
INTERNATIONAL SUPPORT FOR DOMESTIC CLIMATE
POLICIES

On Twinning: The Hungarian Experience

ZSUZSANNA PATÓ

Convened by:



Climate Strategies aims to assist governments in solving the collective action problem of climate change.

Sponsors include departments from European governments and other stakeholders.

Nov 25th 2008

Project Leader: Karsten Neuhoff, Senior Research Associate, University of Cambridge

Contributing Authors:

Name of Author	Institution	
Zsuzsanna Pató	Regional Center for Energy Policy Research (REKK), Corvinus University of Budapest	

This paper was produced as part of a wider project investigating international support for domestic climate policies. All papers are available at www.climatestrategies.org

Country case studies:

- William Gboney. Policy and Regulatory Framework for Renewable Energy and Energy Efficiency Development in Ghana
- Kate Grant. Concentrated Solar Power in South Africa
- Haroldo Machado-Filho. Options for International Support for Low-Carbon Transportation Policies in Brazil
- Anoop Singh. Climate Co-Benefit Policies in India: Domestic Drivers and North-South Cooperation
- Umashankar Sreenivasamurthy. Domestic Climate Policy for the Steel Sector, India
- Xiliang Zhang. North-South Cooperation and Private Public Partnership: A Case Study of China Wind Power Industry

Institutional papers:

- James Cust. Intermediate Indicators: Lessons for their Use in Measurement, Reporting and Effective Policy Implementation
- James Cust, Kate Grant, Ilian Iliev and Karsten Neuhoff. International Cooperation for Innovation and Use of Low-Carbon Energy Technology
- Sarah Lester and Karsten Neuhoff. The Role Of and Experience From Policy Targets in National and International Government
- Amichai Magen. Establishing and Maintaining an Effective Cooperation Facilitation System
- Maike Sippel and Karsten Neuhoff. Lessons from Conditionality Provisions for South-North Cooperation on Climate Policy

Policy summary:

- Karsten Neuhoff. International Support for Domestic Climate Policies: Policy Summary

About Climate Strategies

Climate Strategies aims to assist governments in solving the collective action problem of climate change. It connects leading applied research on international climate change issues to the policy process and to public debate, raising the quality and coherence of advice provided on policy formation. Its programmes convene international groups of experts to provide rigorous, fact-based and independent assessment on international climate change policy.

To effectively communicate insights into climate change policy, Climate Strategies works with decision-makers in governments and business, particularly, but not restricted to, the countries of the European Union and EU institutions.

Contact Details:

Managing Director: Jon Price
Climate Strategies
c/o University of Cambridge,
13-14 Trumpington Street
Cambridge, CB2 1QA, UK

Office: +44 (0) 1223 748812
www.climatestrategies.org
jon.price@climatestrategies.org

Abstract

*During the accession process to the European Union, the European Commission introduced a new form of institution-building assistance to the candidate countries called twinning. Under these schemes public servants of some Member State were seconded to the parallel governmental office of the future Member State in order to facilitate, with hands-on public sector experience, the massive policy transfer embodied in the *acquis communautaire*. The paper discusses the overall positive experience of twinning projects based on past evaluations and interviews with Hungarian partner institutions and suggests that the ability of beneficiary institutions to absorb external assistance, the institutional inertia and the commitment of the organisation sending the long-term experts are the key limiting factors. These barriers are of relevance if twinning is to be used in other contexts such as cooperating on the implementation of climate policies. Twinning can support but not replace political willingness and perseverance.*

1. Introduction

Political cooperation among nations creates numerous instances where policies that have not emerged from the domestic sphere are adopted and eventually implemented. The successive enlargements of the European Union are examples of unique and grand exercises of policy transfer, which covered virtually all policy fields. Such policy transfers are rarely borne out of simple convictions but rather exchanges entailing some benefit. In this case, the benefits are in the short run financial transfers and in the medium run the economic and political stability associated with EU membership. The European Union uses conditionality for candidate countries to induce domestic policy reforms. Evidence suggests that compliance with conditions has increased with the approximation of the date of membership (Schimmelfennig and Sedelmeier 2004). Many countries managed such policy transfer in a structured manner within the limited time period. Conditions have been expanding over time; from the adoption of the comprehensive legal body of the European Union - the *acquis communautaire* (pre 2004 enlargement rounds), to the Copenhagen Criteria entailing political and economic criteria. The EU recognised that it needed a tool in its external cooperation activities to strengthen the institutional capacity of candidate countries to be able to implement the *acquis*.

This paper focuses on this particular assistance tool called twinning, which was launched in 1998 and used widely by the European Commission in the enlargement process. Twinning aims to assist beneficiary countries (the candidate countries for EU accession) in the development of the modern and efficient state administration required to implement the *acquis communautaire*. In twinning programmes, a selected Member State partner provides the hands-on public sector expertise available in its home administration, via the secondment of a full time adviser, to the candidate country. Typical project objectives are to draft legislation, organise training, prepare guidebooks or establish/harmonise databases that back up policy and institutional reforms and foster the transfer of ‘know-how’.

This paper assesses the extent to which twinning was a successful assistance tool for policy transfer from EU Member States to the accession countries and what the general conditions of success were, if any, and outlines the critical problems encountered. The following specific questions emerged during the research:

- What was the most appropriate policy field and type of project for twinning schemes?
- What is required from the different actors in the project to secure successful implementation?
- What are the typical human resource constraints?

This paper first presents a brief overview of the fifth enlargement of the EU and the transfer of the *acquis communautaire* to the candidate countries in order to provide some background for readers not so familiar with European affairs. It is important to note that the concurrent enlargement of 2007 followed roughly the same sequence as the 2005 enlargement discussed below. The paper then discusses the Hungarian experience with twinning as an assistance tool of the European Union based on a series of personal interviews and literature survey. The first section discusses cross-cutting findings which are structured around the major themes of: responsibilities and commitments of the actors, human resource and financial administration issues, and lessons from the project cycle. In conclusion, the paper assesses whether experience from EU enlargement can be applied to enhance domestic climate policies in developing countries. As this paper attempts to serve as a catalyst for discussion among interested parties and stakeholders in the South-North climate policy exchange, rather than supplying a simple catalogue of past projects, it poses a number of questions for the consideration of readers.

This paper has been prepared on the basis of 10 semi-structured interviews. The interviewees were selected to include a wide range of beneficiary institutions to provide the most diverse experience possible within the limited frame of the project. Hence 7 representatives of beneficiary institutions (Hungarian ministries) and one person from each central coordinating unit responsible for EU assistance projects (Hungarian National Development Agency and the Central Contract and Finance Unit) were interviewed. In addition, a former Resident Twinning Advisor has been interviewed. A literature survey of previous twinning evaluations prepared for various European institutions also inform this work (EC 2004, Cooper 2003, Birker 2000).

