

Report on an Assessment of the Twinning Instrument under Phare

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This report has been compiled by a team of four independent experts drawn from the public administrations of different Member States. The team members were:

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Twinning Assessment Report

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Chapter 1

Executive Summary

1.1. The following report has been prepared by a team of four independent experts from different Member State (MS) administrations. In total we have examined a sample of eighteen twinning projects in six Candidate Countries (CC) covering a variety of sectors of the *acquis communautaire*. It is important to note that the sample of twinning project has been drawn exclusively from the 1998 twinning round. None of the projects has yet been completed and most had been operational for less than 12 months. We have consulted all the main stakeholder groups concerned with the Twinning Instrument including National Contact Points in both MSs and CCs, the Commission, the Delegations and the Central Finance and Contracts Units (CFCU) in the respective CCs, Pre-Accession Advisors (PAAs), their counterparts and Project Leaders from the CC and MS sides. We have also reviewed a wide range of documentation including examples of project fiches, covenants, quarterly reports on projects, the latest version of the Twinning Manual and other guidance produced by the Commission.

1.2. From our extensive consultations we are able to state confidently that the Twinning Instrument is a highly valued mechanism to support CC progress towards meeting the requirements of the various *acquis*. Despite some initial - and some remaining - reservations on the part of some CCs twinning is now widely recognised as providing a much-prized method of transfer of technical assistance from the MS administrations to the CCs. The CCs value in particular the permanent presence of the PAA and the close link that is provided into the MS administration where real expertise and experience lies in implementation of the *acquis*. In this respect Twinning is seen as a more useful and relevant mechanism than classical PHARE consultancy projects providing as it does access to real practitioner experience. The independence, impartiality and practical understanding of the public sector provided by civil servants is also seen as an advantage over the expertise provided by private sector consultants.

1.3. There is no question therefore in our minds about the continuation of Twinning as an essential instrument of the Accession process. The challenge is to improve an instrument which is accepted by all as a good idea but yet is beset by a number of practical difficulties which have hitherto impaired its potential for success. In our view there are three main threats to the success of Twinning.

1.4. Our first concern is about the capacity of the CC administration effectively to absorb the support that is on offer and to sustain the benefits of the Twinning after the formal withdrawal of the partner MS. Although it is outside our Terms of Reference to examine the programming phase we feel strongly that greater attention should be paid at an early stage to the likely absorptive capacity of the CC. Our impression is that the overall programming of Twinning projects in most CCs has taken an over-optimistic view about the capacity of the local administration effectively to absorb and sustain the support

offered. A more careful and realistic assessment at the programming phase together with the identification of priority areas for Twinning would, we feel, provide a sounder basis for successful Twinning operations.

1.5. The lack of CC capacity has affected the projects we have examined on two levels. PAAs were often not being exploited to the maximum by the CC administration due to pressures of other work on the counterparts and other key CC staff. Additionally there was a general concern that the short and heavily concentrated nature of the twinning package was forcing the CC to respond at too fast a pace. Occasionally the real commitment of the political elite to the reforms implicit in the various *acquis* was questioned. This was also cited as a possible reason for lack of adequate resources devoted by the CC to the Twinning projects. In our report we have recommended a number of measures which are aimed at reinforcing the obligations on the CC to participate fully in the Twinning process.

1.6. Related to the above we see a further threat to Twinning in the general lack of progress in the CCs on horizontal public administration reform. Many of the projects we examined had been impaired by instances of political interference in the appointment of civil servants and political instability affecting the proper functioning of the public administration. The absence of co-ordination and cooperation between state organisms - often the result of factional rivalries - has also been observed to mar Twinning. Moreover, the combined effect of low salaries, crudely implemented staff reductions, poor working conditions, a lack of delegated decision-making and job insecurity resulted in a poorly motivated and poorly performing civil service. This general atmosphere, we believe, presents perhaps the biggest threat to the sustainability of the support offered through Twinning (and other PHARE support). At this key stage in the accession process, as the transfer of systems of **implementing** the *acquis* is being carried out and important and long-lasting partnerships between administrations are being forged, it is doubly important that public administration reform is not neglected. Twinning currently risks building some elaborate structures on very shaky foundations.

1.7. Lastly, we are concerned about the capacity of the MSs to provide adequate, high-quality human resources to support Twinning activities. Many MS administrations feel over-extended at the moment. We should bear in mind that the 2000 twinning round anticipates a 50% increase in the number of twinning projects. Many MS representative were worried that the supply of good PAAs and short term experts (STEs) was not limitless. MS experience with twinning has not been painless and there has been frustration expressed at the perceived cumbersome administrative procedures involved in Twinning. While there is support at the highest political levels for Twinning and a missionary-like enthusiasm on the part of many PAAs, there is a lacuna at the top management level within MS administrations where Twinning is often seen as an irrelevant diversion from more important domestic work. Our conclusion is that Twinning needs to be marketed more vigorously in the MSs, although we acknowledge the efforts that are already being made by the Commission and National Contact Points. Our detailed report below also makes recommendations that we feel will make it easier

for MS administrations to participate in Twinning and increase the supply of PAAs and STEs.

1.8. It is important to remember that Twinning is still a relatively new and untested instrument of the PHARE programme. We have heard many complaints about the overly bureaucratic nature of the administrative procedures, the lengthy approval process, the inflexibility of the covenants and the ever changing rules and guidance emanating from the Commission. Clearly there have been, and still remain some, frustrations which have marred the general overall positive image of Twinning. Everybody has been involved in a learning process in the 1998 round of Twinning and it would have been remarkable if there had not been some problems. Our impression is that many of the administrative imperfections identified in the experience of the 1998 round have been addressed. Flexibility has been enhanced and delegation of decision-making has been increased. We believe that the instrument is now sufficiently robust for this process to go further and in our report we have highlighted a number of areas where more flexibility and delegation could be employed without compromising the need for accountability.

1.9. Our report therefore focuses on improvements that could be made in three aspects:

- Measures that will help to increase the commitment of the CC administrations to Twinning and thus enhance the ultimate sustainability of the outputs of Twinning
- Measures that will make it easier for MS administrations to participate in Twinning activities
- Improved flexibility and responsiveness of the mechanisms that will make the Instrument more “user friendly” for all concerned

1.10. It is however, important to ensure that these improvements are effected without reducing the overall aim of Twinning. In particular, it will be important to guard against three tendencies: the tendency to narrow the scope of Twinning projects, the tendency to reduce the duration of major Twinning projects, and lastly, the tendency to return to a model which relies more heavily on external consultancy inputs provided by organisations/individuals who have little connection with the MS administration.

1.11. Finally, we should emphasise that we have been immensely impressed by the general commitment, dedication and enthusiasm of almost all the stakeholders in the Twinning process that we have encountered. This reservoir of goodwill combined with the learning experience that has been built up from the 1998 Twinning will, we are confident, further enhance the value of Twinning as a successful support to the Accession process. We earnestly hope that this report will also make a contribution.

1.12. A summarised list of our recommendations is provided as Annex 2.

Chapter 2

Responsibilities and Commitments

2.1. Introduction

2.1.1. Twinning projects are tripartite ventures between the European Commission, Member States, and Candidate Countries. For Twinning activities to function properly, it is necessary to define the responsibilities of each party carefully. It is equally important that all sides should be aware of the commitment that is required to make a success of Twinning. Our impression from examining the 1998 Twinning round is that greater emphasis needs to be put on the commitment required from all sides. A clearer division of responsibilities should also gradually be developed through experience.

