



Association Agreement & EU technical assistance instruments

Case Study on the EU-Twinning Project for the reinforcement of the Maritime Administration

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Abstract

The maritime service sector in Tunisia could be a catalyst to economic development and to globalization, given that 98% of commercial trade is conducted through sea. However, this sector has been struggling with several issues mainly concerning the lack in logistics development, the poor infrastructure and the shortage in investment opportunities.

This research argues that governance might be the reason behind the deterioration of this sector in Tunisia. The government is aware of the performance, the challenges, and the importance of this service sector to the national economy. Yet the strategy it has adopted, including liberalization of the maritime transport sector and the adoption of international trade standards, rules and regulations, has not addressed the underlying issues. The government's reform strategy has mainly been driven by international cooperation and foreign aid such as the EU-Twinning projects. Contrary to their stated aim of aiding the development of this sector, this strategy has resulted in a continuous deterioration of the maritime sector. The recent EU-Twinning project, which aims to upgrade the Tunisian Maritime sector, is an example of the ineffectiveness of the country's governance and policy making. This includes the irrationality of the governments' approach, the lack of involvement of ship-owners in the decision making process, power imbalance in the negotiation of free trade agreements as a result of Tunisia's political weakness, strong dependency on international aid, and the inadequacy of the Tunisian government's development strategies.

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Introduction:

The maritime transport sector has been one of the crucial drivers of economic growth for most of the countries around the world. For instance, it has helped the European maritime shipping companies to compete and lead at the international level. It is, indeed, an important source of revenues and job creation. The European Union has provided increased incentives and advantages to European ship-owners based on its assessment of the importance of this sector as demonstrated in a recent report : “*Maritime industries provide jobs and prosperity, produce an annual income of billions of euros and generate around 5% of the EU’s gross domestic product (GDP).*” (European Commission, 2009).

Globalization has increased the centrality of maritime transport services and their importance to global trade. In fact, this service comprises around 90 per cent of internationally traded, based on cost-effective transportation of raw materials, commodities and manufactured goods. The importance and efficiency of seaborne trade¹ in the context of increased economic liberalization are undeniable, leading to the continuous growth of this service. Seaborne trade amounted to 10.3 billion tons in 2016, which reflected an increase in cargo with more than 260 million tons. This volume is also expected to expand at a compound annual growth rate of 3.2 per cent between 2017 and 2020 (UNCTAD, 2017). In addition, the world fleet has been continuously growing since the beginning of the 1990s according to the UNCTAD statistics. Hence, it doubled over the past 12 years to reach 1.9 billion dead-weight tons in 2017.

In Tunisia, 98% of commercial trade is conducted by sea (Export.gov, 2016). This sector has been facing several serious challenges throughout the years, and has undergone many attempts at reform in order to enhance its competitiveness. This sector is crucial to Tunisian economic development as well as to international trade. It allows the transportation of larger quantities of goods and for longer distances. It is also one of the cheapest and preferred means of transportation of bulk cargo all over the world (Remon Perez, 2015). Many also contend that an improved trade infrastructure enables a decrease in trade costs, improved government revenue, and therefore, contributes to the welfare and the growth of the economy (Milner, Morrissey, and Zgovu, 2008).

Considering the centrality of the maritime sector to Tunisia’s economic development, reform of the maritime sector is vital and the challenges to enhance the Tunisian maritime sector are huge. Several trials of reforms have been pursued in the past few years, one of which will be further analysed in this paper: The EU-funded Twinning project to strengthen Tunisia’s maritime administration and authority. The concept of twinning, or institutional cooperation, is a type of aid where institutions in developing countries cooperate with parallel institutions in developed ones in order to enhance their effectiveness. It normally involves short-term experts, domestic and overseas trainings, as well as drafting and implementing relevant legislation. Its main objective is to support and strengthen recipient countries’ administrations so that they can be in line with international standards and regulations (Persson, Dubaric-Norling, and Ringborg p 44, 2009).

Extensive research has been conducted on the maritime transport sector and its relation to free trade. For instance, Gilbert (2010, p. 62) discusses Tunisia’s commitment toward trade liberalization, which started in the mid-1990s. Reforms aimed to facilitate trade were included in the EU-Tunisian Association Agreement (AA).