Twinning is a useful tool to transfer hands-on experience via the 1 to 2 year secondment of an advisor who has the time and resources to learn about a foreign environment, while concentrating on the actual transferability of their domestic experience. Participants learned over time how to make best use of the twinning program. During the early years projects were broad and ill-defined, loaded with ‘everything and anything related to the broad areas of the *acquis* concerned’, however, they subsequently became more reasonable in their ambitions and targets (Cooper 2003). One of the main concerns of the projects was the limited capacity of the beneficiary institution to absorb twinning support and sustain its benefits. Recipients accustomed to classical technical assistance failed to recognise their overall responsibility for project implementation and often underestimated the human and organisational resources that are required by such a project. Regarding the nature of the twinning projects, ‘policy heavy’ projects or those aimed at reforming existing institutional setup often failed to trigger changes as it is almost impossible to overcome the vested interest of individuals in maintaining the status quo. The institutions of existing Member States were reluctant to send their experts abroad for 1 to 2 years due to their pressing domestic agendas.

Could a similar twinning tool be applied for the support of climate policies in developing countries and if so what are the caveats that should carefully be considered? It is important to note that the socio-economic difference, in addition to the cultural one, between the EU and developing countries is probably larger than that between the old and new EU Member States. Examining relevant differences such as the priority level of the policy in question, the scope of policy that is transferred, the general state of public administration and the proximity of the policy experience and prospect of future relations can provide some tentative suggestions for the applicability of twinning in a South-North climate policy context.

2. The 2004 enlargement of the European Union

The Luxembourg Summit of December 1997 decided to launch the enlargement process with the first group of candidate countries consisting of the Czech Republic, Estonia, Hungary, Poland, Slovenia and Cyprus. Later, at the Helsinki European Council in 1999, the Member States decided to launch accession also with the second group of countries: Bulgaria, Latvia, Lithuania, Malta, Romania and the Slovak Republic. Accession negotiations with ten of the twelve negotiating countries were completed at the Copenhagen Summit of 2002. The Accession Treaty was signed in April 2003, and the accession – quoted as the Fifth Enlargement - followed in May 2004.

This paper specifically references the accession of Hungary, however, the accession process itself also applies to the other countries joining the EU in 2004. The accession of Hungary stretched over 16 years that can be broken down into consecutive steps, from setting the conditions for prospective members to the actual bilateral accession negotiations.

1988-1993: ‘Setting the conditions’

During the 1989 changes that transformed the political map of Central and Eastern Europe, Hungary established formal links to the European Economic Communities both in diplomatic and economic terms. Ironically, the conclusion of the Agreement on trade and economic cooperation in 1988 aimed at reducing barriers to western trade required the approval of the COMECON, the organisation of collapsing eastern trade it was supposed to substitute for. While trade agreements are tools of mutual benefit, the Programme of Community aid to the countries of Central and Eastern Europe (Phare)¹ launched by the EEC in 1989 was an explicit donor initiative and a response to the first free elections of 1989. Phare aimed at promoting infrastructure development and institution-building to accelerate political and economic transformation initially in Poland and Hungary and then extended to other CEE countries. In 1991 Hungary, alongside Poland and Czechoslovakia, signed the formal accession treaty (Europe Agreement) with the EU. This formed the legal basis of bilateral relations that already prescribed legal harmonisation until formal membership. In 1993 the EC set the criteria for accession: political and economic alignment, acceptance of the *acquis*². In 1994 Hungary formally requested membership.

1994-1998: ‘Assessing the status quo’

While the first two conditions are somewhat intangible and open to interpretation, the requirement to implement EU policies necessitated a catalogue exercise to explore the gap between the EU and the domestic policy fields that were of community relevance. The European Commission then sent a questionnaire on the state-of-affairs of current policies in 1996, based on this assessment the commission prepared their opinion (the ‘Avis’) on the readiness of Hungary to join the ‘European club’. The approval of the Avis was the prerequisite for launching formal accession negotiations in 1998.

1998-2002: ‘Screening and negotiating’

Screening is an analytical examination of the *acquis*. The purpose of screening is to thoroughly explain the *acquis* to the candidate countries and to identify problematic areas

¹ Phare: Poland and Hungary Assistance with Restructuring the Economy (Council Regulation 3906/89)

² ‘Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and, protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union’. Council of the European Union, Presidency Conclusions - 15917/02 (1993)

where action is required from the candidate country. The acquis was divided into 31 chapters both for the purpose of screening, and for the accession negotiations that are conducted in bilateral accession conferences between the Member States and each applicant. Candidate countries could and did request transitory periods for the implementation of a limited number of pieces of legislation that required an excessive amount of resources in a very short period. The Commission closely monitored the process and published annual reports to assess the performance of each candidate country. This setup enabled the EU to separate the accession process of individual countries and proceed on a merit basis.

2002-2004: 'Joining'

The actual joining of the 10 candidate countries, including Hungary, took place in 2004.

3. The Concept of Twinning

European assistance towards CEE countries was reoriented in 1997, reflecting the recognition that candidate countries have to reform their administrative (and judicial) structures and as a response to the strong criticism of Phare operation. In the 1997 Phare reform, apart from a stronger focus on institution building, the European Commission institutionalised a new governance form, the open method of coordination (OMC) in its external policy (Tulmets 2005a and 2005b)². Some key characteristics of OMC - benchmarking and peer-reviewing - were already introduced in the late 1990s in several internal policy areas where the mandate of the Community is limited, such as employment or social policy. These features of *partnership*, *benchmarking* and *best practice dissemination* as opposed to unilateral knowledge transfer embodied in conventional technical assistance frames the twinning tool as well.

Partnership means that in the twinning instrument the beneficiary institution holds the main responsibility, together with the central Phare units of the candidate country. It is the beneficiary institution that selects among the various potential project partner institutions and advisors. The central Phare organisations of the candidate country monitor implementation and project partners are accountable to them (National Contact Point and the CFCU).

Based on the NPAA's listing the broader areas for capacity building, the targets of twinning projects are defined first in the project fiche then finalised in the project covenant³. These 'guaranteed results' are set by the project partners and project implementation is solely evaluated against these benchmarks. These benchmarks are not defined centrally by the European Commission or by the Member State but solely by the partner institutions. These results typically can be clustered into 4 groups:

- institutional plan (e.g. for waste management),
- training of staff (e.g. on renewable energy regulation options and data collection),
- preparation of draft legislation (e.g. enacting clause of the energy act on electricity and gas liberalisation)
- statistics and database development (e.g. renewable energy utilisation projects),
- policy and legal harmonisation (e.g. harmonising various R&D governmental funds or harmonising energy statistics with the EU system⁴).

² This non-hierarchical nature of 'Europeanisation' is contested (Papadimitrou 2003).

³ Each candidate country draws up a National Programme for the Adoption of the Acquis (NPAA) that gives details, timetables and costs for the fulfilment of each priority area as defined in the Accession Partnership.

⁴ Examples are taken from Hungarian twinning project fiches available at:

http://ec.europa.eu/enlargement/fiche_projet/index.cfm?page=415646&c=HUNGARY

An often quoted, intangible benefit is network building among various institutions within the beneficiary country via seminar participation or data collection activities. This contribution of twinning projects is not confined to the beneficiary countries. Participating Member State organisations need to extend their domestic networks when searching for short-term experts (Tulmets 2005a).