2.2. The Candidate Countries

2.2.1. By making the Twinning activities accession driven, the EU has assigned the ultimate responsibility for the outcome to the Candidate Country. Only the Candidate Country controls the process of legislative approximation, institution building, and training necessary to prepare for accession. It is consequently in the interest of the candidate country to match the human resources supplied from the Member States involved adequately within its own administration, to supply the necessary office space and equipment, and to elaborate, in co-operation with the staff supplied by the Member States, time schedules and formats for co-operation. We have seen instances where the CC has failed to make adequate provision for some or all of these prerequisites.

2.2.2. It must be made clearer to the CCs that a Twinning project represents a sizeable commitment, greater than that required from standard technical assistance projects. It is clear from the experience gathered so far that not all ministries in all CCs have realised this. Only by placing the accession process on the political agenda and integrating the accession related projects into the activities of its administration can the CC live up to this commitment. In the eyes of the assessment team, the covenants defining the Twinning arrangements are lopsided in the way requirements on Member States are specified in great detail, whereas the inputs from CCs are only broadly outlined. Further, the most important input - human resource - is not quantified in the form of time allotted to the project, working parties to be formed, etc. The CC administration is also responsible for introducing the PAA and other experts to the environment where they will work – administrative tradition and routines, political situation, etc. There is ample room for improvement in this respect. Below in the chapter on Human Resources we make some practical recommendations which should help to bring home to the CCs the real extent of the commitment that is required.

2.3. The European Commission

2.3.1. On the side of the Commission and Member States, it is obvious that the main party to the agreement is the Commission. Twinning covenants are concluded between CCs and MSs, but the entire Twinning activity is to be driven by the accession process, which is necessarily defined at the Union level. There are three aspects of Twinning which we believe are firmly the responsibility of the Commission and its Delegations and which could be improved. These are programming, supporting the PAA and organising the learning process.

2.3.2. **Programming.** Although the assessment team was not asked specifically to examine the programming phase which precedes the development of individual project fiches, our sense is that this phase drives all the subsequent activity. It is at the programming phase that we feel that insufficient account has been taken of the absorptive capacities of the CC administration and not enough thought has been given to determining priorities for support. Although the CCs are implicated in this criticism, it remains the prime responsibility of the Commission to make reasonable assessment of the volume and content of the support that can be effectively absorbed by the CC. Our impression is that such assessments have been over-optimistic. Once the programming has been determined there is an irresistible momentum created which is difficult to arrest; CCs are unlikely to refuse support once it has been agreed and therefore over-optimism at the programming stage tends to propagate unrealistic expectations at all subsequent stages. More attention needs to be paid during the programming phase to the absorptive capacity of the CC administration and to which are the priority areas that should be addressed by institutional strengthening measures and Twinning in particular. It may be that greater priority should be given to larger Twinning projects which seek to achieve major structural changes which accelerate the progress within CC Ministries towards meeting the requirements of the *acquis*.

2.3.3. **Supporting the PAA.** Several interviewees have stressed the importance of the collective, Union-based character of Twinning. Projects must not be perceived as bilateral activities engaging single MSs and CCs. The fact that many Twinning arrangements have grown out of previous bilateral aid programmes adds to this risk (although it is recognised that a history of previous bilateral co-operation enhances the likely success of Twinning). As a consequence, it is necessary that the Commission makes its presence felt in the programmes and invests the required time and other resources.

2.3.4. This has consequences for the division of responsibilities between the Commission and MSs in several respects. The Delegation should take the responsibility for organising the professional relationship between the PAA and the CC during the start-up phase of the project. The personal aspects, on the other hand, are most naturally taken care of by the embassies of the MSs involved. During the implementation phase, the respective task managers have a responsibility to monitor the project and react appropriately if the actual course of the project deviates from the intended. We will return to the role of the

Delegation in more detail below in the chapters on Human Resources and the Project Life Cycle.

2.3.5. Whereas the PAA and his/her home administration is the primary source of knowledge, the Commission should be aware of its role in interpreting the *acquis* and assisting with advice during the approximation of the CC legislation. There have been complaints that the line DGs in the Commission are sometimes slow in reacting to questions and requests for advice from the CCs and/or PAAs. This may point to a lack of awareness within line DGs in Brussels of the Twinning Instrument and highlights the need to advertise Twinning more proactively and systematically within the Commission.

2.3.6. It seems to us that developing a direct and stronger relationship between CCs and the line DGs is something that should be actively encouraged as, in itself, a part of preparation for accession. In order to formalise this process we recommend that a Twinning Liaison Officer should be identified within each relevant DG. This officer would be the focal point for all communication between the CCs and the DG and would be responsible for developing a productive relationship with the CCs which fosters their progress towards meeting the requirements of the relevant *acquis*.

2.3.7. **Organising the learning process.** Twinning is a complex activity, where all parties – CCs, the Commission and MSs – are all learning from experience. To speed up the learning process and prevent unnecessary mistakes in the future, it is necessary that the Commission assume the responsibility for gathering and structuring the experiences from the various projects as they accumulate, preferably in a handbook. The current Twinning Manual should cover only formal aspects of the process. What is now needed is not more rules but more guidance and examples drawn from best practice.

2.3.8. In assigning this responsibility to the Commission we are not saying that there is nothing for the MSs and CCs to do in developing training and guidance. CCs for example could be encouraged to develop a "welcome pack" for PAAs/STEs which as well as covering the more mundane aspects eg how to obtain a residence permit, might also provide some basic information about the CC administration and how its legislative and executive processes are managed. National Contact Points should be responsible for the dissemination of this information among PAAs and other experts.

2.4. Member States

2.4.1. MSs, by concluding framework agreements on Twinning with the Commission, have assumed a responsibility for giving the commitment to the enlargement process a practical and concrete content. It is necessary that this commitment at the political level penetrates into the administration of the member countries, down to the individual experts that are eventually expected to act as advisors. This calls for a careful analysis of incentives at different levels – also this is a problem to which we will return later. We also take it for granted that MSs, through their foreign ministries, assign to their PAAs

the status of technical experts, in order to make it easier for them to get established in their respective CCs.

2.5. Summary

- More attention needs to be paid at the programming phase to the capacity of the CCs to absorb Twinning and other institutional strengthening support.
- The obligations of the CC when entering a Twinning arrangement should be described more in detail in the covenant (see also below at Chapter 5).
- The division of responsibilities between the European Commission and the MSs involved should be more clearly defined. The Commission and the Delegations need to take a more proactive role in organising the relationship between the Twinning partners, monitoring, and clarifying the relevant *acquis*. MSs must make greater efforts to ensure that the political commitment to the enlargement process penetrates their respective administrations.
- The Commission and the National Contact Points have a leading role to play in organising the learning process, as experience from Twinning accumulates.
- Twinning Liaison Officers should be appointed in each of the relevant line DGs in the Commission.

Chapter 3

Human Resources

3.1. Introduction.

3.1.1. Since Twinning is essentially about the transfer of expertise and experience between administrations, the quality and commitment of the individuals involved is key to its success or failure. This chapter explores the roles of the main participants in Twinning, firstly dealing with the Candidate Countries, secondly with the Member State and lastly with the Delegations.

3.2. The Candidate Countries

3.2.1. Before focussing on the specific roles of key beneficiary groups it seems appropriate to consider at a more general level the capacity of the CC administrations to absorb and effectively utilise the expertise that is being provided under Twinning. Alongside the capacity of the MSs to resource twinning, the absorptive capacity of the CC is the most serious question mark that lies over the Twinning Instrument, as it does over any technical assistance mechanism.