The World Bank (cited in Gilbert 2010, p. 62) has argued that maritime transport sector reforms lead to a high integration in the global market, attracting more investment opportunities, and resulting in accelerated job creation. Nil Güler and Osman Kamil Sağ (2014) have similarly worked on the impact of the European Union’s port policies on maritime transport. According to their research, EU policies play an important role in ensuring the safe transport of cargo and passengers. By helping to avoid all kinds of serious damage, decreasing costs and improving logistics management, they contribute to the reinforcement of the whole maritime system.

These analyses, however, have only focused on the bright side of free trade’s impacts on the maritime transport sector, and mainly on the evaluation of the global aspect of trade development, highlighting the European performance and approach. However, the Tunisian perspectives remain unexplored. Other researchers like Roe (2013), have related maritime failure to the issues of governance and policy making. He stated that “the maritime sector is also far from immune to governance failures—and it is the contention that this in turn has undermined any attempts at coherent and meaningful maritime policy-making”. Bloor, Datta, Gilinskiy and H-Jones (2006) have argued that the problems of shipping governance are a result of the continuous spread of globalization. Both of these pieces of research focus generally on the relationship between the maritime transport sector and governance. This research intends to fill the gap in the research by developing a case study on Tunisia, with a focus on governance reform and the maritime transport sector. Applying Roe’s conclusions, this paper will explore analyze the reforms that have already taken place as well as their implications. This research seeks to build upon the more critical literature on maritime governance by focusing on the causes of the problems emerging in the maritime sector, and the policy initiatives taken by the government. To do so, we will examine a history of the Tunisian maritime sector, the infrastructural and institutional-legal dimensions as well as the regional and national strategies, aims and impact of the EU-funded Twinning project.

¹goods transported by the ships

I. Tunisia Maritime Sector's Challenges

This first section gives an overview of the Tunisian maritime transport performance as well as the main issues that it faces. This section is based on secondary data, which will contribute towards the analysis of the maritime transport performance and economic situation vis-a-vis the weight of imports, investment opportunities, and logistics. This data is collected from official sources such as recent reports from the Ministry of Transport (2017) and from the Office of Merchant Marine (2015), as well as EuroMed.

1. Tunisia's Position in the International Maritime Industry

The Mediterranean represents about 30% of the world's maritime traffic (Ministry of Transport, 2017), which makes it one of the seas with the most intense maritime traffic. The Tunisian port system encompasses a coastline of 1300 km length. It is, indeed, composed of a total of eight commercial ports, including Radés, Bizerte, Tunis, Goulette, Sousse, Sfax, Gabes, Zarzis and the oil port of Skhira. The first seven of these are managed by the Office of the Merchant Marine and (OMMP), a state authority, and the eighth one is managed exclusively by a state owned company, Transport by Pipe Line Sahara(TRAPSA).²



Map 1: Map of Ports in Tunisia-color coded (orange : small, Blue : Medium size

Source: "WPS-Map of ports in Tunisia." World Port Source. Accessed August 31, <http://www.worldportsource.com/ports/TUN.php>

As explained in the beginning of this paper, this sector serves as a catalyst for economic growth. In fact, around 98% of Tunisia's external commercial trade is conducted through the Mediterranean. Trade with European countries accounts for approximately 60% of Mediterranean trade (Ministry of Transport, 2017). However, for the past few years this service sector has not been performing. According to one of the research respondents,

⁴CTN stands for "Compagnie Tunisienne de Navigation", and it is a Tunisian Public shipping company

⁵Metalship Sarl is a private ship-owner company located in Mergine Riadh, and has been operating since 2007. It has currently two vessels.

⁶Africa Marine is also a private ship-owner company in les Berges du Lac, and was created in 2007. It owns only one vessel.

Captain S. Bouchnak³ only 7 percent of Tunisian companies operate on an international level. This percentage is very low, leading the country to pay extra money for chartering vessels from European companies to secure the needs of commercial trade. This was not always the case. In the 1980s, 30 percent of the national maritime fleet contributed to international traffic, comprising a total of 20 vessels. This major drop within 30 years is explained by the bankruptcy of most of the ship-owner companies as they lost many of their vessels. Now, the country possesses a total of 9 vessels, of which :

- Six vessels are owned by the Tunisian public shipping company, CTN⁴, two of which are for cruises and ;
- Three vessels are owned by private companies: Metal-ship Sarl⁵ has two, and Africa Marine⁶ has one.
- The other shipping companies in Tunisia operate with chartered vessels.