The selection of a twinning partner is not only guided by the quality of proposal and the suggested RTA but is a choice among various modalities of *acquis* implementation in the Member States⁵. Beneficiary countries often have preferences of certain national ‘models’ especially when they have a similar institutional structure or have historical links but sometimes simply on an identity basis (Tulmets 2005b, Papadimitriou 2003).

Twinning projects are thus based on a small number of basic principles (EC 2007):

- The beneficiary country selects its Member State partner institution.
- The selected Member State partner provides hands-on public sector expertise available in its home administration, via the secondment of a full time Resident Twinning Adviser (RTA - a public sector official), for at least 12 months.⁶
- Twinning projects must bring to the beneficiary country a concrete operational result in connection with the EU *acquis*.
- Twinning partners commit themselves to achieve the ‘guaranteed results’. The achievements of a twinning project should be maintained as a permanent asset to the beneficiary administration even after the end of the twinning project implementation.
- Twinning is not a one-way delivery of technical assistance from a Member State to a beneficiary country. It is a joint process, in which each partner takes on responsibilities.
- Twinning projects are fully financed by the EU. The beneficiary partner contributes human resources, office space, training, conference venues and interpretation.
- To underpin the credibility of their commitment, the twinning partners draft a detailed twinning work plan, before starting work, with fixed clear benchmarks to allow close monitoring of progress.
- In order to ensure transparency and equality of all administrative bidders, the twinning calls for proposals will only be circulated to the designated National Contact Points in the administrations of Member States with publicity on the DG Enlargement website.

There are substantial differences between technical assistance that characterised the pre-1997 Phare programme as well and twinning (Table 1:). Most importantly, twinning supplies the host institution with peer-to-peer long-term cooperation from a parallel administration implementing similar policies based on legal requirements that apply to both institutions. Previous studies suggest that the shift from classical technical assistance to twinning was somewhat abrupt and some host countries

⁵ Official evaluation criteria are e.g. a) the Twinning proposal (demonstration of understanding the problems and issues, comparative advantage and extra services...), b) the oral presentation (general quality of presentation, response to technical questions...), c) the Pre-Accession Advisor (professional experience relevant to the Twinning assignment, language skills, knowledge on the CEEC country, personality...), d) the proposed short term experts (scope and justification of the use of this expert...), e) qualifications of the Project Leader, f) the Twinning institution (profile and professional level, international activity and contacts, content and quality of proposed support...), g) the tendering country (status of national experience, harmonisation and accession experience).

⁶ Participating institutions from Member States are not strictly limited to public institutions. Non-profit institutions that have adequate knowledge on some sectors of the *acquis* can apply for the status of ‘mandated bodies’ from the Commission.

would have liked to retain the choice between the two based on the nature of the issue (Cooper 2003). Accession states were much more accustomed to the ‘consultancy’ approach where accountability for achievement is fundamentally on the consultant (O’Connor 2005).

TWINNING	TECHNICAL ASSISTANCE
Public expertise “Peer to peer” co-operation EU Member State proposal selection based only on quality of proposal Jointly defined benchmarks	Private expertise Consultant-beneficiary co-operation Proposal selection based on quality of proposal and price Hierarchical target setting
<i>Some specific advantages</i>	
Transfer of know how and best practices from EU Member States Joint commitment to achieve mandatory results High level of sustainability Long term engagement with residence enabling application	Very useful when there is a relevant technical gap in the level of development of the beneficiary institution

Table 1: Contrasting technical assistance and twinning (based on Palombi 2007).

The European Union has its own programme for technical assistance that also aims to assist the implementation of EU legislation. This form of assistance, however, aims to deliver tailor-made expertise to address well-defined issues, at short notice, in the form of seminars, workshops, expert and study visits; training, peer review and assessment type assistance, database and translation services⁷.

Extended eligibility, both in terms of the number of countries involved and time, for hosting a twinning project suggests that this type of assistance has become the principal method, albeit in continuously upgraded form. At the onset in 1998 only the 10 candidate countries (EU10) could host such projects. Today eligibility extends to four groups of states: the new Member States (EU12), the candidate countries (Croatia, Turkey and Macedonia), the potential candidate countries of the West-Balkans (Albania, Bosnia-Herzegovina, Montenegro, Serbia and UNMIK), and some countries of the Newly Independent States of Eastern Europe and the Mediterranean region⁸. The forthcoming twinning experience of ENPI countries that are more loosely connected to the EU than those aspiring for membership can produce important lessons for South-North co-operation being a much better proxy than the New Member States. The financial framework of a twinning project varies over time and between countries according to their status in the accession process. Eligibility does not automatically cease with the eventual accession. The EU10 maintained their recipient status until 2006, Romania and Bulgaria until 2008. More importantly, from the date of accession these new Member States can act as partner countries sending their own experts to assist other countries eligible for twinning assistance. This means that expertise acquired at the central, regional or local level through their own successful transition phase of legislative approximation to the *acquis communautaire* is increasingly utilised.

⁷ Technical Assistance and Information Exchange Instrument (TAIEX)

⁸ These ENPI countries are Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Occupied Palestinian Territory, Russia, Syria, Tunisia and Ukraine.

Institutional Setup

Twinning projects are jointly run by a parallel institutional setup in the beneficiary country and the Member State under the framework set by the European Commission (Figure 1).

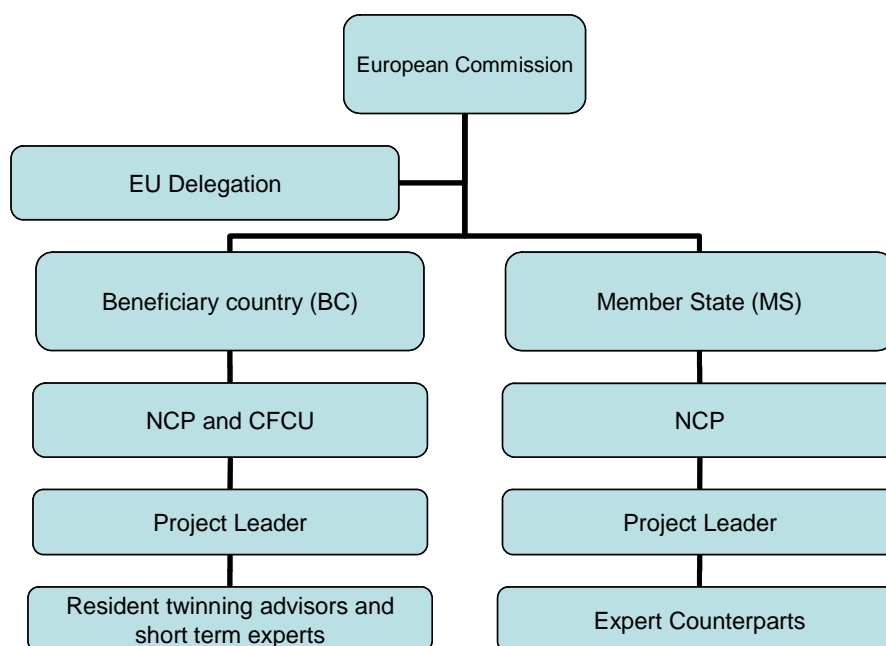


Figure 1: Main actors of twinning projects

At the general level, the *Commission* sets the legal, financial, and procedural framework for twinning projects and makes them public in the form of the continuously upgraded Twinning Manual. It monitors the consistent application of the pre-defined twinning rules and publishes evaluations on overall progress (EC 2004). Additionally, the Directorate General for Enlargement provides the central co-ordination of twinning by circulating project proposals and liaising with the network of *National Contact Points (NCPs)*. At the individual project level, the Commission ensures the quality control of twinning contracts to check they contain reasonable targets and measurable operational results by appraising the detailed Work Plans.