3.2.2. It may be worthwhile to consider absorptive capacity under its component parts as we see them:

- **Availability.** The availability of key counterpart staff to work with and learn from the PAA and STEs is often severely constrained by the fact that they have a regular job to do. Concessions are rarely made by the CC administration to account for the fact that Twinning is an additional responsibility that staff take on (sometimes without their prior knowledge). There is no simple solution to this problem. However, it could be made more apparent to the CC that a real contribution is required. The covenant goes some way towards this but not far enough in our view. The covenant should specify in precise terms not merely the MS contribution in man-days of input but also the CC contribution by man-days per expert. This would help to make it more explicit at an early stage the resource implications for the CC side and give the CC administration a firmer basis on which to conduct the negotiation of extra resources to commit to the Twinning initiative.
- **Priorities.** The MS experts complained that CC staff were called away from important meetings/seminars/discussions to attend to the immediate requirements of Ministers or high-level officials. Again there is no complete solution to this universal problem but it does emphasise the requirement on the CC to release key staff from their everyday responsibilities as far as possible.

- **Competence.** Sometimes it is suspected that counterpart staff are selected on the basis of their language skills rather than their expertise in the issue dealt with by the *acquis*. Below we emphasise the absolute importance of adequate resources being devoted to translation and interpretation, including the recommended mandatory requirement for a language assistant for the PAA.
- **Motivation.** While many PAAs were extremely complimentary about their counterparts and other key staff, the issues of low pay, poor working conditions and other factors contributing to low morale and lack of commitment were continually mentioned.
- **Turnover of staff.** This is partly a result of the lack of motivation mentioned above. However, a more serious issue particularly at the higher levels is the turnover of staff that results from political interference in the appointment of civil servants and the cascading effect this has further down the administration. We met one PAA who was awaiting the appointment of his third counterpart.
- **Numbers.** Many CCs are being forced to downsize their administrations and are responding in a rather crude and egalitarian way by implementing across the board cuts in numbers which bear no relation to the relative importance of the various functions. It is obvious that in order to implement the requirements of the various *acquis* **more** civil servants will be needed in certain sectors. This point does not appear to be registering with CC administrations (nor perhaps with other aid donors who are sponsoring public administration reform efforts!)
- **Physical resources.** The lack of suitable space was sometimes cited as a problem when it comes to finding office accommodation for PAAs. On most occasions we found this claim difficult to substantiate.
- **Finance.** We encountered a number of pleas for small amounts of the Twinning budget to be set aside for purchase of office equipment, software, hire of training accommodation etc. We support the Commission's hitherto robust line on this issue; the CC is expected to make a contribution towards Twinning. Assigning the financial responsibility for these matters to the CC reinforces the message that Twinning is not an entirely costless enterprise for the CC. However, it cannot be emphasised often enough or early enough to the CC administration that it needs to make adequate budgetary provision for these items as well as for the costs of any additional staff that may be needed to cover for counterpart staff. As with the time allowance for the counterpart staff, the anticipated amount of the cash contribution required from the CC to finance equipment, accommodation, travel etc should be budgeted and specified in the covenant. By signing the covenant the CC Project Leader witnesses that s/he is responsible for securing the resources - financial or otherwise - indicated item by item in the covenant.

Turning to the specific players from the CC side:

3.2.3. Project Leaders. There is a trade-off between the level of detailed involvement that a Project Leader (PL) can have in a particular Twinning project and his/her seniority in the CC administration. As with the MS Project Leader the CC PL must have sufficient authority to ensure that adequate resources are devoted to the Twinning from the CC side. Clearly the more intimate the knowledge of the detail of the relevant *acquis* the PL possesses the better it is for the success of the project. However, these two criteria are often mutually exclusive. Often the CC PL was a remote “figure-head” with little interest or commitment to the objectives of the Twinning. In addition their general high-level status makes them more than usually vulnerable to political changes.

3.2.4. Counterparts. The personal qualities of the counterpart, along with those of the PAA, are critical to the success or otherwise of Twinning. The relationship between the PAA and the counterpart provides the foundation on which the real partnership can be built. We observed that many counterparts were not freed from their everyday responsibilities in order that they could participate fully in the Twinning and benefit to the maximum from the experience of the PAA. In addition we found that sometimes the counterparts were selected more on the basis of the language abilities than on their technical expertise. Sometimes the counterparts were acknowledged by the PAAs as having excellent expertise and commitment but lacking in the seniority and authority necessary to act as an effective local project manager

3.2.5. We recommend that more careful attention should be paid to the selection and terms of engagement of the counterpart. It should be a mandatory requirement that at the selection stage a counterpart should already have been identified by the CC. S/he should be present at the presentation by the MS (as should the potential PAA) and should play an active part in the covenanting negotiations. His/her CV should be appended to the Covenant (as the PAA’s is) and the amount of time in man-days that is expected of the counterpart during the lifetime of the project should be specified in the covenant. In making these recommendations we are merely seeking to ensure that the messages to the CC about the partnership aspect of Twinning and the real resources that are required from the CC are communicated earlier, more formally and more specifically. If this were the case it would be more likely that the CC administration would be able to incorporate the resource implications of Twinning into its forward planning and budgeting mechanisms.

3.2.6. Many Twinning projects cut across several traditional domains of responsibility of CC ministries. Routines for such co-operation seem to be absent in many places, and conflicts over priorities easily develop. In such cases, prospects for success within the project are bleak. Technical assistance in this particular field should be considered, although we are aware of the difficulties of foreign assistance in questions which are really at the heart of the political process of the CC. Where a Twinning is envisaged to require inputs (eg attendance at workshops, provision of advice) from a Ministry other than the one directly responsible for the project, this should be clearly identified in the covenant. In such cases the covenant should include a formal indication that the

responsible Minister or senior official in the subsidiary Ministry has agreed to provide the inputs specified.

3.3. The Member States

3.3.1. Project Leaders. Generally the 98 cadre of Project Leaders (PL) from MSs were unaware of the level of involvement that was required of them. There is a balance to be struck in the selection of a good Project Leader. On the one hand s/he should be senior enough within the MS administration to exercise authority to mobilise the short-term inputs as and when they are required. On the other hand s/he needs to have adequate time to devote to the overall direction of the Twinning project. These two requirements sometimes work against each other. Many PLs have underestimated the commitment that is required on their part. They have also underestimated the amount of back-stopping support that it is necessary to provide from the MS and are consequently under-resourced with administrative and financial management support.

3.3.2. Having said this experience in different MSs and within different administrations within the MSs varies greatly. We encountered some very committed PLs who took their responsibilities very seriously and were supported in their endeavours by the top management of their Ministry. Others were less motivated and were inclined to regard their responsibilities in respect of Twinning as an additional and unwanted burden with a low priority when compared to their domestic work.

3.3.3. We subscribe to the view that the role of the PL is a very important one. S/he is the project “champion” in the MS administration and provides moral and institutional support to the PAA. S/he also facilitates the essential link back into the MS administration and manifests the high-level commitment of the MS to the Twinning project. The PL has an important diplomatic role in managing any consortium that is formed to deliver the project. We have observed that the absence of an effective PL at a senior management level can affect projects adversely. It is essential that the PL is an official; we do not believe that it is appropriate for PLs to be retired civil servants. In exceptional circumstances the role of the PAA and PL can be combined but this should be conditional on the PAA being sufficiently senior and being adequately networked back into the MS administration.

3.3.4. We believe that more guidance (not rules) should be provided in the Twinning Manual or elsewhere on the role of the MS Project Leader and the level of involvement that should be expected from the PL.

3.3.5. Pre-accession Advisers. It is commonly acknowledged that the success of Twinning stands or falls on the qualities and effectiveness of the PAA and his/her relationship with the counterpart and other key CC colleagues. The importance of this factor cannot be overemphasised and it reinforces the point that an adequate supply of good PAAs is critical to the future success of the Twinning Instrument.