Figure 1: Year 2015 : Import/Export

Source : Annual Report 2015. Report. 2015. <http://www.ommp.nat.tn/wp-content/uploads/2016/08/rapport-OMMP-2015-fr-ang.pdf>.

Tunisia is a country that is dependent on foreign goods. As shown in figure 1, imported goods account for 74.6% of total traffic. This includes the importation of more than 4 million tons of wheat, and more than 4 million tons of oil products (OMMP, 2015). Most of the Tunisian ship-owner companies work at the international level, which means that they are constantly in competition with foreign companies in transporting cargo. Because Tunisia has a very limited maritime fleet, these companies are generally in deficit. If a country does not have enough means of transportation, then it will become dependent on other foreign ship-owners to transport cargo, depleting the country's foreign currency reserves. This dependency has negatively impacted Tunisia's national economy. In the words of Captain S. Bouchnak, "We, ship-owners, are obliged to decrease prices in order to compete with all of these international companies, but we cannot survive in the long term."

2. The Challenges facing Tunisian Maritime Transport

The Maritime service sector in Tunisia has been struggling with several issues mainly concerning the lack of logistics development, poor infrastructure and the shortage in investment opportunities.

In fact, most of the ports in Tunisia do not have modernized infrastructure. For instance, the port of Radès, which is the most active of all ports in the country, suffers from a very poor operational performance, due to a lack in logistics development (Ministry of Transport, 2017). This situation has led to an increase in the waiting time for containers and vessels, resulting in additional costs as well as a gradual loss in competitiveness.

“Because Tunisia has a very limited maritime fleet, these companies are generally in deficit. If a country does not have enough means of transportation, then it will become dependent on other foreign ship-owners to transport cargo, depleting the country's foreign currency reserves.”

⁷OMMP is a public company, which aims to provide and ensure the best treatments in terms of time, cost, safety and security of all ships and goods through Tunisian commercial ports, except for the Skhira port.

⁸Report made in April 2016 of technical assistance to "The Facilitation of trade flows through port development and logistics - MTBS/EGIS"

⁹MTBS is an international finance and strategy advisory company, which offers entrepreneurial business solutions to individuals in the maritime and transport sector.

¹⁰Egis is an international group, that offers engineering services in the field of urban development, from buildings to transport infrastructure

¹¹Feeder service is to collect shipping containers from different ports and transport them to central container terminals, where they are loaded to bigger vessels.

In fact, according to some statistics provided by The Office of Merchant Marine and Ports (OMMP)⁷, the average waiting time has increased from 4.5 days in 2013, to 8 days in 2014, with a slight drop to 6 days in 2015. There has been a significant increase from the early 2000s, when these waiting times were very low. Indeed, in 2005, the estimated waiting time was only 14 hours, dropping by half in 2007, reaching 7 hours. According to a 2016 report⁸ by the Maritime and Transport Business Solutions (MTBS)⁹ and Egis Group¹⁰, the estimated additional costs related to the increase in waiting time in ports add up to 74 million Euros per year.

Another challenge is the limited depths available in all the different ports in the country. Thus, the majority of international companies provide "feeding services"¹¹ from their large transshipment hubs in the Mediterranean, which generates additional costs, and therefore affects the Tunisian national economy. Tunisia is then obliged to pay extra fees to bring merchandise from international transshipment hubs, such as Malta Freeport in Marsaxlokk, Gioia Tauro in Calabria, Italy, Algesiras in Andalusia, Spain and Tanger Med in Morocco. Figure 2 below shows that Tunisian ports have limited depths available. The port of Rades, for instance, has a maximum of 10.5 meters depth, Gabes, and Bizerte ports have a limit of 11.9 meters and 10.7 respectively.

On the other hand, a transshipment hub has a depth of 1500 meters, which is the minimum to host large vessels. This limitation represents a significant obstacle to the development of this sector in Tunisia.

