



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 6 December 2013
(OR. en)**

16075/13

**AELE 68
AND 7
MC 12
SM 16
MI 1010**

"I/A" ITEM NOTE

From: Working Party on European Free Trade Association (EFTA)
To: Permanent Representatives Committee/Council
On: 6 December 2013

No. Cion doc.: ST 16074/13 AELE 67 AND 6 MC 11 SM 15 MI 1009

Subject: Council conclusions on EU relations with the Principality of Andorra, the Principality of Monaco and the Republic of San Marino

1. On 27 November 2013, the Presidency submitted the draft conclusions in subject for approval by the Council.
2. At the meeting of the Working Party on European Free Trade Association (EFTA) of 6 December 2013, all delegations agreed to the draft conclusions as set out in Annex to this note.

3. Consequently, it is suggested that the Permanent Representatives' Committee invite the Council to adopt these draft conclusions, as set out in Annex to this note, as an "A" item at one of its upcoming meetings.
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Council conclusions on EU relations with the Principality of Andorra, the Republic of San Marino and the Principality of Monaco

1. The Council welcomes the Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on EU Relations with the Principality of Andorra, the Principality of Monaco and the Republic of San Marino: Options for their participation in the Internal Market¹, submitted in line with the Council conclusions of 20 December 2012 on EU relations with the three countries². The Council takes good note of the conclusions and recommendations set out in this Report.
2. The Council reaffirms that a closer association of Andorra, Monaco and San Marino with the EU is also in the interest of the EU. It should contribute to addressing gaps and overcoming inconsistencies in relations, which are currently fragmented and diverge from one country to the other³. Furthermore, enhanced participation of the three countries in the internal market could have a positive, though limited economic impact on the EU, in particular with regard to employment in the neighbouring regions and cross-border economic activity.
3. Regarding future relations, the Council, based on the analysis and the recommendations set out in the above mentioned Report of the Commission, affirms that the negotiation of one or several Association Agreement(s) is deemed to be the most viable option for the strengthening of EU relations with Andorra, Monaco and San Marino. The scope and content of such (an) Agreement(s) should suit the requirements of the EU, while taking into account the particular situation of each of the three countries, in line with the Declaration on Art. 8 TEU.

¹ Doc. 16074/13.

² Doc. 17783/12.

³ Cf. Report of the Presidency on EU relations with Andorra, Monaco and San Marino, adopted by the Council on 21 June 2011 (doc. 11466/11), and the Communication of the Commission on EU relations with the three countries of December 2012 (doc. 16625/1/12 REV 1 + ADD 1).

4. The Agreement(s) to be negotiated should be based on shared values and the commitment to uphold them, with a particular reference to Art. 2 TEU. Furthermore, it/ they should comprise overarching institutional provisions regarding the dynamic adaptation of the Agreement(s) to evolving EU *acquis*, as well as mechanisms for dispute settlement and independent surveillance and judicial enforcement, in view of ensuring legal certainty and the homogeneity and good functioning of the internal market.
 5. In light of the above, the Council invites the Commission and the High Representative (as appropriate) to submit to the Council, by the end of April 2014, a Recommendation to open negotiations with the Principality of Andorra, the Principality of Monaco and the Republic of San Marino on one (or several) Association Agreement(s).
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