3.3.6. It is impossible to generalise about the ideal profile of a PAA. We met a wide variety of PAAs of different ages and from different backgrounds. We can, however, say something about the qualities of a good PAA. S/he should:

- be acknowledged as an expert in at least one of the specialisms covered by the covenant (although in some covenants the expertise required is too wide to be satisfied completely by the PAA)
- be a good project manager with the ability to coordinate and plan and respond to variations in the plan creatively
- be flexible, adaptable and robust in the face of difficult and lonely circumstances. By definition most PAAs will not have worked in a CC state before and may not be used to the cultural and working practices in CC administrations
- be proactive and outgoing with the ability to initiate action without usurping the authority of the counterpart
- have good knowledge of the networks back in his/her MS administration
- be prepared to offer ad hoc advice on matters not necessarily covered by the covenant whilst ensuring that the overall aim of the Twinning is kept firmly in view
- possess good diplomatic skills
- be supported in his/her daily work by a competent language assistant

3.3.7. Such a list of desiderata may seem to imply that PAAs need to be superhuman. This is clearly not the case and we met a number of PAAs who did not possess all these qualities and yet enjoyed the confidence of all parties to the covenant - perhaps the most important "quality" of all for a PAA.

3.3.8. It is particularly rare to find a PAA who is both an expert and at the same time an excellent project manager. This does not concern us unduly. It appears to us that there are two broad types of Twinning project emerging. On the one hand there are large-scale Twinning projects with many components and several themes. On the other hand there are smaller projects which are narrower in scope and more targeted. The former type is more suited to a PAA who is a good project manager while the latter will be better served by an "expert". This observation merely serves to emphasise that the qualities of the PAA need to be matched to the requirements of the particular project.

3.3.9. These skills and qualities listed above are also valued by the MS administrations and the supply of good PAAs is not limitless. We are concerned that the expansion of the Twinning Instrument will shortly exhaust the supply of qualified PAAs. Some bottlenecks are already emerging in some sectors eg state aids, and some MS administrations consider that they have already reached capacity in the supply of PAAs. This is likely to affect the number of proposals coming forward from MSs thus further reducing the free choice of the CCs between competing MSs.

3.3.10. It can be argued that the supply of PAAs is a problem for the MS. If the MS is committed at the political level to Twinning then it is up to the MS National Contact Point to market Twinning more vigorously, to incentivise potential PAAs and/or to apply more persuasive measures on individual administrations to participate. This may be part of the solution. However, we believe that there are aspects in the current arrangements which could be amended that would ensure a larger supply of potential PAAs and help to correct the imbalance between supply with demand that we believe will shortly emerge. The following measures could be considered:

- A more speedy resolution of the selection and covenanting process would avoid PAAs withdrawing from Twinning projects through frustration.
- It might be possible in certain tightly defined circumstances for PAAs to act as PAAs to more than one CC (although it is recognised that the benefits of a permanent presence are highly valued).
- It could be possible for a PAA to resource more than one Twinning project in a single CC where the Twinning projects were closely related in subject matter.
- The requirement for the PAA to be a civil servant could be relaxed to take in a wider potential population of recently retired civil servants, now working as “consultants” (we understand that article 3 of the Framework Agreements already permits this).
- The absolute requirement for a full-time presence in the CC could be relaxed (with the proviso that the PAA would be engaged full-time on the project but would be able to reside in the MS with frequent visits to the CC and in the meantime maintaining close contact by e-mail etc).

3.3.11. We acknowledge that all of the above suggestions are less than ideal and that the full-time presence of the PAA is a valued principle of twinning. However, in the future, where we see the demand for PAAs outstripping the supply we believe the more flexible arrangements above would help to increase the supply of good quality MS civil servants who would be prepared to offer themselves as PAAs.

3.3.12. There are also issues which need to be addressed concerning the effectiveness and morale of PAAs once they are engaged on Twinning projects. Many PAAs have become frustrated and demoralised by the trials and tribulations of being a PAA. Robustness in the face of adversity is one of the required qualities but there is much that could be done to make their lives easier. It is important to remember that PAAs are not likely to be as self-reliant as private sector PHARE consultants who are generally much more sensitised to the problems of working and living in Central and Eastern Europe. In simple terms they need more care and attention in an environment which is in every sense of the word “foreign”.

3.3.13. This is particularly an issue in the early days of a PAAs assignment. In general the time needed to sort out domestic arrangements has been underestimated. The Manual does now recognise this and recommends that a period of six weeks should be allowed for the PAA to settle in and conduct preparatory activities.

3.3.14. There is an unresolved debate taking place about the status of PAAs. Clearly they are not diplomats but equally clearly they are not consultants. We were disappointed to learn that there seems to be no resolution to the debate about whether PAAs should be accredited to the MS Embassy or to the Delegation and about what form that “accreditation” should take if it is not to be full diplomatic status. This has caused practical difficulties for some PAAs when applying for work permits and other licenses. In addition it can weaken the morale of the PAA to feel that s/he is recognised neither by the Delegation nor by the Embassy. Our view is clear on this issue. The PAA is financed by EU funds and –unless subsidiarity is to be taken to extremes – the message should be that the PAA is a representative of the EU countries collectively. We look to the Delegations and the CC National Contact Points for an early resolution to this unnecessary irritant.

3.3.15. **Short-term Experts.** From the MS side many of the problems that pertain to the supply of good quality PAAs are also relevant to the case of short-term experts. Although there is generally no lack of willingness on the part of short-term experts to assist there are sometimes difficulties with scheduling the availability of STEs to fit with the critical path of the project as envisaged by the covenant workplan. STEs especially if they are “expert” in their field have heavy commitments in their MS and find it difficult to provide the expertise required at precisely the right time for the needs of the Twinning project. If this happens too often the timeline of the Twinning project can be seriously jeopardised.

3.3.16. Having said this, the most serious obstacle to the timely provision of ST expertise during the 98 Twinning projects has been the unavailability of finance resulting from delays in the flow of funds. We earnestly hope that this problem has been corrected and will not affect the 99 round of projects.

3.3.17. In general the CC view of the short-term expertise that has been provided has been extremely positive. The ST experts are valued as “real experts” (ie not consultants) with a detailed knowledge of the concrete issues impacting on implementation. They are also respected for their independence – they are not perceived as selling a particular system in the partisan manner that a private sector consultant might do. The only negative view expressed was that STEs were not able to spend enough time with their counterparts because of their commitments back in their MS. While there is no ideal duration for a STE intervention the message does seem to be that consultancy/advice missions need to be more lengthy than training/information-giving missions (where generally 2-3 days was the maximum desired length of training seminars/workshops).

3.3.18. Having said above that there is no lack of willingness on the part of STEs in general to participate in twinning projects we were informed on occasions that as with PAAs the supply is not endless. The picture is a patchy one but it is worrying to hear, particularly from representatives of MSs who have so far supported twinning wholeheartedly, that they are beginning to suffer resource shortages.

3.4. The Delegations

3.4.1. We have argued at various points within this report that the role of the Delegation in Twinning is a vitally important one. Our general view is that most Delegations need to be involved more closely in Twinning. We saw some good examples of Delegations that were actively fostering and promoting Twinning and providing a valuable support mechanism for PAAs. Other Delegations were less proactive and there was a tendency to regard Twinning project as just another type of classic PHARE project. As we note elsewhere we believe Twinning distinguishes itself from other technical assistance mechanisms; it is more complex, more ambitious, has a different set of rules and, most importantly, is critical to the success of the accession process. These factors imply the need for greater engagement by the Delegation in the planning and implementation of Twinning.