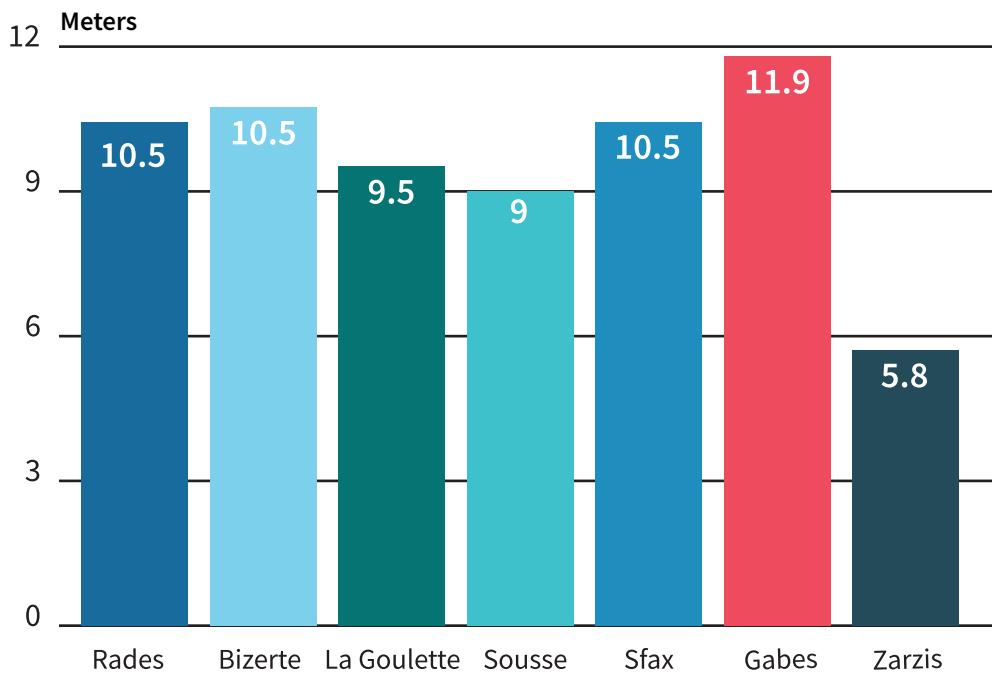


Figure 2: Maximum Depth in Tunisian Ports (Unit in Meters)

Source: Author and data from Etude du Plan Directeur National Des Transports à l'horizon 2040. Report. The Ministry of Transport, 2017-1-52

The shortage of investment is also a major issue that has been affecting the maritime transport sector. The state has not devoted a budget to enhance this sector over the past 10 years (Ministry of Transport, 2017). There has also been an absence of funds from international investors that directly benefited the sector.

There are numerous challenges faced by the Tunisian maritime transport. In the following sections we will explore the government's strategies to address these challenges with a specific focus on the EU twinning project with the Tunisian maritime administration.

II. National strategy, EU-aid and Reform of the Maritime Sector

This section provides a description and analysis of the policy and strategic framework in which the mission of the twinning project as part of the Association Agreement is carried out. This analysis is based on information from official documents¹² and interviews provided by the Ministry of Transport, UTICA, and the shipping company Metalship Sarl.

Before considering the government's policy and development strategies, we should first define the concept of Maritime governance. It is in fact a complex term that changes according to several factors such as time and space. According to Roe (2013, p169), "maritime governance refers to the overarching structures and relationships that direct, control and influence the shipping and ports sector." He links the failure of this sector to the inability of many shipping related policies to address the core existing problems, which consist of economic, security, safety and environmental concerns that are crucial to the well-functioning of this sector. Roe (2013, p55) adds that: "*the failure of policy mechanisms to recognize the need for a sensitive and flexible governance framework can lead to policy inadequacy and failure. Maritime policy problems may well be a reflection of such inadequacies.*"

1. Liberalization of the Tunisian Maritime Service in the 1990's

The Tunisian maritime transport service sector was partially liberalized in 1992 and underwent more full liberalization in 1998, following the Tunisia-South France conference in the same year (Ministry of Transport, 2017).

First, in 1992, some of the Tunisian port activities were opened to the private sector. It was further broadened following the 1995 law¹³, which defines and classifies the various maritime activities in accordance with international standards, and determines the specific primary conditions to be fulfilled by private and public entities, including the registration conditions of shipping companies. (Journal Officiel de la République Tunisienne n°31 (1995), p731-733) Then, a further step was to declare that the sector should be open to competition, and abolish monopolies. This was asserted by the 1998 law¹⁴, which eliminated all monopoly powers that were held by Tunisian shipping firms, and allowed new national and international firms to freely enter the market (Journal Officiel de la République Tunisienne n°23 (1998), p567-568).

