Malta: accession to the European Union and progress in negotiations

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The Commission has prepared this third Regular Report on Malta's progress towards accession with a view to the Laeken European Council in December 2001. The structure followed by this Regular Report is the same as that used for the 2000 Regular Report. It takes into consideration progress since the 2000 Report. It looks at whether intended reforms referred to in the 2000 Regular Report have been carried out, and examines new initiatives. In addition, this Report provides an overall assessment of the global situation for each of the aspects under consideration, setting out for each of them the main steps which remain to be taken by Malta in preparing for accession. In accordance with this approach, the assessment of progress in meeting the political and acquis criteria focuses on what has been accomplished since the last Regular Report. The Report contains a separate section examining the extent to which Malta has addressed the Accession Partnership priorities. Firstly, with regard to the pre-accession budget, the Council approved a pre-accession regulation for Malta. It provided for a total of pre-accession aid of EUR 38 million for the period 2000-2004 to be used mainly for institutional capacity building as well as for the participation in Community programmes. The Regulation also provided for Malta's participation in MEDA regional programmes. In addition, Malta is eligible for the EIB pre-accession facility and for the EUR 6 425 billion EIB facility for Mediterranean countries. With regard to the Copenhagen criteria for membership: 1) Political Criteria : further efforts have been made to prepare the administration for operation within the EU, and the authorities' record on democratic and human rights remains generally good. There ahs been further progress as regards the functioning of the justice system with the reduction of the backlog of judiciary cases and preliminary steps have been taken to implement the Refugees Act. 2) Economic Criteria : Malta is a functioning market economy. It should be able to cope with the competitive pressure an market forces within the Union. Macroeconomic developments have been favourable in terms of the GDP growth, unemployment, inflation and a significant reduction of the government deficit. The government's medium-term fiscal programmes generated a further decrease of the public deficit. Progress has been made in developing restructuring and privatisation programmes and of public utilities and loss-making public enterprises remains slow. Further efforts to limit the influences of the state in the economy are needed. A faster implementation of structural reforms and further liberalisation is crucial to support the sustainability of external balances and external competitiveness in a more open environment. 3) Legislative alignment of the acquis : Malta has continued to progress well in aligning its legislation with the acquis and strengthening its administrative capacity. However, progress has been uneven across the different fields. - internal market : considerable further progress has been made in aligning with the acquis on free movement of goods, especially as regards the framework for the New and Global Approach. Malta must pursue its efforts in the fields of standardisation , certification and market surveillance an also align its public procurement legislation as regards the remedies system and bodiesgoverned by public laws. As regards the free movement of persons, efforts should be pursued to further align Maltese legislation. Malta has continued to progress on free movement of services and capital, however further legislative alignment is needed in particular in the fields of banking and investment services, data protection as well as money laundering. In the area of company law, Malta is close to full alignment; - agriculture : progress has been limited in this area. Malta still has to adopt most of the extensive agriculture acquis and to prepare it agriculture for the Common Agriculture Policy; - environment : the adoption of the Environmental Act together with subsidiary legislation represents a significant progress but Malta is still far from full alignment and the capacity to enforce the legislation remains very weak. An overall strategy for the adoption and implementation of the environmental acquis must also be developed; - transport : Malta's legislation in the transport sector is in line with the EC acquis to a certain extent, but important parts of road transport law remains to be transposed, and sustained efforts are needed as regards maritime safety; - energy : Malta has made significant progress during the period covered by this Regular Report. An important development in the field of energy has been the entry into force, in January 2001, of the Malta

Resources Authority Act which provides a basis for alignment with the acquis; - employment and social affairs : Malta is generally well advanced in terms of legal transposition of the acquis in this area, but especially as regards labour law and Health and Safety, but it is still far from alignment as regards equal treatment. With regard to employment policy, important steps have been taken by Malta to adapt its employment systems so as to implement the European Employment Strategy, including the agreement of the Joint Assessment Paper (JAP). Malta still has to comply with the acquis on anti-discrimination; - justice and home affairs : in the field of justice and home affairs, little further legislative progress has been achieved. Progress has been made in preparing the Maltese administration to the implementation of the Asylum legislation and the control of border in accordance with the Schengen requirements, in particular with the preparation of a Schengen Action Plan. Efforts are still needed wit respect to data protection, immigration and visa policy and judiciary co-operation. 4) Administrative Capacity : the capacity to enforce the acquis remains a source of particular concern in the area of the environment and it should be strengthened as a matter of priority. Malta should also significantly strengthen its administrative capacity in the agriculture field, in particular it has to upgrade inspection arrangements in the veterinary and phytosanitary fields. 5) Accession Partnership : most of the Accession Partnership short-term and medium-term priorities have been partially fulfilled. Progress has been particularly significant in the areas of free movement of goods and social policy and also in the areas of taxation and telecommunications, and in the area of free movement of services.