3.4.2. We would like to see the Delegation take a more active role more generally in the Twinning Instrument. It should be recognised that Twinning is a more complex instrument than classical PHARE technical assistance, that the expectations of Twinning project are higher than those of classical PHARE and that the PAAs need, and are worthy of, greater support. We feel that the many Delegations are currently under-resourced to provide this additional support. The argument that the rundown in the number of classical technical assistance projects releases equivalent resource to devote to Twinning does not hold; Twinning requires more time on the part of the Delegation to manage and monitor. With the planned expansion of Twinning we believe that serious attention needs to be given to the level of resource in the Delegations that needs to be devoted to Twinning. In more than one Delegation that we visited there was a task manager whose sole responsibility was the oversight and management of Twinning projects. This seems to be a model which would be worth following in the other Delegations.

3.4.3. While it was not part of our Terms of Reference to conduct a detailed audit of the human resource requirements of Delegations it does seem to us that many Delegations are not adequately resourced to manage and support Twinning. This shortage is likely to become more serious as the stock of active Twinning projects increases. In addition we have argued for increased delegation of decision-making to the level of the Delegation. All these factors point towards the need for the Commission to strengthen the resource base in the Delegations. It is not possible for us to make a general determination of the amount of extra resource required. However, we feel strongly that the special nature of Twinning demands a more active response from the Delegations and that the Commission should ensure that the Delegations are appropriately resourced to provide this response. An idea worth considering is that PAAs who have come to the end of their assignments might fill this resource gap. They would be ideally qualified in that they will have seen the problems from the other side and could be expected to have built up an intimate knowledge of the CC administration.

3.5 Summary

- The covenant should specify the contribution of the CC in man-days per expert.
- The requirement for a language assistant for the PAA should be mandatory.
- The expected CC contribution (equipment, accommodation, travel etc) should be specified in the covenant.
- Expected contributions from Ministries other than the direct beneficiary should be specified and agreed as part of the covenanting process.
- More guidance should be provided on the role of the MS Project Leader.
- More flexible criteria should apply in the selection of PAAs.
- The matter of the status of PAAs should be resolved.
- The Delegations need to take a more proactive role in, and greater responsibility for, Twinning. Adequate resources should be provided to the Delegations to perform this task.

Chapter 4

Finance and Administration

4.1. Introduction.

4.1.1. The regulatory framework for Twinning was fairly rigid at the outset. This is quite legitimate; several administrative solutions were new and had to be worked out gradually and tested in practice. The assessment team has received many requests for increased flexibility, delegation of authorities, etc. To some extent, these proposals have already been met; the rules for amendment, virement, etc. in the current version of the Twinning Manual (dated February 2000) are considerably more flexible than those valid for the 1998 projects. Indeed, the manual has been amended so often that this in itself has provoked critical remarks from CCs' and MSs' representatives involved. We view the way in which the Manual has developed as a positive aspect; the Commission has responded to constructive criticism and changed the rules where it has seemed sensible.

4.1.2. The establishment of CFCU's and the comprehensive changes in administrative routines associated with decentralised implementation has caused considerable delays in payments. In fact, several Twinning projects have been considerably hampered by such problems. The Commission is fully aware of these problems, and there is no need to reiterate them in the present context, given that they are not coupled to the Twinning instrument as such. (They must be kept in mind when single Twinning projects are to be evaluated in the future, however.) We are convinced that most of the infant diseases are now a thing of the past, and that the discussion should be concentrated on the Twinning instrument itself.

4.1.3. One point about the role of the CFCUs is worth emphasising. Decentralised implementation has thrown a great deal of responsibility on the CCs. Many CCs seemed to be ill-prepared for this and the response from the newly-established CFCUs seems to have been to adopt an overly rigid adherence to the rule book with too detailed attention being paid to minutiae. We appreciate that the CFCUs have a key role in maintaining standards of financial accountability for the spending of EU funds. However, the CFCUs need to develop a culture as financial advisors, ready to facilitate the payment process, rather than the current culture which resembles a pre-audit function.

4.1.4. Even under the new and more flexible roles, delays in decision-making and payments are substantial. Such delays impair project performance. Further simplifications and delegation of authority should therefore be considered in order to streamline administrative routines as far as possible, without sacrificing legitimate requirements of control of activities and monetary flows.

4.2. Basic Financial Resources

4.2.1. Rules of financing for Twinning arrangements are fairly rigid, and good arguments for such rigidity may be put forward. Nonetheless, it is a problem that certain financing requirements are not met, as explicitly stated in the Twinning Manual. Costs incurred before the signing of the covenant cannot be recovered. The remuneration level for experts is set so as to cover, approximately, marginal costs, but not total costs including full overhead, etc. Member States have different ways of handling this problem. For experts directly under ministries, the problem seems to be dealt with relatively easily. For other experts, there may be bilateral funds or special accounts for facilitating participation in Twinning. This latter fact has aroused suspicion that Twinning projects have in fact become a partial substitute for bilateral aid programs that would have been undertaken even in the absence of Twinning financing under PHARE.

4.2.2. In the absence of supplementary funding, autonomous agencies/mandated bodies in some MSs face severe problems in making ends meet. It can be argued that such additional funding is the entrance ticket to Twinning, but there should at least be general awareness that currently, the playing-field is not levelled between MSs – a fact that again calls into question the idea of a “market” for Twinning. Unless MSs compete on equal terms, the outcome of the selection procedure and ultimately of the whole Twinning process runs the risk of being determined by factors unrelated to the quality of the proposal, such as the existence of additional funding, differing accounting treatments in the MSs, geographical proximity, or political ambitions.

4.3. Delegating Authorities to the Delegations

4.3.1. The Delegations in the CCs carry the responsibility for a variety of tasks: assisting PAAs and their counterparts, monitoring the projects, reporting to the Commission, etc. The approval of covenants, as well as major changes to the covenant, is currently handled by the Steering Committee in Brussels. There is room for further delegation of authorities in this context. Enough experience has now been gathered in the CCs for the Delegations to take a more active role. We believe that the role of the Steering Committee should be re-examined and its role should probably be confined to approving general policy on Twinning, monitoring the overall progress of the Twinning Instrument etc. Delegations should be made responsible for the approval of covenants (after seeking guidance on technical issues from the relevant DG in Brussels). If this road were followed, the delegation would also be given the right to approve amendments to the covenant.

4.4. Financial Micro-management

4.4.1. Delegations on several occasions have complained about the administrative burden associated with Twinning, in particular on arrival of the PAA (accommodation, school fees, etc.). Strictly speaking, it could be argued that it should be the responsibility of the CFCU to verify that contracts of this kind are compatible with the rules of the Twinning Manual. However, it is obvious that contacts between the PAA and the CFCU are difficult to establish before the arrival of the PAA. Given that the number of Twinning

projects is expected to increase over the next few years, this will imply an increased burden. As discussed elsewhere in this report, a reasonable principle for the division of responsibilities is that EU Delegations assume responsibility for assisting with the PAA's professionally related contracts, whereas personally related problems would fall within the responsibility of the MS's Embassy.

4.4.2. It has been suggested that financial management could be simplified if the PAA were given a lump sum to cover expenditures of the above-mentioned kind. Such lump sums would have to be dependent on a large number of complex parameters and we do not think that this is an appropriate solution. However, more flexibility within the sum available to the PAA would be welcomed.

4.4.3. The handling of invoices is generally considered to be complex. Part of the explanation is the desire on the part of the Commission to establish administrative routines for handling EU payments in the CC administration. The costs of complexity and sometimes slow handling is therefore to a considerable extent a cost of learning, and should gradually diminish as administrative routines are established.

