

The Impact of EU accession on Water Services Corporation

A report prepared by

EUROPA Research & Consultancy Services Ltd

for

Water Services Corporation

PART II
Conclusions
(EU Programmes and Funding)

June 2000

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Manuscript completed in June 2000.

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WATER SERVICES CORPORATION

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Introduction

Terms of reference

This volume is part of a wider report on the impact of EU accession on the Water Services Corporation originally commissioned in April 1st 1999. The terms of reference are the following:

1. The need to update to the WSC report submitted in July 1996 and prepared by Richard Morris & Associates of Scotland entitled "European Union Water Directives Study".
2. The need for a study of the impact of EU membership on WSC through an assessment of the adoption by Malta of the *acquis communautaire*.
3. Proposals for reform in view of the adjustments rendered necessary by membership.
4. Proposals for a negotiating position to be adopted by WSC in view of accession negotiations.
5. Proposal of an implementation strategy, including a time frame to be followed by the Corporation between now and accession.
6. An implementation programme as a follow-up to the study.

The above constitute the terms of reference of this report.

The first phase

In an initial phase leading to the above, Europa Research & Consultancy Services was given the task to prepare and submit a research report covering the following parts, namely:

1. The need to update to the report submitted in July 1996 by Richard Morris & Associates of Scotland entitled "European Union Water Directives Study".
2. The need for a study of the impact of EU membership on WSC through an assessment of the adoption by Malta of the *acquis communautaire*. This section, which shall form the core of the report, shall include the following sections:
 - (a) Ramifications of the EU **Environment policy** (not covered in point 1);
 - (b) **EU incentives** and how to access them, including

community programmes and funding, both before and after accession:

- (c) EU **Public Procurement** rules;
- (d) EU rules on **Health & Safety at work**;
- (e) **Competition policy** and other issues.

3. Proposals for reform in view of the adjustments rendered necessary by membership.
4. Proposals for a negotiating position to be adopted by WSC in view of accession negotiations.

Submission of interim reports: Parts I to V

Throughout the year 1999, five interim reports were submitted to WSC covering points 1 and 2(a) to 2(e) above.

These reports were duly studied by the WSC in close consultation with Europa Research & Consultancy Services. Subsequently, WSC submitted its views and positions on the points raised in the said five reports.

Concluding reports

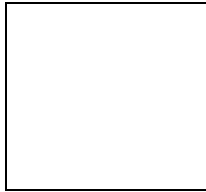
Taking into accounts WSC's submissions on each of the five interim reports, Europa Research & Consultancy is now submitting its final report on each of these reports. For clarity, the concluding report is again divided into five parts on the same lines of division as the interim reports. In this case, however, the concluding report will focus on points 3 and 4 above, namely, proposals for reform in view of the adjustments rendered necessary by membership accompanied with a proposals for a negotiating position and an implementation strategy to be adopted by WSC in view of accession negotiations.

How this report is divided

This volume constitutes the PART II of the concluding report and is being submitted in June 2000. It covers the area of the EU Programmes and Funding. A further four reports, concluding Parts I, III, IV and V are also being submitted.

This volume is divided into the following sections:

1. A brief summary of the key legislation and main points arising out of the interim report – Part II (EU Position);
2. A brief summary of WSC's position on the EU legislation (WSC position);
3. Proposals for reform and implementation (Reform & Implementation) (for the purposes of implementation, the official working



date of 1st January 2003 shall be adopted) and

4. Proposals for WSC's negotiating position (WSC Negotiating Position).

*Phase 2:
Meetings and
follow-up to
the report*

The submission of all five concluding reports shall be followed as necessary by information and debriefing meetings with the WSC officials in order to ensure that maximum utility is made out of the report leading to an effective follow-up strategy.

*Note on the
report*

This report does not attempt to constitute an academic study. Quite the contrary, it tries to tackle the issues in a practical manner diluting their complexities and presenting them in an intelligible and easy-to-read manner. To this end, technical references and footnotes have been kept to a minimum.