Furthermore, in 1999, the country attempted to remove the administrative and regulatory barriers against free access of competing firms. As a result, bilateral traffic-sharing agreements were abolished, and foreign shipping companies no longer required prior authorization in order to transport commercial goods (Boughzala, 2006). As a result of liberalization, freight rates are now freely determined by ship-owners. However, in the process of price liberalization, port service fees were excluded from the list of liberalized tariffs. Thus, they continue to be regulated.

The Office of Merchant Marine (OMMP) fixes tariffs with a reference to the ministerial decree of February 6th, 1988, determined by the Ministry of Transport and the Ministry of Finance. This decree has witnessed several modifications, especially concerning containers, accompanied by the decrees of March 30th, 1992, September 30th, 1998, and June 25th, 2002. Other modifications related to including security charges were later presented in the decree of March 17th, 2007. A new ministerial order is being revised that aims at increasing all tariffs by 20%, except for the towing services. This latter's tariffs are expected to increase by 50% this year (Ministry of Transport, 2017).

¹²Interview participants do not wish certain information supplied by them to be entered into the research data, and for their identities to be revealed.

¹³Law N 95-33 in 14 April 1995

¹⁴Law N 98-22 in 16/03/98, amending the 1995 law

2. A Foreign Aid Driven Strategy to Reform the Maritime Sector

According to a ship-owner research respondent, the 2017 diagnostic report conducted by the Ministry of Transport shows that the government is aware of the lack of maritime fleet and the poor state of port infrastructure, but there is no clear strategy to address these issues. The sector is shown to be struggling to survive. In fact, the situation is far worse than it used to be back in the 90s. Many maritime shipping companies have gone bankrupt and that lead to a major drop in the number of national fleet from 30% to only 7% now (Ministry of Transport, 2017).

The Government has been planning the construction of a transshipment hub in the port of Enfidha, where it will benefit from the proximity of the Enfidha Economic and Logistical Activities Zone (ZAEL) (Ministry of Transport, 2017). It is expected that this future port platform will start competing in the international transshipment market for containers, helping to reduce costs and capture more trade deals.

This national strategy has in fact been discussed by numerous actors in the maritime sector since the 1990s. Despite the announcements, until now nothing has been built. Many debates have since ensued. Some ship-owners, for example, have requested to locate this project in the port of Rades instead of in the port of Enfidha because the former is where the bulk of the maritime traffic takes place. The authorities are aware of the poor performance and challenges of this service sector, and the different strategies they have pursued to address these issues have mainly focused on enhancing international cooperation and especially EU cooperation.

Tunisia is the first country to sign the Association Agreement with the European Union in 1995. Since then, Tunisia has been integrating European standards, rules and regulations (EU Acquis) to the Tunisian legislation. The Association Agreement has had an important impact on the orientation of the Tunisian government in the maritime sector. Indeed, the regional transport action plan formulated in the framework of the Barcelona Process 1995 includes several projects and programs that were implemented in the area of maritime security and safety, such as :

1. SafeMed project I (2007 -2008), focusing on the state's implementation of the international conventions on maritime transport
2. SafeMed project II (2009-2012), which had an objective of bringing a sustainable improvement to the protection of the Mediterranean from the risks of sea accidents and marine pollution
3. SafeMed project III (2013-2016), which aimed to assist Tunisia in the implementation of the Regional Transport Action Plan (RTAP), as a follow-up to the first two SafeMed projects
4. EuroMED transport (2012), which aimed to reform the transport sector of Mediterranean partners through a series of training, seminars, workshops, and networking.
5. MEDA-MOS Project of sea routes in the Mediterranean (2007-2012), which focused on the development of existing maritime routes and the creation of new ones.
6. ITALMed (2010-2011), a project on the integration of logistics and transport between Italy and the south of the Mediterranean
7. Integrated Maritime policies for the Mediterranean (IMP-Med), which involved a series of events and technical assistance activities covering all maritime sectors
8. EU-Twinning Project for the reinforcement of the Maritime Administration (2015-2017)

All of the above projects were financed by the European Union, which suggests an increasing dependency of the country on international aid. This intensive commitment to an EU-funded projects suggests that Tunisia's several strategies of development and reforms were oriented towards international cooperation with the EU and EU aid-driven.