4.4.4. There seems to be one circuit of invoices that causes problems in particular, namely that related to payment of private sector inputs. Such services are often supplied by small firms in the CC, which are dependent on a steady flow of payments for services rendered, and find it difficult to wait as long as it sometimes takes to circulate the invoice. The simplest solution appears to be that the PAA is given the right to pay upon receipt of the invoice, after verifying that the services have actually been rendered, and a local bank account to handle the payment. This amounts to the Project Leader delegating this responsibility to the PAA.

4.4.5. In some cases, problems have arisen because the Twinning framework defines certain rights for PAAs, whereas the bottom line of the budget is inviolate. In one case a PAA had to be replaced by another person, with a substantially higher salary. The only way to resolve this problem was to cut the duration of the Twinning project. Similar problems may arise if the PAA's family situation changes. These dilemmas are of course not peculiar to Twinning projects, but simply reflect the ubiquitous conflict between entitlements and budget restrictions. It is not self-evident that the present hard cash-limit represents the most efficient solution to the problem.

4.5. Flat Rate Compensation

4.5.1. In order to compensate for the fact that the standard format for Twinning covenants does not permit reimbursement of fees for work performed outside the CC, an innovation was introduced in January 2000. This permits a 150% premium which is added to all fee days of short and medium term assistance provided in the CC. This flat rate compensation is designed to cover the MS for all its work carried out in the MS including study tours, preparation of missions and the work undertaken during the preparation of the covenant.

4.5.2. We do not believe that this is a practical and adequate solution to the problem. Our reasons for this opinion are as follows:

- It creates perverse incentives. For example, it encourages MS experts to spend more time in the CC than may be necessary for the completion of the tasks this absorbing more per diems and possibly more travel costs.
- It discourages the inclusion of study tours in the covenant since these are not directly funded.
- In general it discourages the MS from undertaking work in the MS which could be the most efficient way of performing the work given that communication by e-mail is now more widely available. Shorter periods of work in the CC also make it easier for STEs to schedule Twinning support into their regular programme of work.
- The division of the flat rate compensation between consortium members is proving contentious.
- The rule does not recognise that the mix of work (preparation, study tours and visits to the CC) is different in every Twinning project. Some projects may therefore be overcompensated
- The mechanism does nothing to encourage the MS to put more effort into the covenanting process, since the compensation is not directly related to the amount of work that is put in during the preparation of the covenant

4.5.3. We firmly believe that this innovation should be abandoned. The solution to this problem is much more simple: the standard format for Twinning Covenants should permit the inclusion and recompense of reasonable amounts of time in the MS for preparation and hosting of study tours. The Delegation should judge whether the amounts of time budgeted in the covenant for time in the MS is reasonable given the nature of the tasks involved. We believe that this will allow more flexibility in the design of covenants, eliminate the potential perverse incentives indicated above and provide a more transparent budgeting and accounting mechanism.

4.5.4. One of the arguments put forward in favour of the flat rate compensation is that it compensates for time and resources expended during the covenanting period. We believe that preparatory work during the covenanting period needs to be encouraged and recompensed more directly. We believe that the Commission should directly fund two or three short missions to the CC by the PL and designate PAA. Although **very occasionally** this may result in nugatory expenditure if a covenant is not concluded, we feel that this measure would encourage the MS to put more effort into the preparatory phase and thus result in better defined and planned projects.

4.6 Summary

- CFCUs need to develop a more facilitative culture
- Current levels of remuneration do not fully cover the costs of Twinning projects. This distorts competition between MSs.
- Delegations should be given the authority to approve covenants and major amendments to covenants.
- The administrative burden associated with Twinning projects seems to be greater than that of conventional technical assistance projects. The respective responsibilities of Delegations and Embassies must be sorted out.
- The procedures for invoice handling must be further streamlined in order to shorten time delays.
- The trade-off between entitlements and budget restrictions may call for some further consideration.
- The arrangements for flat rate compensation should be abandoned.
- The Commission should fund missions to the CC to agree the covenant.
- A reasonable amount of work carried out in the MS should be directly budgeted for and funded.

Chapter 5

The Project Life Cycle

5.1. Introduction

5.1.1. The formative stage of Twinning can be separated into four identifiable stages for the purposes of analysis. We have observations to make on each of the various stages:

- Design of the project fiche by the CC administration
- Proposal writing and consortium formulation by the MSs
- Selection by the CC
- Covenanting between the CC and the selected MS

In addition at the end of this chapter we make some remarks on the implementation stage of Twinning that have not been made elsewhere in this report. As noted above it is too early to comment, other than in very general terms, on the later stages of the project life cycle.

5.2. Fiche Design

5.2.1. This is perhaps the most important stage of the Twinning process since it represents the specification from which the MSs will work in deciding their outline methodology and the structure of their consortium. Whilst it is possible to amend the project design at the covenanting stage, and indeed to revise the consortium arrangements, it is important that the fiche describes the CCs needs precisely so that MS administrations can design informed and relevant responses in the form of proposals.

5.2.2. Generalising from the projects we have examined we are not convinced that all CCs have the capacity to design good project fiches and hence to establish the Twinning on a sound footing. We were told on occasions that CCs are simply not aware of their own needs nor aware of the range of possible options that are available to solve their particular problem. Many CC administrations are not yet fully competent purchasers of this form of technical assistance. There is also a tendency for fiches to be too ambitious and grandiose and expectations are sometimes unrealistic on the part of the CC. We believe that technical support is required by the CCs in this critical phase of Twinning. We do not believe that the Delegations are resourced to provide this level of assistance. However, we believe that the fiche is an important starting point for the Twinning process and as such it requires careful and expert drafting. Although CCs can be expected to learn by doing we feel that, where justified, this process should be supported with consultancy inputs.

5.3. Proposal Writing

5.3.1. Many CC administrations felt that the quality of the proposals that were received was variable. Some even spoke openly of “weak proposals”. The quality of the presentations made was also felt to vary enormously and in certain circumstances betrayed a lack of effort and commitment on the part of the MS. This was felt to restrict the choice of the CC. Sometimes only one proposal was received thus eliminating the competitive element which is seen by the Commission and the CCs as valuable. On the other hand the some MSs felt that it a poor quality fiche was likely to lead to a poor quality proposal. Since the start of Twinning further guidance has been provided in the Twinning Manual regarding the format of proposals and this advice can be expected to result in a more regular standard of proposal which will make the comparison of proposals easier. However, there is clearly no substitute for site visits on the part of the interested MS administration to assess the local situation and to make contact with the counterpart Ministry. MS administrations are typically unwilling to put too much effort and resource into this since it is unfunded and at this stage there is no guarantee of a return on their investment. The willingness of MS administrations to devote resources to this process varies, a fact which also restricts genuine competition between MSs.

5.3.2. The process of forming consortia seems to us to have been rather haphazard in the 98 Twinning round. We support the principle of the consortium approach; CC administrations should not be tied to the adoption of one MS system only. However, this principle seems to have led to some alliances which were driven by expediency rather than the real needs of the CC. On occasions the consortia that have been formed by agreement among the MSs have been picked apart by the CC in the selection process and competing consortia have been forced to amalgamate. This has occasionally resulted in unwieldy arrangements (as many as six MSs involved in one project) which are difficult to manage.

5.3.3. We support the revised guidance in the Manual which limits the consortium membership to two MSs (exceptionally three). This does not prevent the participation of other MSs in a particular project where other MSs may have a valuable but limited role to play. However, this type of involvement should be managed in the form of a sub-contract to the lead MS and should not confer full partnership rights.