The idea of National Contact Point network is adopted from the UN practice where the various treaty secretariats are connected to the Parties via a single responsible person of the domestic administration. They are the institutional contact point for all twinning activities in each of the 27 Member States of the European Union, and are listed at the Directorate General for Enlargement website⁹. The role of NCPs is to provide a link between the two administrations and the European Commission. In particular, beneficiary country contact points collect the project ideas from the various beneficiary institutions interested in starting up twinning projects and - after checking them against the priorities – collate them into the annual financial request to the EU.¹⁰ Their key role is to circulate the project description and enable beneficiaries to find suitable twinning partners. Another important actor at the central level of the beneficiary country usually is the central body responsible for the general and financial administration of all EU funded projects (*Central Finance and Contract Unit – CFCU*). The setup of these bodies has been the target of the early twinning projects, to

⁹ http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/institution_building/twinning_en.htm

¹⁰ so called 'Financial Memorandum'

implement decentralised management of European programmes in the framework of the 1997 Phare reform implying the transfer of contracting responsibility to the recipient country (Tulmets 2005b).



Figure 2: Twinning project cycle (Source: EC 2006).

Project leaders (one from both administrations) are responsible for the overall direction of project implementation. To this end it is essential that both are high-ranking enough to be in a position to operate at the appropriate, i.e. often political, level. These officials continue to work within their administrations but devote a portion of their time to conceiving, supervising and coordinating the project.

Resident Twinning Advisors (RTAs) are the backbone of any twinning project. They are civil servants seconded to work in the host country for a minimum of at least twelve consecutive months and a maximum of 3 years. They are made available by their home administrations to counterparts in host country through EU funding while remaining a paid employer in their national administration throughout the whole period of secondment. RTAs provide technical advice and assist the administration according to a predetermined work plan and are generally in charge of the day-to-day implementation of the twinning project under the joint supervision of the two project leaders. In addition, twinning projects employ Short-Term Experts (STEs) for specific defined tasks during programme implementation.

The project cycle starts with the selection of issues that require external assistance and are approved by the European Commission in the annual Financial Memorandum. Then project fiches are circulated that contain the description of the assistance required. The beneficiary

institutions select among the interested partner organisations and prepare the work plan and the budget together. They are then reviewed by the Commission and the central national office of the beneficiary country. Implementation is monitored regularly and audited after completion (Figure 2). The preparation of a twinning project (from the assessment of requirements to start of implementation) generally takes 2 years.

4. Facts and Figures

The aggregate number of twinning projects implemented in the new Member States (joining in 2004 and 2006) and in Turkey shows that the climax of twinning has already peaked (Table 2). The new Member States now have a transitory status in twinning: incoming projects are gradually being phased out under the Transition Facility scheme, however, since membership these countries now act as twinning donor partners.

Year	Overall number of projects
1998	104
1999	122
2000	146
2001	132
2002	191
2003	152
2004	182
2005	81
Total	1110

Table 2: Number of twinning projects for New Member States and Candidate Countries 1998-2005 (Source: EC 2006).

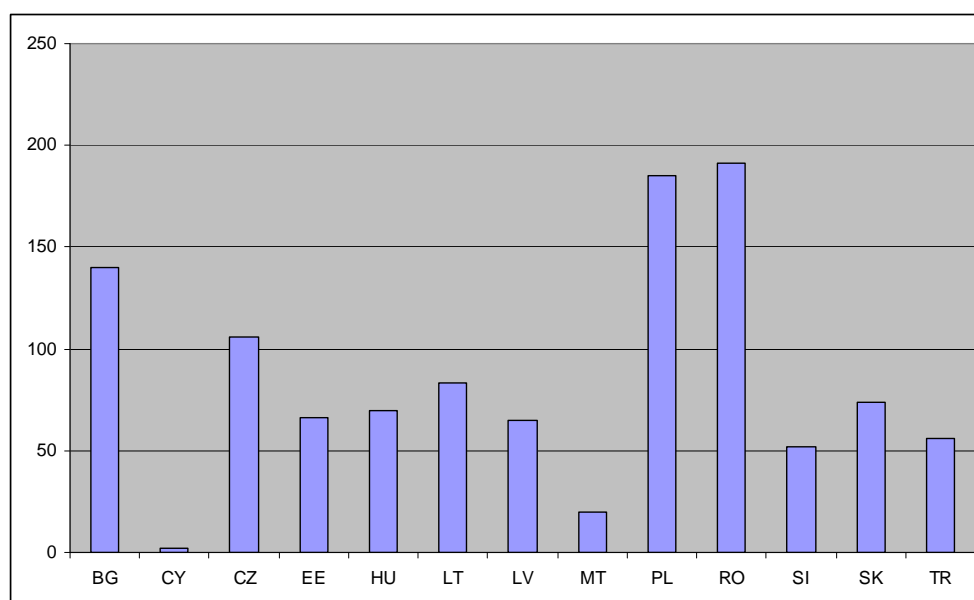


Figure 3: Breakdown of twinning projects per new Member State and Candidate Country 1998-2005 (Source: EC 2006).

The number of incoming twinning projects shows a rather proportional distribution to population across countries (Figure 3). The majority of projects were implemented, regardless of host country, in the fields of justice and home affairs, agriculture and public finance.

Justice and home affairs includes the setup of a Schengen compatible border control system, while agriculture and finance involve the setup of the payment system of the Common Agricultural Policy (CAP); both require large scale institutional upgrades. Public finance seems to be a major concern in the latest acceding states, Romania and Bulgaria (Table 3).

SECTOR	BG	CZ	CY	EE	HU	LT	LV	MT	PL	RO	SI	SK	TR	Total
Agriculture and fisheries	18	8	0	11	14	20	7	8	38	27	10	9	6	176
Environment	20	12	0	8	11	2	5	4	20	16	2	12	8	120
Structural Funds	7	5	0	2	5	3	3	1	19	23	4	3	1	76
Consensus and social policy	8	16	0	9	11	6	7	1	16	15	2	9	1	101
Public finance and internal market	35	14	1	11	8	17	14	1	44	39	9	9	8	210
Justice and home affairs	38	26	1	16	14	18	15	1	25	44	10	18	17	243
Transport, energy and telecom	10	4	0	2	5	8	2	1	7	6	4	5	5	59
Standardisation	1	0	0	0	0	2	7	0	2	0	6	2	8	28
Others	3	21	0	7	2	7	5	3	14	21	5	7	2	97
Total	140	106	2	66	70	83	65	20	185	191	52	74	56	1110

Table 3: Twinning projects per sector for the new Member States and Candidate Countries 1998-2005 (Source: EC 2006).