*Instructions
on how to
read the
report*

The report relies heavily on the use of margin notes to indicate the contents of each section or paragraph accordingly. This is done to enable easier reference and reading. All margins notes are listed in the content list and on the left-hand side of every paragraph. Reading through the margin notes one can quickly get an idea of the issues that are tackled in the report and cross-refer to different sections.

Working team

The team working on the project was led by Dr Joanna Drake and included Dr Mariosa Vella Cardona. Team members hold academic post-graduate training on EU affairs and an active involvement in lecturing and/or research contributions on the subject.



EU Programmes and Funding

Introduction As explained in the introduction, this document follows up on Part II of the WSC report which had focused in detail on EU programmes and funding, as follows:

Section A

Participation in Community Programmes

Training Programme

Research and Technological Development Community Programme (FP5)

LIFE – THIRD COUNTRIES

SEMIDE

Section B

Assistance from the Structural Funds

Assistance from the Cohesion Fund

Section C

EU Pre-Accession Funding

In the case of each of the above directives, this document is divided in the following sections:

- A brief summary of the key legislation and main points arising out of the interim report – Part II (***EU Position***);
- A brief summary of WSC's position on the EU legislation (***WSC position***);
- Proposals for reform and implementation (***Reform & Implementation***) (for the purposes of implementation, the official working date of 1st January 2003 shall be adopted) and
- Proposals for WSC's negotiating position (***WSC Negotiating Position***).

Participation in EU Programmes

EU Position

EU Programmes The programmes discussed in the first part of the report were the following:

- (a) Leonardo da Vinci (training;
- (b) R&D programme (FP5)
- (c) LIFE programme (environment)
- (d) Euro-Med programme – SEMIDE

WSC Position

WSC's present position WSC is in a position to participate in all these programmes. Whereas Malta has already participated in LIFA and in SEMIDA (which is a Euro-Med programme), it is now also possible for Malta to participate in the EU training programme, Leonardo, and in the EU research and technology programme, FP5. Participation in these programmes can only benefit WSC.

Reform & Implementation

Proposals for reform In order to be able to participate effectively in these programmes, WSC must identify internally an officer – perhaps the EU Desk Officer - who would be given the task to acquaint himself with the details of the programmes and propose potential projects that may be taken up by the Corporation.

Negotiating Position

Proposals for negotiating position to be adopted Not applicable.

EU Structural and Cohesion Funds (Post-Accession)

EU Position

EU funds

The main report gave an extensive overview of the main funds of the European Union and several examples of concrete projects to which these funds may be applied. In particular, it was emphasised that the two most interesting funds for the purposes of the WSC are the European Regional Development Fund and the Cohesion Fund. In particular, we saw that there are several projects of a capital and infrastructural nature that may be assisted under these funds.

Both these funds are open only to EU Member States and not to candidate countries. However, upon membership Malta is expected to qualify for benefit from both these funds.

WSC Position

WSC's present position

No WSC reaction was received on these funds.

Reform & Implementation

Proposals for reform

It is submitted that WSC should start working as of now on project proposals, typically of an infrastructural nature, that would eventually qualify for substantial EU funding. Preparations of such projects are known to take considerable time and effort to be drawn up and therefore it is important that the necessary preparatory work is completed in good time. These project proposals would be submitted for EU funding upon membership. Indications of the criteria of qualification of projects are given in the main report.

Negotiating Position

Proposals for negotiating position to be adopted

Not applicable.

Pre-Accession Funds

EU Position

EU pre-accession funding to Malta

Since the submission of the first part of this report, in May 1999, it has now been confirmed that in the pre-accession stage Malta would be given Euro 38 million over the period 2000-2004. The Maltese government has expressed its disappointment at what it considered to be a low level of assistance in the pre-accession stage.

WSC Position

WSC's present position

No WSC reaction was received on these funds.

Reform & Implementation

Proposals for reform

Owing to the limited extent of this assistance, it is likely that this funding will be used for technical and administrative preparations for membership and not for large infrastructural projects which may be of more direct relevance to WSC. This means that assistance for large projects may well have to wait until after accession.

Negotiating Position

Proposals for negotiating position to be adopted

Not applicable.