5.4. Selection

5.4.1. Again the principle of the free choice of the CC is supported; it is likely to increase the commitment of the CC to the subsequent co-operation. However, as above we would question in certain cases whether the choice is an informed one and is done on the basis of appropriate criteria. Anecdotal evidence would suggest that political considerations may interfere with the selection process and the lobbying activities of the MS Embassy may also prove influential. A history of previous bilateral co-operation has also been observed to influence heavily the choice of MS administration. Geographical and cultural proximity can also play a big part. In addition some MSs have a clearer self-interest than others in projects in particular sectors and/or particular CCs, eg Austria in

border management issues in the Slovak Republic. It is probably impossible to eliminate these considerations and many of them are legitimate factors in the decision of the MS to bid for the project and for the CC to select the most appropriate partner MS.

5.4.2. We are not suggesting that these factors should be excluded from the selection criteria. However, if these influences are seen to “distort” the twinning “market” then it would not be surprising if MSs responded by not submitting bids for countries, sectors or individual projects where there is a clearly preferred bidder. We make this observation merely to reinforce our scepticism about the value of the competition for Twinning projects. The point made above about the capacity of the CCs to make a fully informed choice between MS administrations is also valid here.

5.5. Covenanting

5.5.1. The principles underlying the covenanting process are fundamentally sound and we support them. Ensuring the commitment of the CC administration to the project outcomes by involving them in the detailed negotiation of the covenant is important. The framing of a detailed budget linked to activities is an essential control which permits accountability for the use of Commission funds. The discipline involved in the drafting of a detailed workplan with measurable and timed benchmarks is an established project management tool.

5.5.2. However, the covenanting process is the single most criticised aspect of Twinning. Almost unanimously the covenanting process is seen as lengthy and complicated. The level of detail required in the workplan is perceived as an unnecessary burden which restricts flexibility and is difficult to change without cumbersome bureaucratic procedures. Again the willingness of the MS to spend too much time on the process varies between MSs. Currently the cash costs involved are not recompensed and MS budgetary constraints are a limiting factor. However, it is pertinent to note at this point that some MSs do have a central resource which is prepared to fund the MS administration to carry out missions to prepare and agree the covenant. Above we recommend that this work should be funded by the Commission. In the 98 twinning round there was limited guidance on how to put together a covenant and necessarily little experience of drafting covenants. Referrals to Brussels for advice on and eventual approval of the covenants was seen as time-consuming and the interventions of the Steering Committee were seen as unhelpful and concerned more with procedural issues rather than issues of substance.

5.5.3. The delays in the covenanting process had a number of deleterious effects. The total of the delay between the conception of the project (the fiche) and the arrival of the PAA often meant that the project design was out of date before the project commenced. In the worst scenarios this resulted in badly drafted legislation which did not meet the requirements of the *acquis*. In other cases the designated PAA, often out of frustration, withdrew his/her nomination and a new, possibly less well-qualified, PAA had to be found at short notice. In most cases the delay in agreeing the covenant, combined with other delays in the implementation phase (see below), has severely jeopardised the likely

achievement of the project benchmarks and the eventual overall project aim. In addition it will be extremely difficult to undertake all the activities planned in many of the projects due to the fact that the activities need to be concentrated into a timeframe which is typically 3-9 months shorter than envisaged in the original workplan.

5.5.4. Nevertheless, the covenanting process is universally derided as being overly bureaucratic, inflexible, cumbersome and too detailed. There is also some scepticism about whether the process really does create the commitment on the CC side to the project overall goals. There is in some cases a feeling among MS administrations that they are being treated like the worst species of consulting firms. This perception –correct or otherwise- needs to be countered if the supply of MS administrations willing to be involved in Twinning is to be maintained and/or increased.

5.5.5. The challenge is therefore to preserve the principles which underlie the covenanting process – which is at the heart of Twinning – while making the procedures more “user friendly”. Amendments to the Twinning Manual are perceived as offering a greater degree of flexibility and this will help in future Twinning rounds. The increased volume of guidance on how to construct a covenant, with some worked examples, is also seen as useful. The introduction under Article 11 of the covenant of a schedule designating responsibility for certain actions to either the MS or the CC is an improvement which pins down individual responsibilities more clearly. In addition the general body of experience in drafting Twinning covenants both within MSs and CCs can be expected to make the process less onerous in the future (although we are concerned to ensure that this body of experience is properly collected, stored and disseminated).

5.5.6. Many of the problems with covenanting have therefore been recognised and corrected by the Commission in subsequent guidance. Our sense is that more could be done and needs to be done to simplify and shorten the process, chiefly through greater delegation from the Commission to the Delegation (for example of the approval of covenants) and from the Delegation to the Twinning partners (of, for example, reallocation of the budget between “boxes”).

5.6. Implementation Stage

5.6.1. This report is mainly focussed on the formative stages of Twinning projects and on general issues of policy which affect the smooth working of the Instrument itself. We were not charged with the audit of individual projects and hence we have not gone into the details of how specific projects are progressing when measured against particular benchmarks. Moreover, most of the projects we examined were in their early stages and it is not possible other than in broad terms to judge the extent of their eventual achievement.

5.6.2. The monitoring and control of individual projects is clearly a job for the Delegations and more specifically for the Task Managers in Delegations. Elsewhere in this report we have argued the case for a more active role to be taken by the Delegations in the management of Twinning. We have also argued for Delegations to be

appropriately resourced to carry out this task. We do not propose to repeat those arguments here. However, one particular point is worthy of note. The Twinning Manual (paragraph 6.3) requires a review to be carried out jointly by the Delegation and Headquarters after the second quarterly project report. Most of the projects we examined were at or had passed the stage of the second quarterly report. We did not find any evidence of plans being made to carry out such a review and we are concerned about how this review will be conducted and how the Commission plans to resource such reviews the requirements of which seem to us to be quite demanding.

5.7. Overall Conclusions and Recommendations

5.7.1. The 98 Twinning round has been bedeviled by long delays during the processes from design of the fiches to the arrival of the PAA. To a certain extent with a new and untested instrument this was to be expected. Regrettably the effects of these delays are still being felt during the implementation stage; many of the projects are unlikely to be fully successful when measured against the benchmarks and agreed outcomes at the end of the projects. Many of the projects will now be terminated by the elapsing of the three year disbursement period for PHARE 98 in June 2001.

5.7.2. We believe that the totally artificial constraint imposed by the three-year timeframe is likely to mean that many twinning projects will end in “failure” as judged by measurement against the benchmarks and agreed outcomes. That projects should be condemned in this way, especially if they are close to achieving the desired results, seems to us absurd. We do understand the rationale behind the “three year rule” and that it will be difficult within the Commission to obtain exemption from this rule. However, we strongly recommend that successful Twinning projects which are close to the achievement of the agreed outcomes should be permitted a strictly limited extension provided that the costs of this extension can be accommodated within the budget.

5.7.3. Notwithstanding what we have said above about the length of the preparatory phase of Twinning we believe that it important to ensure that Twinning is adequately planned and more resource needs to be devoted to it albeit over a more concentrated timeframe. Some specific recommendations that might help to achieve this are as follows:

- A pro forma project fiche has been designed which will prove helpful in standardising the quality of the fiche-writing process. The fiche should also require the beneficiary to specify the timeframe within which the main project components need to be achieved.
- As a minimum the PAA and the Project Leader from the MS side should attend the presentation of the proposal. This should be mandatory.
- The Twinning Manual should in the strongest possible terms require at least one visit to the CC by the MS partner during the covenanting process. Above we argue that the Commission should fund such visits. However, this should also create an obligation on the CC to:

1. have identified both a Project Leader and a counterpart to the PAA with whom detailed discussions can be held (the attendance of the Project Implementation Unit/European Integration Department is not regarded as an adequate substitute);
2. be prepared to identify and agree which facilities will be put at the disposal of the Twinning project, including office accommodation;
3. agree with the MS an appropriate allocation of time for which the counterpart and other key staff will be available to work exclusively with the PAA on the Twinning project.