The first twinning projects were introduced to Hungary in the Phare Work Plan of 1997¹¹. In the course of preparation for accession, twinning became an integral part of EU assistance; all key areas of state administration were affected by 125 twinings, which had a combined value of 64.5 million euros (CFCU 2008)¹².

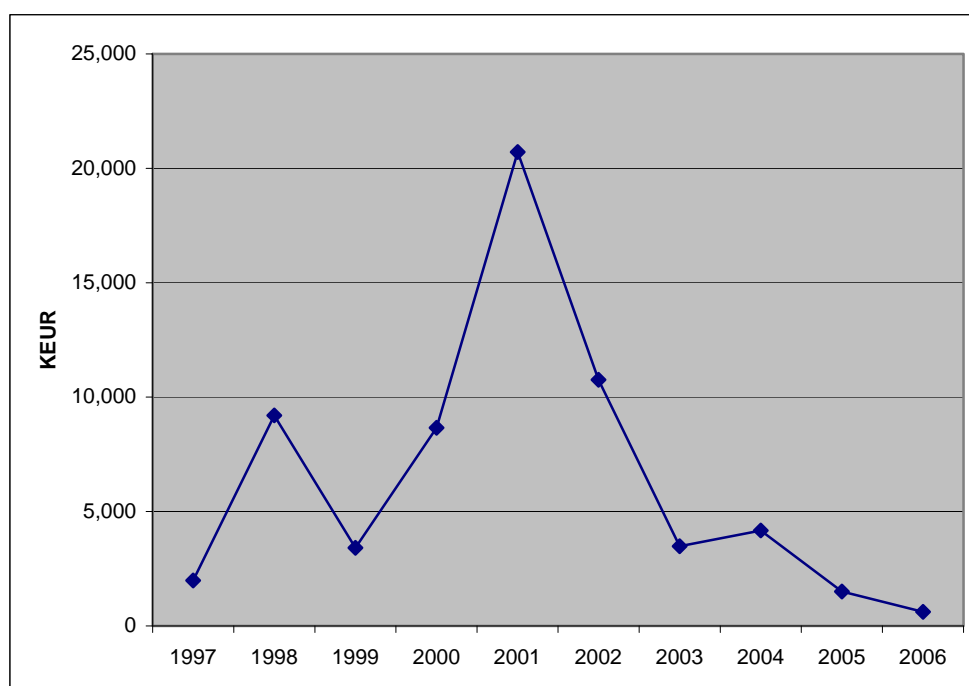


Figure 4: Annual twinning allocations to Hungary (1997-2006).

¹¹ This section builds on the data collection work of the CFCU. Their help is much appreciated.

¹² This includes Twinning Light projects as well. Twinning Light project type was introduced to tackle any self-contained institutional issues provided the subject addressed is of a more limited scope than for standard Twinning.

There was a common understanding between the Commission and Hungarian officials that twinning was the key ‘soft’ assistance tool (in addition to investment grants) in the preparation for the accession. This was well reflected in the yearly allocations; the most intensive being the 2000-2002 financing memoranda, which peaked in line with legal harmonisation and institutional preparation activities (Figure 4)¹³. Consequently, after accession twinning lost its relevance and targeted only a few very specific areas of intervention mainly through Twinning Light projects.

Twinning was focused on the strategic areas in which Hungary faced the most intensive tasks of acquis adoption (Figure 5). Clearly, the most important beneficiary sectors were Agriculture (AG) and Special Preparatory Programmes (SPP). Changes to the agriculture sector required educating local authorities on the CAP, developing statistics and establishing the national Food Safety Office. While the development of the SPP required assistance to prepare the Hungarian authorities to absorb Community Funds, targeting regional development, developing Structural and Cohesion Funds and cross-border cooperation¹⁴. The Justice and Home Affairs sector (JH) represented a considerable intervention area, with requirements to strengthen border management (needed for the Schengen area), preparation of police to fight organised crime as well as commercial fraud, and the drafting of a strategic White Paper on refugee integration. The Social sector (SOC) absorbed projects tackling the gender gap (specifically in the labour market), increasing effectiveness in anti-discrimination policies with special focus on Roma integration, and the modernisation of the Hungarian Public Employment Service and the National Health and Medical Officer’s Service. Twinning projects in the field of Environment (ENV) targeted the implementation of specific EU directives and regulations such as Habitat, Seveso II, IPPC, Water Framework and EMAS. Another series of projects aimed at strengthening the national environmental inspectorates and assisted the local authorities in developing information and monitoring system in the fields of air quality and waste management. Economic development (ECO) projects were mainly focused on the energy sector in the fields of energy market liberalisation. Public Finances programmes (FIN) were concerned with strengthening of audit authorities, Public Internal Financial Control and integrated tariff management system.

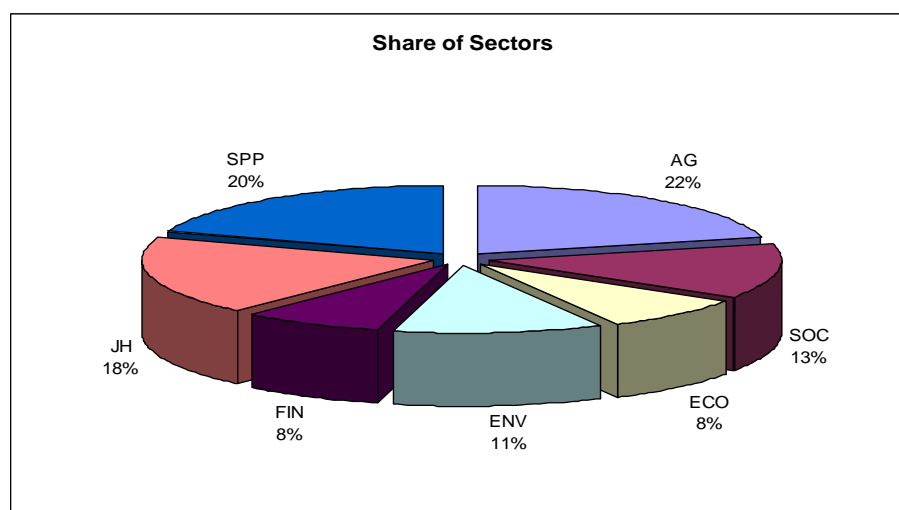


Figure 5 Allocation of overall twinning budget of Hungary among the various sectors

¹³ 1 or 2 years will be added to the dates of allocations to include the effects of twinning projects.

¹⁴ This covers only a few but very intensive, high-value and very complex projects (8 projects of 11.1 million euros) with international consortia and several PAAs/RTAs located in the Regions of Hungary and at various institutions.

