>The New Regional Policy of Switzerland adopted in 2011 emphasises horizontal co-ordination across sectors. The NRP aims to strengthen co-ordination by implementing mechanisms such as co-operation agreements or cross-sectoral commissions with six sectors: i) agriculture; ii) tourism; iii) environment; iv) innovation; v) economic promotion; and vi) spatial planning.</p> <p><i>Source: OECD (2011e), OECD Territorial Reviews: Switzerland 2011, OECD Publishing. doi: 10.1787/9789264092723-en.</i></p>
<b>Principle 2.</b>	<b><i>Co-ordinate among levels of government</i></b>
	<p><b>Contractual arrangements</b></p> <ul style="list-style-type: none"> <li>• The New Regional Policy is largely based on contractual arrangements between the Confederation and cantons (with regions).</li> <li>• The NRP is implemented via a multi-annual (eight-year) programme developed by the State Secretariat for Economic Affairs (SECO), with the input of cantons.</li> <li>• The federal government invites all cantons to submit an implementation programme to the federal government in order to apply for funding. These must align to the multi-year programme and meet a variety of criteria, including evidence of efforts toward sustainable development. In 2007, all but three cantons participated.</li> <li>• Proposed programmes were not fully funded since cantons requested a total of CHF 293 million in loans (147% of available funds) and CHF 148 million in grants (201% of available funds). Based on the implementation programme, a programme agreement (<i>convention-programme</i>) is signed between the Confederation and the canton. This negotiated four-year contractual arrangement lays out the objectives, key milestones, management processes, the timetable, and the financing.</li> </ul> <p><i>Source: OECD (2011e), OECD Territorial Reviews: Switzerland 2011, OECD Publishing. doi: 10.1787/9789264092723-en.</i></p>
<b>Principle 3.</b>	<b><i>Encourage effectiveness through cross-jurisdictional co-ordination</i></b>
	<p><b>Cooperation across regions</b></p> <ul style="list-style-type: none"> <li>• Three major mechanisms currently in use, i) cantonal conferences, ii) inter-cantonal concordats, and iii) cross-border co-operation.</li> <li>• There have been efforts to promote further inter-cantonal collaboration. Existing inter-cantonal concordats have tended to be mostly bilateral tax treaties aimed at eliminating double taxation, or focused on joint initiatives for physical infrastructure. Around 25% of New Regional Policy (NRP) funds are set aside for these projects, albeit often cantons do not make full use of the funds.</li> </ul> <p><b>Inter-municipal cooperation</b></p> <ul style="list-style-type: none"> <li>• In 2011 the Federal Council decided to continue the Federal Agglomeration Policy. There are 50 statistically defined agglomeration areas, but each agglomeration area is free to establish its own perimeter and develops an agglomeration programme.</li> <li>• Agglomeration areas benefit from an infrastructure fund (a total of CHF 20.8 billion over 20 years, including CHF 6 billion set aside for agglomeration transport projects).</li> </ul>

	<p>The existence of an agglomeration programme is a precondition for accessing these funds.</p> <ul style="list-style-type: none"> <li>To date funds have been provided largely for transportation (e.g. the completion of the national road network, urgent agglomeration transport projects, and major roads in mountainous and peripheral regions). Funds released beginning in 2011 will target national road congestion hotspots and agglomeration programmes.</li> <li>The federal government provides up to CHF 500 000 annually for three to six years for innovative projects. Over 50 projects have been funded since 2002, with most focusing on collaboration among actors. In a number of cases actors developed model projects precisely to construct collaborations and create an agglomeration programme to access the infrastructure fund.</li> </ul> <p><i>Source: OECD (2011e), OECD Territorial Reviews: Switzerland 2011, OECD Publishing. doi: 10.1787/9789264092723-en.</i></p>
<b>Principle 4.</b>	<b><i>Use long-term and comprehensive appraisals for investment selection</i></b>
<b>Principle 5.</b>	<b><i>Engage public, private and civil society stakeholders throughout the investment cycle</i></b>
<b>Principle 6.</b>	<b><i>Mobilise private actors and innovative financing arrangements to diversify sources of funding and strengthen capacities</i></b>
	<p><b>Involvement of private actors in the financing of regional policy</b></p> <p><b>RegioPlus (now integrated in the New Regional Policy of Switzerland):</b> supported structural change in rural areas by co-financing approximately 150 local or regional projects that united public and private actors across sectors. Tourism and regional competence centres for SMEs were the top funded themes. On average, the Confederation provided 34% of project funding, with 12% coming from cantons and the remainder from private sources, including personal contributions.</p> <p><i>Source: OECD (2011e), OECD Territorial Reviews: Switzerland 2011, OECD Publishing. doi: 10.1787/9789264092723-en.</i></p>
<b>Principle 7.</b>	<b><i>Reinforce the capacity of people and institutions throughout the investment cycle</i></b>
	<p><b>Training</b></p> <p>Capacity building is one of three pillars of Switzerland’s “New Regional Policy”. The federal government dedicated CHF 11 million of its CHF 405.5 million 2008-2011 budget to the capacity development pillar. CHF 9.6 million was set aside for Regiosuisse, a network of three private companies launched in 2008 to provide assistance to cantons and regional agencies. It offers an internet portal, a telephone hotline, education and training opportunities, communities of practice, media information, and a research network to enhance linkages between research and practice.</p> <p><i>Source: OECD (2011e), OECD Territorial Reviews: Switzerland 2011, OECD Publishing. doi: 10.1787/9789264092723-en.</i></p>
<b>Principle 8.</b>	<b><i>Focus on results and promote learning</i></b>
	<p><b>Monitoring and evaluation</b></p> <ul style="list-style-type: none"> <li>The Swiss Constitution requires all policies to be evaluated with respect to effectiveness. Thus, an intermediate evaluation is scheduled for the end of the four-</li> </ul>