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Thus, Tunisia's global strategy to the development of the maritime sector and ports is based mainly on the upgrade and reinforcement of capacities through foreign aid contributing to Tunisia's increasing dependence on foreign aid. The next section will focus on a case study of the recent EU-Tunisia Twinning project that claims to be designed to strengthen maritime administration, governance and authority in the framework of the association agreement with the EU.

III. Case Study: EU-Tunisia Twinning Project

This part of the analysis is drawn from a series of interviews with individuals from the Ministry of Transport and ship-owner companies, as well an analysis of documents official from the Ministry of Transport and OMMP.

1. The EU Twinning Instrument and the Association Agreement

The EU twinning instrument is a key tool for the implementation of the objectives of Association Agreement. To better understand the instrument, we need to clarify first the specificity of this instrument and its differences with classical technical assistance. The EU Institutional Twinning Instrument contributes to the overall objectives of the European Neighbourhood Policy and to the beneficiary countries' reforms conducted within the framework of their respective Association Agreements and bilateral Action Plan with the European Union. Twinning projects focus on institutional capacity building, institutional modernisation and legal approximation with the EU legislation, norms and standards (the EU Acquis).

Twinning projects were introduced in the European Neighborhood policy (ENP) in 2004 with the objective to enhance ties with southern and eastern countries without offering them membership in the EU. Initiated within the EU enlargement context in 1998, the Twinning Instrument was progressively integrated as a tool of the ENP from 2004 to provide a framework for closer cooperation between public administrations in the EU Member States and their counterparts in the beneficiary countries, in order to achieve the objectives of the Association Agreement according to the bilateral Action Plan: « *The Twinning Instrument was launched by the European Commission in May 1998 and was conceived as one of the main Institution Building tools within the EU accession process. Twinning aimed to help beneficiary countries develop modern and efficient administrations, including the structures, human resources and management skills needed for implementing the EU Acquis to the same standards as in EU Member States. It was conceived as an instrument for targeted administrative co-operation to assist Candidate Countries (CC) in strengthening their administrative and judicial capacity to implement EU legislation as future EU Member States (MS)* » (European Commission, Evaluation of the Institutional Twinning Instrument in the Countries covered by the European Neighbourhood Policy, 2012).

What is important to underline is that the main objective of the twinning Instrument is to achieve EU Acquis approximation and capacity building. It is also important to highlight that the Twinning Instrument is different from the classical technical assistance tool. Indeed, the Twinning Instrument is more "demanding" in the sense that it is a direct and peer-to-peer cooperation with EU public expertise with mandatory results, capacity building and an approximation with the EU norms and standards (EU Acquis), whereas classical technical assistance consists of the timely intervention of private expertise with deliverables provided and no mandatory results objectives. Tunisia now has the highest number of signed twinning projects amongst the southern ENP countries. The EU-Tunisia support program with the maritime sector, which is part of the Association Agreement, is a conditionality of Tunisia's "Privileged Partnership"

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(2012 Bilateral Action Plan) with the EU (European Commission, 2014). It was launched in May 2015 in Tunisia. With an estimated budget of 1.3 million Euros, the announced project's objectives are to: upgrade maritime capacities, promote Tunisia's maritime governance and its compliance with the different international conventions, enhance the efficiency of services related to maritime transport, as well as improve the security and safety of port facilities and maritime navigation.

2. EU-Twinning Project Main Objectives

According to officials from the ministry of transport, the Tunisian government expects the following objectives from this program :