TWINNING ASSESSMENT TOR'S

The twinning of Member States' administrations with their counterparts in the Candidate Countries aims at supporting efforts to develop institutional and management structures for the implementation and enforcement of the *acquis communautaire* to a standard acceptable for membership of the EU. It is proposed for twinning to be the principal instrument of Institution Building in Agenda 2000. Work on the development of the concept started in November 1997, the first project fiches were distributed to Member States in May 1998, and the first projects became operational a year later.

The assessors should be careful to separate external effects from the structural effects of the twinning instruments, when carrying out their assessment, since the launch of twinning coincided with two other major innovations which had a significant and mostly negative impact on this new, and necessarily fragile instrument, namely: the decentralisation of financial management of Phare funds to the candidate countries, the deconcentration of project management to the EC Delegations, and concurrently a reorganisation of Commission services. The net result was that the availability of monies earmarked for the funding of twinning projects was delayed until the very end of 1999, creating a serious gap between time schedules foreseen by the projects and availability of funds.

Terms of reference:

1. Given that standard tendering processes are not appropriate for mobilising Member States' administrations, assess whether the mechanism for selecting partners is efficient, and a) adapted to the specificity of the objectives of twinning and the nature of resources to be mobilised, b) yields a result comparable to that which would be achieved through tendering in a private sector context and c) is perceived by those concerned (MS and CCs) as being transparent and open to equal opportunities.
2. Analyse a sample of project fiches (Phare 98, 99 and 2000) in order to assess whether they accurately and realistically indicate the beneficiaries' needs with a view to soliciting a targeted proposal from Member States potentially interested in partnership.
3. Analyse whether the design structure and obligation of drafting a detailed twinning covenant with bench marks and guaranteed result achieves the objective of ensuring commitment to and ownership by the beneficiaries for the administrative reform process, based on the added value of the experience, advice and support of the Member State experts.
4. Assess whether, given the time required for the selection of partners and drafting of the covenant, twinning achieves the objective of furthering the development of

institutional and administrative capacity of the Candidate Countries to implement EU legislation.

5. Assess to what extent Member States are committed to twinning in its present design form, possess the project management capacity, and therefore can be expected to respond to future calls for proposals.
6. Assess if twinning expert teams in general fulfil the expectations of Candidate Countries in terms of their level of experience, competence, inter-personal skills and cultural sensitivity to deliver the objectives of their mission.
7. Assess if twinning expert teams are able to operate and are given by the Candidate Country the possibility to operate in an environment – availability of counterparts, information on the political, administrative and budgetary constraints – conducive to them reaching the objectives in terms of absorption of the *acquis communautaire*.
8. Assess whether twinning experts are able to perform in such a way that they contribute to sustainable change and improvement without creating dependency or reliance.
9. Assess the role of the Member State project leader his/her overall efficiency and the efficiency of the PAA and the short-term expert in terms of transfer of know-how and influence in the process of Institution Building and absorption of the *acquis*.
10. Assess Twinning as an effective mechanism for change, absorption of the *acquis communautaire* and Institution Building. If appropriate, make concrete suggestions for change.

Working method and time table

Contracting of 4 experts from different Member States, with experience in public administration reform.

Information to Team Leaders and Delegation (NCPs?)

Meeting and briefing of the whole team in Brussels end March/beginning of April

Selection of representative sample of 18 covenants (Criteria: Candidate countries, sectors, size, duration)

Team to be divided into 2 sub-teams to assess 9 covenants each, visit the CC and possibly the Member States

Presentation of Draft Report (8 June) and discussion of contents in Brussels by 15 June.

Final Report 30 June

Summary of Recommendations
(Report of an Assessment of the Twinning Instrument)

1. Concerning the Candidate Countries Administrations, Project Leaders, NCPs, Counterparts)

a) in general

- Increasing the commitment of the CC administrations
- More attention to the absorptive capacity of CC administrations during the programming phase
- Gathering and structuring the experiences by the Commission in a handbook, the role of the current Twinning Manual
- Describing the obligations of the CCs more in detail in the covenant
- More careful attention to the selection and terms of engagement of the counterpart
- Providing more guidance (not rules) on the role of the MS Project and the level of his involvement
- Marketing Twinning more vigorously, incentivising potential PAAs, applying more

b) as concrete measures

- Developing a ‘welcome pack’ for PAAs and STEs by the CCs
- Specifying in precise terms in the covenant the CC contribution by man-days per expert
- Making budgetary provision in the covenant of the cash contribution required from the CC
- Role of the counterpart (and partly of the PAA) at the selection stage and in the covenanting negotiations; specifying in the covenant the expected amount of time in man-days
- Technical assistance in case of co-operation with several OC ministries; case of required inputs from another ministry
- Role and special conditions of the Project Leader

persuasive measures to participate by the MS
National Contact Point

- 1a
- A more speedy resolution of the selection and covenanting process (to avoid the withdrawing of PAAs)

- More care and attention to be given to the PAAs (in a 'foreign' environment)

- More flexibility within the sum available to the PAA

- Ensuring the commitment of the CC administration to the project outcomes by involving them in the detailed negotiation of the covenant

- 1b
- Increasing the number of potential PAAs
 - Acting in more than one CC
 - Resourcing more than one project
 - Taking recently retired civil servants
 - Relaxing the requirement for full-time presence
 - Resolving the status of PAAs

- Handling of invoices: Right of the PAA to pay upon receipt of the invoice

- Obligation of the CC to identify at an earlier stage a Project Leader and a counterpart to the PAA

- Obligation of the CC to specify the facilities put at the disposal of the project

- Obligation of the CC to agree with the MS an appropriate allocation of time of the counterpart and other key staff

2. Concerning the Member States Administration, Project Leaders, PAAs)

a) in general

- Easier participation of MS administrations in Twinning activities

b) as concrete measures

- Enabling site visits on the part of the interested MS administration
- Participation of other MSs in particular projects managed in the form of a sub-contract to the lead MS
- Obligation of the PAA and the Project Leader to attend the presentation of the proposal
- At least one visit to the CC by the MS partner during the covenanting process – funded by the Commission

3. Concerning the European Commission and Delegations

a) in general

- Improving flexibility and responsiveness of the Twinning mechanism
- Commission making its presence felt in the programmes
- Developing a direct and stronger relationship between CCs and the line DGs
- Commission and NCPs playing a leading role in organising the learning process
- Involving Delegations more closely in Twinning by playing a more active role, by greater engagement in the planning and implementation and taking more responsibility; giving more support to PAAs
- Strengthening the resource base in the Delegation by the Commission
- Sorting out of the respective responsibilities of Delegations and national Embassies

b) as concrete measures

- Identification of a Twinning Liaison Officer within each relevant DG
- Approving covenants and major amendments by the Delegation
- Delegation's responsibility for assisting with the PAAs professionally related contracts MS Embassy's responsibility for personally related problems

- Further streamlining of the procedures for invoice handling
 - Further consideration of the trade-off between entitlements and budget restrictions

 - Abandoning of the Flat Rate Compensation
 - Careful and expert drafting of the project fiche

 - Simplifying and shortening the covenant process through greater delegation from the Commission to the Delegations and from the Delegation to the Twinning partners
 - Monitoring and control of individual projects by the Delegation (Task Managers)

 - Reconsidering the requirement of a review of the covenant after the second quarterly report
- Direct funding by the Commission of 2 or 3 short missions to the CC by the PL and the designated PAA
 - Furthering the capacity to design good fiches by PHARE support

 - Extension of successful Twinning projects which are close to the achievement

