Association agreement between th EU and Monaco, Andorra, and San Marino. Recommendation

2018/2246(INI) - 13/03/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 540 votes to 73, with 34 abstentions, a recommendation to European Parliament recommendation to the Council, to the Commission and to the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on the association agreement between the EU and Monaco, Andorra and San Marino.

Background

The Principality of Andorra (Andorra), the Principality of Monaco (Monaco) and the Republic of San Marino (San Marino) have a long-standing history of statehood. They have always been at the core of European history and have deep, long-standing political, economic, social and cultural relations with the Member States in their immediate proximity and with the EU at large. The EU's partnership with these countries is founded on our common set of political and cultural values. Andorra, Monaco and San Marino are, each in their own right, relevant economic partners for the Member States in their immediate proximity and provide employment opportunities for a considerable number of EU citizens.

At its meeting on 4 December 2018, the Council decided to remove Andorra and San Marino from Annex II to the Council conclusions of 5 December 2017, thereby confirming that they have complied with all remaining commitments on transparency, fair taxation and measures to combat tax base erosion and profit transfer (BEPS). It also noted that Monaco was fully compliant with these commitments.

At their meetings in April and July 2018, participants in the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes declared that Andorra, Monaco and San Marino were compliant with the international standard on the exchange of information on request.

Recommendations

Members called on the Council, the Commission and the Vice-President of the Commission/High Representative of the Union to seize the opportunity presented by the negotiations on the association agreement to demonstrate the value of closer relations and integration with the EU and to further reaffirm the importance of inclusion in EU bodies and policies for such countries in the longer term.

Parliament recommended in particular:

- prevent the risk of rejection of the association agreement once negotiations have been finalised, and engage in renewed efforts to provide those members of the public in Andorra, Monaco and San Marino who feel more vulnerable with information about the association agreement and to explain to them, in total transparency and in cooperation with the authorities of the three states;
- take full account of the small territorial dimensions and limited administrative resources, in relative terms, of Andorran, Monaco and San Marino and, in the negotiation process, adjust the required

adoption and implementation of the acquis communautaire accordingly, so as to minimise excessive budgetary pressure, which would in turn have negative implications on public opinion and the budgetary resources available;

- for the creation, in each of the three states, of a coherent, efficient and effective institutional framework through which to implement the association agreement;
- emphasise to Andorra, Monaco and San Marino the importance of the overall integrity and homogeneity of the internal market and of respect for the fundamental aspects of all four freedoms of the internal market;
- provide for adequate EU support to Andorra, Monaco and San Marino, as regards their capacity to fully adopt and implement the acquis communautaire on a longer-term basis and provide for access to EU funding for targeted projects;
- foster increased capacity for adequate adoption and implementation of the acquis communautaire through the secondment of officials from the public administrations of Andorra, Monaco and San Marino to relevant EU institutions and bodies and those of its Member States;
- harness the opportunity of the Association Agreement to further cooperation with Andorra, Monaco and San Marino within the framework of Directive (EU) 2015/849 of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing;
- explore the possibility of securing access to Eurosystem liquidity for Andorra and San Marino, with a view to fostering the resilience capacity and stability of their respective national banking systems in the case of an internal or external systemic shock ;
- consider the negotiations on the association agreement an opportunity to take measures for joint investments in infrastructure of common interest, as well as measures aiming to boost joint academic research among Andorra, Monaco, San Marino and the EU Member States.

Members take the view that the next legislature of the European Parliament could serve as a valuable opportunity to set up a new interparliamentary delegation devoted to interparliamentary dialogue and cooperation with Andorra, Monaco and San Marino. Parliament should foster periodic exchanges of views with the national parliamentary delegations of Andorra, Monaco and San Marino for the duration of the negotiations.