- To implement an efficient maritime administration,
 - To implement a strategic plan of development, which includes economic, security, safety and training aspects,
 - To update current regulations (from 1966, 1972, 1982) that govern the maritime sector.
- The main objective of the EU Twinning project is to provide close technical assistance in the maritime administration, but apparently it is not only limited to this. In fact, the last two mentioned objectives seem to be oriented more towards political rather than technical assistance, which means the Twinning project interferes in domains that are supposed to be limited to the government and protected by the sphere sovereignty. For Captain S. Bouchnak, though the project "aims to improve the administration and organization" of the sector, "this is not what the Tunisian maritime sector needs." Bouchnak believes Tunisians "are capable of doing this ourselves without an external technical aid. Tunisia has enough capabilities and skills to manage the Maritime administration." He adds that investors are looking for more profits, and their decision of whether to invest in this sector is not determined by how well-organized the administration is. These investors are looking for incentives and advantages to ship-owners, such as loan facilitation to buy vessels, exemption from taxes, exemption from taxes on employees, and government subsidies for the social security of employees. According to ship-owners, the Twinning project does not serve the sector at the moment, and it is not what is needed to save this sector from drowning.
- In order to understand the reasons the government has adopted such strategies despite their shortcomings, we take a closer look at the different phases of the EU-Twinning project.

“ According to ship-owners, the Twinning project does not serve the sector at the moment, and it is not what is needed to save this sector from drowning. ”

3. Analysis of The Twinning Project's Process And Implementation

The first phase was the project preparation, where the Tunisian beneficiary was required to work on and frame a project idea with the support of the Minister of Transport. This document included all of the beneficiary country's detailed objectives. Next, they sent the project idea over to the Ministry of Development and the Ministry of Transport before they issue a call for the European commission (EC) to approve the proposed project. After, the receipt and approval of the proposal, the European Commission requires the beneficiary country to prepare a Twinning form, which is a more detailed documentation that includes the project terms and references. To help prepare this document, they sent two experts, paid by the European Commission, to spend three months in Tunisia. Upon completion, the document was sent back to the European Commission. It was determined that period of this project would be two years long. The second phase was a call for competitiveness to the 27 European Union member countries in order to take part in this project. A selection is later carried out by the European Union (EU) in order to choose the most appropriate among the different bids. After they settled on two offers from France and Germany, the third phase entailed the

preparation of a contract with, according to the government officials at the Ministry of Transport, the cooperation of European and Tunisian partners. However, this negotiation step remains a blurry part of the process, as the government refused to reveal important information and denies public access to the full contract.

After completing these phases, the project was launched in May 2015. The fourth phase entails series of follow-up steps to assess the implementation of the project. This includes an evaluation of its performance, and supervision of the new system that has been implemented.

The selected countries, Germany and France, each assigned a general resident advisor who settled in Tunisia within the maritime administration in the Ministry of Transport for the whole period of the Twinning project. They also assigned twenty French and German experts from the European maritime administration to perform and supervise the project's activities. On the other hand, the Tunisian side was only able to appoint one project manager who works together with an European project manager.

From the above discussion it is clear that there has not been sufficient involvement of Tunisian expertise in the preparation and the supervision of the project. This means that the beneficiary country has little control over the outcomes of the Twinning project, resulting in a significant deviation from its stated objectives.

The budget for instance shows the major shortcomings of this project. Though the European Union has agreed to invest 1.3 million Euros, the Tunisian authorities do not manage, receive or even see this money. It is actually managed by a European bureau of management¹⁵, which takes care of the outflows. The funds provided by this project are actually going to their inspectors and workers. In other words, rather than being used to invest in Tunisian fleet or port development, these funds are being used to subsidize European "expertise".

The unfolding of the EU Twinning project's negotiations shows that there are unequal power relations between the EU and Tunisia. In addition, it demonstrates that Tunisia lacks sufficient domestic institutional skills to negotiate effectively on technical issues. The EU's ability to impose a higher number of actors at every stage of the process as compared to Tunisia affects not only the flow of outcomes, which is likely to favor the more powerful party, but also the country's own governance.

It is for these reasons that ship-owners remain skeptical of this project as they believe that what is needed at this stage is a strategy to boost incentives for investments. For them, the focus on administration governance is a distraction.

According to the authorities, Tunisia has benefitted from the transfer of expertise, through a series of trainings in Europe and in Tunisia. Through these programs, he believes that they have identified the weaknesses of the Tunisian regulatory regime and achieved the enhancement of maritime governance, ensuring better safety, security and environmental awareness. However, in the framework of my research, I was unable to access information and statistics, or any other concrete proof (e.g. contracts and final reports) that could substantiate this claim. The failure to provide evidence regarding the effectiveness of the Twinning programs should be a cause for concern. In particular, it raises several questions about the legitimacy of claims regarding the improvement of skills, maritime administration and governance.