	<p>year programming period (the timeframe for each programme agreement) to evaluate if cantons are “on-track” and implementing programmes in the spirit of the NRP. Tools under consideration include a SWOT analysis and a questionnaire that will be sent to the cantons (in addition to their annual report). A final evaluation is also to take place following of the completion of the eight-year national programme cycle.</p> <ul style="list-style-type: none"> <li>• The use of the “management cockpit” should enhance annual programme monitoring and periodic evaluations. Traditionally a management cockpit refers to the organised presentation of key indicators which enables managers to assess progress toward the achievement of goals and objectives. It is mainly based on qualitative assessments collected from the NRP stakeholders, and where available on quantitative indicators. The management cockpit acts as a platform of structured discussion i) to analyse the NRP implementation and the level of attainment of the NRP objectives; ii) to initiate reflection and learning processes for the State Secretariat for Economic Affairs (SECO) team thus ensuring better coaching and monitoring of the NRP; and iii) to promote coherence of the actions of the various stakeholders involved in the NRP. The cockpit should thus be an early warning system in case of deviation from the intended outcomes.</li> <li>• The federal government does not prescribe what programmatic indicators should be monitored by the cantons. There is substantial heterogeneity in the approach taken by cantons. Some have indicators with targets (e.g. Valais) whereas others do not.</li> <li>• Fourteen of 26 cantons use the “CHMOS” system to capture programmatic data. In addition to acting as a programme management tool for cantons, it also serves as a federal-cantonal reporting tool for annual reports, the 2011 interim report and the 2015 evaluation (for those cantons that use the system). It contains descriptive information, administrative data, and menus of indicators that can be selected for monitoring. Overall, data quality is perceived to vary among cantons.</li> </ul> <p><i>Source: OECD (2011e), OECD Territorial Reviews: Switzerland 2011, OECD Publishing. doi: 10.1787/9789264092723-en.</i></p>
<b>Principle 9.</b>	<b><i>Develop a fiscal framework adapted to the objectives pursued</i></b>
<b>Principle 10.</b>	<b><i>Require sound and transparent financial management</i></b>
<b>Principle 11.</b>	<b><i>Promote transparency and smart use of public procurement at all levels of government</i></b>
	<p><b>E-procurement</b></p> <ul style="list-style-type: none"> <li>• In the United States efforts are undertaken to develop the necessary capacities of the acquisition workforce to limit over-reliance on contractors. The e-procurement system for federal public procurement in the United States brings together nine distinct systems to provide an integrated interface for users.</li> </ul> <p><i>Source: OECD (2013), Implementing the OECD Principles for Integrity in Public Procurement. Progress since 2008.</i></p>
<b>Principle 12.</b>	<b><i>Pursue high-quality and coherent regulation across levels of government</i></b>

**Areas of focus of recent/current/planned reforms (national level)**

**Please mention whether your country has recently conducted or is currently conducting reform(s) in the field of governance of public investment across levels of government** (territorial reforms, fiscal reforms, capacity building initiatives, performance monitoring, procurement reforms, reforms linked to PPPs or innovative financing arrangements, etc.). You may provide explanations in the box below (or just briefly mention which of the 12 OECD Principles are currently high on your government agenda).