The shares of the different Member States reflect very well the traditional historic bilateral relations of Hungary, i.e. links with Germany and Austria, but new lines of cooperation also emerged.

5. The Twinning Experience

When twinning was announced by the European Commission in 1998 the option for the candidate countries to choose between the new mechanism and classical technical assistance was quickly abandoned. Twinning outcrowded technical assistance completely, becoming the ‘the only show in town’. EU assistance projects involve and finance 4 types of activities: works, supply, service and twinning (since 1998). The works component usually dominates the project budgets via infrastructural investments. Several interviewees indicated that the Commission applied an informal requirement to include in each Phare project a twinning component. This ‘log rolling’ was maintained over the years, which not only created demand for twinning but also sustained it over time.

Twinning was framed by some beneficiary organisations simply as a tool to overcome a lack of domestic budget; a tool that would enable the administration to commission domestic experts capable of doing the job for less money. These experts required some, but very limited Member State assistance. Twinning thus provided external funding for the projects, but in real terms the majority of project budget (50-70%) covered the expense of the resident advisor coming from the Member State. This was seen by some as the channelling of EU sources back to the countries of origin, which alongside the data and information acquired by the advisor, constituted an informal surveillance (‘spying’) of the *acquis* harmonisation progress¹⁵. The resident advisor receives their regular salary from their own institution where they remain a paid employee. In addition they get half of the country-specific fixed per diem (between 180 and 228 Euros) and the coverage of housing and insurance. Short-term experts receive a per day expert fee (approx. 250 Euros) and their institution receives 175% of this sum.

The not so surprising pattern that emerges regarding the success criteria of twinning projects is that schemes that ‘touch upon’ the existing domestic institutions, either by reforming them or even creating a new institution, are very likely to fail. Past activities and traditions can easily overwrite proposed institutional reforms (Tulmets 2005a). In practice this means that institutional proposals are prepared at the end of a project so that it is perceived as successfully implemented (outputs are delivered) but then the proposal is quickly abandoned. Vested interest in maintaining the status quo is much stronger than a resident advisor, even one with the best intentions and the backing of a good proposal, could overcome. On the other hand, training-heavy projects on important directives were considered successful and have had sustained impact. The professionalism of trainings emerged as a key issue for the beneficiary institution, but is one that is not easy to monitor. Quality control could be strengthened by some form of accreditation that would also motivate attendance.

Another cross cutting finding is that projects with specific goals are easier to implement. Areas such as establishing appropriate border control for the Schengen Treaty offer no political or policy choices as the *acquis* defines exactly which requirements must be made operational. On the contrary, twinning projects in areas with policy-heavy issues, such as

¹⁵ This was a major criticism of developmental aid programs in the past and also of the Phare programme before its 1997 reform.

economic cohesion, have had more a limited impact. In the first case the RTAs present technical and practical solutions for the transposition of a certain Directive, in the second case, they tend to present sectoral policies based on their own national laws (Tulmets 2005a).

Some Member States are generally more active in twinning than others regardless of the target country, which suggests two things: First, these projects offer a certain degree of replicability so certain costs (e.g. proposal writing) decrease with the size of the project portfolio due to learning. Second, managing twinning projects has considerable overhead costs, which need to be spread among as many projects as possible. This is further reinforced by the fact that certain Member States outsourced the management tasks to other organisations involved in technical assistance projects (e.g. GTZ in Germany). Outsourcing the back-office function has eased the burden on Member State ministries and other institutions involved in twinning. On the other hand, the involvement of an intermediary limits the quick response of the Member State expertise to the changing needs of the beneficiary institution between the selection of the partner and the actual start of project implementation (a process that can be 1 year or even more). Institutional ties between twinning partners were often kept alive and utilised beyond the actual project.

Some interviewees indicated that it has become increasingly difficult to find twinning partners from Member States in the last couple of years. Some explanations have been put forward: Member State experts no longer see such ventures as a ‘mission’ or as an exciting and rewarding ‘challenge’ and the opportunity cost of proposal writing seems to be higher than before for the institution due to the domestic agenda that leaves much less room for the enlargement related tasks.

Responsibilities and Commitments

As the twinning assistance tool was driven by the accession process, the ultimate responsibility for its success (similar to the success of gaining membership) lies with the candidate countries (Birker 2000). These beneficiary countries have an interest in matching the resources offered by the EU to their developmental needs. Beneficiaries, however, are used to the consultancy approach of classical technical assistance where only the consultant was accountable for achievements. Such projects meant less work than twinning for the host institution. The claim of the European Commission that twinning is fundamentally different to technical assistance might be true in an ideal world but its actual realisation suggests that the expected ‘partnership of equals’ ends up with the majority of project work done by the Member State institution and the RTA (O’Connor 2005).

A main tenet of any successful twinning project is that the political leadership of the beneficiary administration endorses the goals not only in an automatic manner but, whether for management or political reasons, considers the target problem a real bottleneck for successful operation. It is important to note that the commitment of the beneficiary organisation is not granted even if it took part in the proposal writing. Its involvement in the preparation is due simply to institutional inertia (‘our ministry has to submit project proposals as well’ or ‘the EU forced us to do it’) and later the resident advisor is hardly integrated (office space, attentive colleagues) and utilised (Papadimitriou 2003).

Other partners are often involved in project implementation, for example; decentralised regional bodies or other sources of information. Under such circumstances, the resident advisor can often find they are in an unsupportive environment as these institutions do not feel that they have a stake in the project at all.

The EU Delegation of the host country often directs the annual project portfolio presented to the Commission, which can provide a platform to help beneficiary countries find Member State partners. This can be in an explicit manner, for example; ‘we would like to have an energy regulator office to be our partner’¹⁶. The role of Delegation was upgraded in the 1997 Phare reform as a response to the criticism that decentralisation has only be partial and the Directorate Generals still has too much involvement in the day-to-day management of assistance projects (Court of Auditors 1997).

We have to recognise that Member State administration, just like any national administration, is primarily concerned with its own domestic mandate and tasks. At the peak of twinning programmes Member State organisations were over-extended and only those institutions that had some extra capacity could participate in the twinning market. The National Contact Point of Member States has an important role in the activation of such institutions, even though the institution is rewarded for sending the RTA with 6% of the project-funded income of its RTA.

Experience suggests that it is essential to involve the chosen Member State twinning partner and its mandated advisor in the preparation of the final project document to ensure the commitment of the advisor who is actually responsible for implementation. Weak commitment of the Member State partner often leads to withdrawal of the originally proposed resident advisor after their proposal is selected by the beneficiary (based on the interview of the proposed advisor). The substitute is rarely an appropriate replacement, however, considering the timeframe of starting the procedure again the beneficiary either has to accept the substitution or abandon the project altogether.

