## **European Commission - Press release**





# The Commission welcomes the end of the negotiations for an Association Agreement with Andorra and San Marino

Brussels, 12 December 2023

Today, Executive Vice-President for the European Green Deal, Interinstitutional Relations and Foresight Maroš **Šefčovič** presented to the Council (General Affairs Council) the outcome of the negotiations for **an Association Agreement between the EU and Andorra and San Marino**. He informed the Member States that an agreement had been reached at the level of negotiators.

The Association Agreement will provide for the participation of Andorra and San Marino in the EU's internal market and for cooperation in other policy areas. The level of internal market access foreseen will be comparable to that enjoyed by Norway, Iceland and Liechtenstein in application of the Agreement on the European Economic Area. The alignment of Andorra and San Marino with the EU's internal market framework will **benefit both sides.** 

This is a **significant milestone** which responds directly, on the one hand, to the EU's objective to develop a special relationship with neighbouring countries as set out in Article 8 of the Treaty on European Union (TEU) and, on the other hand, to these two countries' stated interest in building closer relations with the EU.

The Association Agreement will be based on the following key elements:

• It will provide for the participation of these two countries to a homogenous extended internal market under equal conditions of competition and respect of the same rules.

**Financial services** will be included. Access to the internal market in this area will be progressive and will depend on a successful audit of the robustness of the associated States' regulatory and supervisory frameworks. Compliance with the anti-money laundering *acquis* will be a pre-condition, and the European Supervisory Authorities will play a central role in the auditing process.

- At the same time, the Association Agreement will establish a framework to develop and promote dialogue and cooperation in areas of common interest, such as research and development, education, social policy, the environment, consumer protection, culture or regional cooperation.
- The Association Agreement will also establish a **coherent**, **effective**, **and efficient institutional framework**, including:
  - the consistent interpretation and application of the Agreement in line with the case-law of the European Court of Justice; and
  - a dispute settlement mechanism with the European Court of Justice as the ultimate arbiter for disputes on the interpretation and application of the Agreement.

In line with the 2014 negotiating directives, the Association Agreement will take into account the **particular situation of Andorra and San Marino** as well as their specificities arising from their relations of proximity with their neighbouring EU Member States, their geography, their size and their relatively small populations. This will be reflected in a number of adaptations as well as in several **transitional periods** for the implementation and application of parts of the EU acquis.

## **Next Steps**

All sides will now process the agreed texts in accordance with their respective procedures. The Commission will put forward proposals for decision of the Council on the signature and on the conclusion of the Association Agreement, and the European Parliament will have to give its consent.

## **Background**

On 16 December 2014, the General Affairs Council authorised the opening of negotiations for an Association Agreement with Andorra, Monaco and San Marino. The Commission took over the responsibility of these negotiations in January 2022.

In its conclusions adopted in June 2022, the Council called on the Commission to finalise the negotiations by the end of 2023. Between March 2022 and December 2023, 49 negotiating sessions were held and significant progress was made, leading to the conclusions of negotiations at negotiators level last week.

### For More Information

Remarks by Executive Vice-President for European Green Deal, Interinstitutional Relations and Foresight, Maroš Šefčovič at the press point on 12 December 2023

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### Quotes:

I welcome the agreement reached by the chief negotiators, thanks to their tireless efforts over the past two years and resolute will to find an agreement, which will benefit both the population of Andorra and San Marino, and the European Union. This Association Agreement will enshrine a privileged relationship between the EU and Andorra and San Marino, both located in the heart of Europe and of our internal market. It sets a strong precedent for other third countries envisaging access to the EU's internal market and sends a clear message that the EU is open for strong relationships with its neighbours.

Maroš Šefčovič, Executive Vice-President for European Green deal, Interinstitutional Relations and Foresight - 12/12/2023

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