Furthermore, the government official himself expressed uncertainty about the experts that are imposed by the European Union from the European Maritime administration, explaining some were already retired, and not up-to-date to the current systems and regulations, while others lacked motivation because of their modest salaries¹⁶.

As discussed earlier in this section, the Tunisian government has little control over the implementation and the decision-making of this project. Moreover, according to sources interviewed for this paper, the European actors were not open to make changes to the contract or even to the activities when requests were made by Tunisian

¹⁵It is called "Bureau d'expertise France", which is a French international Technical expertise agency

In other words, rather than being used to invest in Tunisian fleet or port development, these funds are being used to subsidize European "expertise".

¹⁶The amount of 250 Euros per day is paid as a salary to European experts

participants. For instance, the Tunisian maritime administration asked for help to implement a certain diagnostic model through a very simple computer application. It gives a simplified, standard diagnosis of incidents related to the maritime sector. The European interlocutors, however, refused to approve this technical assistance, because it was not listed within the activities mentioned in the contract. Furthermore, they justified their decision on the basis that only experts working in the private sector know how to use this type of application, those who work in the administration are not familiar with it. Thus, Tunisia has little scope to make changes on the activities listed on the Twinning contract.

Based on this analysis, the Twinning project seems to be of more benefit to the Europeans who are contracted to carry out the work, than to the maritime administration in Tunisia. This type of cooperation is supposed to provide a mechanism of mutual gain, or at least facilitate a fair negotiation, where the two involved countries end up winning. Nonetheless, the position of the Tunisian government remains static and incapable of taking effective and rational decisions within the maritime sector that match the needs and interests of ship-owners and other stakeholders. Its international oriented strategies have not shown any positive results in enhancing the sector, yet the country keeps encouraging international assistance.

Conclusion

Over the past few years, the Tunisian maritime industry has witnessed a significant decrease in size and revenue. Ship-owner companies are failing to compete in the international market and have, as a result, been struggling with huge deficits. Unlike Tunisia, Europe has been investing more in the maritime shipping industry. It seems the Europeans are more aware of the sector's importance to the development of their economy, and they are also aware of the ability of this sector to create more job opportunities. Through initiatives like the Maritime Twinning project, the EU further safeguards its own interests in this sector while undermining Tunisia's ability to develop an adequate strategic and policy response.

The Maritime service sector in Tunisia has struggled with several issues including a shortage of logistics development, poor infrastructure and lack of investment opportunities. Tunisia has pursued several strategies and reforms, but most of them have been oriented towards international cooperation with the European Union.

As this paper has demonstrated, EU-Tunisia regional and national policies and strategies have not had their intended impact on improving the maritime transport performance. The recent EU-Twinning project, a conditionality for entering free trade agreements, is an example of the continuing ineffectiveness of Tunisian governance and policy-making. This upgrading program has been marked by an imbalance of negotiating power as a result from the asymmetry in dependence and influence between the European Union and Tunisia. These dynamics affect not only the flow of outcomes, with Tunisia's needs and priorities subordinated to those of Europe's, but also the country's own governance.

The Tunisian maritime sector is still struggling to survive. In fact, it is in far worse shape today than it was back in the 1990s. Most of the maritime shipping companies have lost their vessels and were obliged to liquidate. This has resulted in Tunisia needing to invest more money on importing this service to meet the country's needs. The country is clearly in a deep crisis due to the paralyzing of its governance and policy-making processes. As a result, the country's maritime sector is now in a position where it is incapable of moving forward.

The ineffectiveness of current policy and governance in the maritime sector is apparent. Repeated policy initiatives, which aim to overcome the deterioration of this sector, have done little to improve the situation. This deterioration is explained by the irrationality of the government's approach, the lack of involvement of ship-owners in the decision-making process, the current context of political instability, the country's strong dependency on international aid, and the inadequacy of its development strategies.

Tunisia still has a long way to go. It is imperative the government adopt and implement policies that help the Tunisian economy, and that meets the needs and interests of all the different maritime stakeholders. The government's approach must include maritime stakeholders in the decision-making process, and provide more public investments, incentives and advantages to Tunisian investors such as fees and taxes exemptions, and loans facilitation. Such an approach would encourage investment and help the Tunisian maritime sector prosper so that it can compete with European companies.

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