Human Resources

Both partner administrations have to nominate a project leader who is responsible for implementation. Experience suggests the hierarchical status of the project leader is a crucial issue. High political leverage enables the individual to mobilise short-term inputs to the project, especially in an inter-ministerial context, but seriously limits their role in day-to-day involvement. This is an important trade-off for implementation. In Hungary, each ministry has a Senior Project Officer (SPO) to oversee all EU assistance projects. This person is always of a high rank (under state secretary or director), which enables the appointment of a more involved (less senior) project leader.

One of the key criteria of success is the commitment of the beneficiary organisation. These institutions generally underestimate the time and human resources needed for twinning projects. Especially during the initial periods, the incoming advisor requires data and information that often has yet to be collected to enable them to get to know the foreign context. A key problem is that the project cannot pay the counterpart of the incoming expert for the extra work (by regulation) due to limited local resources. This created a strong motivational backlash, especially in the light of the considerable payment received by the foreign expert, and frustrated many home officers that consider partnership an illusion (O’Connor 2005, Tulmets 2005b). In early programmes, the selection of expert counterparts in the host ministries was based on the rather questionable criterion of English language skills alone. This situation has improved since and the selection is now allocated to the individual responsible for the policy field. With an inflow of younger administrators (with language skills) the turnover of staff increased, due to both the essentially low salary level of public

¹⁶ twinning project on energy market liberalisation

employees and the extra demand created by the European institutions for professional staff coming from Central and Eastern Europe.

The Resident Twinning Advisor is the key person in the project. RTAs are selected by the beneficiary institution on the basis of a one-hour interview conducted with short-listed applicants. However, these interviews are often not enough to make such a long-term choice. The advisor cannot be changed during the project period but, as mentioned earlier, can be withdrawn at the last moment before signing the contract. It is often the case that the nominated advisor is a freshly retired person (regulation allows for the reactivation of retired experts within 2 years). This can be an ideal solution as the individual still has the up-to-date knowledge and experience and can be more flexible and is able to leave for a foreign country. Experience suggests that there are typically two ideal types of advisors: a specialised expert in one policy field or a manager with extended network of experts they can draw upon. Nominated experts are usually somewhere along this continuum but always leaning to one end or another. Managerial skills can be strengthened relatively easily, for example by pre-training ('in-house training') that has been introduced as a mandatory element by the Commission. Incoming advisors often do not understand domestic administrative procedures, which can be substantially different and usually much longer than in their country of origin, and accept the fact that they must adapt to it (Tulmets 2005b).

To be a twinning advisor often involves some sort of prestige and a very generous financial remuneration, which includes the original salary (depending on the Member State administration rules), project salary and social security payments, housing, travel and per diem payment if travelling within the host country. The sending institution also has a financial incentive (6% of RTA's income) and can draw on the experience and knowledge of the advisor gained within a foreign country. On the other hand, good experts are sometimes not allowed to leave their home administration for long periods and since the number of mission is limited to two, the supply of qualified experts is limited. One Hungarian minister even announced informally that no one will be allowed to go and serve as twinning advisor.¹⁷ This has the potential consequence that the best advisors may not necessarily be available for the job and the eventual advisor will be the second best choice.

The long-term resident advisors are always accompanied by short-term experts, who usually only stay a few days and provide advice on specific issues. Their main asset is their neutrality, as they are not trying to sell any particular system as a consultant. The main problem quoted is that they often exclusively provide information on their own country practice, but are not willing to invest a minimum amount of time and energy upfront to learn about the host country context that would enable them to think about the applicability of their home practice. Short-term experts can to some extent rectify the potential handicaps of the resident advisor, however, this is limited by the fact that they are often recruited by the advisor themselves.

Financial Administration and the Project Cycle

Twinning is just one fraction of the overall financial flow coming from the European Union; the beneficiary countries were requested to set up central units for administering the orderly absorption of these funds. The Central Finance and Contracts Unit (CFCU) was created within the organisation of the Hungarian State Treasury in 1999, as part of the new, decentralized implementation system of Phare. As a central unit responsible for Phare institution-building projects, CFCU efficiently manages procurements and related financial

¹⁷ Note that Hungary now is both recipient and donor country.

administration, ensures transparency, and applies the standardized reporting and audit methods of the Commission. The Hungarian CFCU performs financial and administrative tasks of all Phare projects approved after 1998. CFCU has been substituting single units operating within each ministry to create more efficient and levelled out management across ministries.

At the outset the regulatory framework for twinning was rather rigid, however, its procedures have been amended to be simpler and more flexible. The time span from project conception to start of implementation, however, is still quite long - approximately 2 years. This creates additional and considerable risk for the project due to the changes in the beneficiary institutions which happen often over such long periods. These changes render certain types of projects unsuitable for tackling urgent issues, for example, the need to draft much wanted legislation.

Regarding the different stages of the project cycle the following observations are worth considering. Best practice is to prepare a feasibility study or gap analysis (beyond the NPAA) that clearly identifies the tasks and creates stronger commitment from the beneficiary organisation. Even if this is done, the call of the National Contact Point for project ideas often creates a very ad-hoc portfolio based on the agility of the person in the ministry developing a response. This has been recognised and rectified by the EU Delegation that induced the passive ministries to engage in Hungary. The project description must be balanced between a detailed outline (to attract Member State partners) and flexibility (to allow for a reality check done together with the chosen resident advisor). Once the partner is selected, the final project document should clearly identify the responsibilities of each actor involved to avoid divergent interpretations and to set interim and final targets (log-frame approach). Contract modification during implementation has been made more flexible over time: a simple side letter is required for moving funds among budget items and to change short-term experts. The whole contract must only be reopened if the requested fund shift is above 10% of the overall budget. This setup saves a lot of time for the partner institutions.

Monitoring is frequent during project implementation. Between kick-off and the final meeting the Steering Committee meets quarterly. The aim of these meetings is to discuss progress, obstacles and possible means to overcome them in the short-run. The beneficiary country NCP prepares a preliminary report to be discussed at the meeting and finalises it afterwards. The Member State partner also reports quarterly. The final report is sent to the beneficiary country for approval. This means that once the budget is transferred to the CFCU of the beneficiary country, so is the responsibility to monitor and approve the project. The European Commission has to approve the final report and according to the rules can claim the money back if the project did not reach its 'guaranteed results'.

6. Conclusion and Questions of Applicability in a South-North Climate Policy Context

Acknowledging the many criticisms, overall twinning is considered a useful tool for transferring hands-on experience to foreign administrations via the permanent presence of an advisor who has the time and resources to move beyond describing their home experiences in order to concentrate on the actual transferability of policies.

Twinning is a learning process. Although survey evidence differs on the success of projects initiated between 1998 and 2002, stakeholders consistently agree that projects became more efficient over time (EC 2004). In the first two years projects were broad and ill-defined,

loaded with ‘everything and anything related to the broad areas of the acquis concerned’, in later periods they became more targeted and reasonable in their ambitions; as a consequence results could be measured better (Cooper 2003).

The major concern about twinning programmes was the motivation of the beneficiary institution and their capacity to absorb twinning support in order to sustain the programme benefits. Recipients accustomed to classical technical assistance failed to recognise that twinning programmes require the domestic agent to take responsibility for project implementation. Beneficiary institutions often underestimate the human and organisational resources such projects require; this bottleneck can render the resident expert under-utilized. Often, especially in cases of ‘policy heavy’ projects, or those aiming to reform existing institutional setups, the lack of firm political support is the reason for eventual failure. On the donor side, institutions are reluctant to send their experts abroad for 1-2 years due to their pressing domestic agenda.

What are the consequences of the twinning discussions for south-north cooperation? In order to determine the applicability of twinning to the south-north dialogue, the major differences between the EU enlargement setting and the south-north climate policy transfer process should be assessed. Discussion expands beyond the simple observation that the general political-economic setting of developing countries differ to a greater extent than that of the difference between the European Union Member States and the previous candidate countries of Central and Eastern Europe.

Priority status

EU membership was unquestionably a top priority for candidate countries. In Hungary one of the very few issues with accession was unanimous political consensus and high social support (84% pro-EU at the referendum). Compliance is strong due to the high political and economic stakes involved, this translates into a strong mandate for the government to manage policy transfer in an efficient and timely manner. Climate policy, on the other hand, is often lower on the domestic agenda than other issues (and not only of developing countries). What options are available to connect successful implementation with other rewards? Does it make sense to condition other financial transfers on the motivation to implement climate policies?

The scope of policy field

The scope of policy transfer in the EU accession process is encyclopaedic - covering virtually all policy fields. At the institutional level this means that the agenda of all ministries and other administrative units was similar for several years: transposing and implementing the relevant EU policies was top of the agenda. This implies at least two things. First, the body of policies adopted from the EU is supposedly coherent, which should prevent the prescription of opposing incentives and goals. Second, accession created an interconnected web of governmental institutions with the same vested interest: to comply with policies and become EU members. Climate policy, however, is a small and quite specific fraction of domestic governance, even though in an ideal world it should be a crosscutting consideration. To what extent can the ministry which is responsible for climate policy involve other parts of the administration in the successful adoption of new policies if they have no direct interest in it? What techniques are available to induce cooperation (data and information requirements) in a twinning type project? To what extent can domestic policies be harmonised with any proposed climate policy?

Institutionalisation

An important lesson from twinning projects is that success is generally influenced by the actual state of public administration (Court of Auditors 2003; EC 2004). It is especially true in

the cases of more complex twinning projects requiring inter-ministerial cooperation. It is equally valid in both developing and developed countries that public administrations are ideally neutral, apolitical and stable to guarantee the sustainability of institution-building; meaning that the turnover of staff is low in a bureaucracy that is guided by stable strategic (and not daily political) goals. Public administration reforms are not easily transferable or applicable; attempts to do so both during the EU transition and in developing states have had very limited success (Cooper 2003). Twinning experience in Central and Eastern Europe suggests that ‘policy heavy’ and complex projects are more sensitive to the general efficiency of public administration. What are the consequences for future climate projects in developing countries? Should twinning programmes initially focus on clearly defined technical issues and educational activities, then moved into more complex projects?

Proximity of experience and prospect of future relations

Often Member States have only recently implemented the policies that they are seeking to encourage in candidate countries. In some cases, for example liberalisation of the energy sector, implementation was almost a parallel process in the Member States and the candidate countries. Climate policies are operating under different contexts in developed and developing countries, which means that applicability needs to be considered carefully. Additionally, there are less incentives for a Member State institution to engage in institution-building (send an expert, write a proposal etc.) if long-term relations between the partner institutions are less certain than in the case of EU expansion, where coordination resulted in a potential fellow ministry in the same ‘policy union’. An important question is whether south-south countries could engage in twinning; two developing countries may have more appropriately linked climate policy experience, which could result in institutional-building exercises? Is it possible that twinning could be expanded to include environments where countries can be ‘donor’ and ‘host’ at the same time in different policy areas according to comparative advantages?

Bearing all this in mind it is important to remember that twinning projects cannot be a substitute for political decisions; they can only support the process with advice and best practices.

References

Birker, H. E., Chris Cooper, Per Molander and Marcel Pochard (2000): Report on an Assessment of the Twinning Instrument under Phare

CFCU of Hungary (2008): 10 years of Twinning in Hungary

Cooper, C. and M. Johansen (2003): An evaluation of completed twinning projects, A report presented to the National Contact Points' Meeting, Brussels, 30-31 February

Court of Auditors (1997): Special Report No 3/97 concerning the decentralised system for the implementation of the Phare programme (period 1990 - 0995) together with the Commission's replies, Official Journal C 175, Vol. 40

Court of Auditors (2003): Special Report No 6/2003 regarding twinning as the main instrument to support institution-building in candidate countries together with the Commission's replies, Official Journal C 167, Vol. 46

EC (2004): Second Generation Twinning – Preliminary Findings

EC (2005): Institution building in the framework of European Union policies: A Reference Manual on 'Twinning' projects (revision), available at:
http://ec.europa.eu/enlargement/pdf/financial_assistance/institution_building/manual_2005_en.pdf

EC (2006): Twinning Brochure "Building Europe Together" available at:
http://ec.europa.eu/enlargement/pdf/twinning_brochure_2005_en.pdf

EC (2007): Institution building in the framework of European Union policies: Common Twinning Manual (revision), available at:
http://ec.europa.eu/enlargement/pdf/financial_assistance/institution_building/final_version_of_the_manual_060707.pdf

O'Connor, S. and Kowalski, R. (2005): On Twinning: the impact of naming an EU accession programme on the effective implementation of its projects, *Public Administration and Development*, 25, pp. 437-443

Palombi, Stéphanie (2007): Twinning principles and twinning cycle, presentation (Tbilisi, 29th – 30th November 2007)

Papadimitriou, D. and Phinnemore D. (2003): Exporting Europeanization to the wider Europe: The Twinning exercise and administrative reforms in the Candidate Countries and beyond, *Southeast European and Black Sea Studies*, Vol. 3, No. 2, pp. 1-22

Schimmelfennig, F. and U. Sedelmeier (2004): Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe, *Journal of European Public Policy*, 11: 4

Tulmets, E. (2005a): The introduction of Open Method of Coordination in the European enlargement policy: analysing the impact of the new Phare/Twinning instrument, *European Political Economy Review*, Vol. 3, No. 1, pp. 54-90

Tulmets, E. (2005b): The management of new forms of governance by former accession countries of the European Union: institutional Twinning in Estonia and Hungary, *European Law Journal*, Vol. 11, No. 5, pp. 657-674

Title: On Twinning: The Hungarian Experience
Publisher: Climate Strategies 2008
Contact: Contact: Jon.price@climatestrategies.org
Climate Strategies
C/O University of Cambridge
13-14 Trumpington Street,
Cambridge, CB2 1QA

For citation and reprints, please contact the publisher Climate Strategies

Acknowledgement:

Climate Strategies is grateful for funding from their core supporters including The Carbon Trust (our founding supporter) governments of UK (DEFRA, OCC, DFID), France (ADEME with inputs from French Ministry of Finance), Grant Thornton, European Climate Foundation, and the Swedish Energy Agency.

