European Parliament
2024-2029

TEXTS ADOPTED

P10_TA(2026)0039

Interim report in view of the consent procedure on the Agreement establishing an association between the EU and the Principality of Andorra and the Republic of San Marino

European Parliament resolution of 11 February 2026 on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Agreement establishing an association between the European Union and the Principality of Andorra and the Republic of San Marino respectively (COM(2024)0189 – 2024/0101R(NLE))

The European Parliament,

– having regard to the proposal for a Council decision (COM(2024)0189),

– having regard to the draft Agreement establishing an association between the European Union and the Principality of Andorra and the Republic of San Marino respectively,

– having regard to the Agreement in the form of an exchange of letters between the European Economic Community and the Principality of Andorra of 28 June 1990[1],

– having regard to the Agreement on Cooperation and Customs Union between the European Economic Community and the Republic of San Marino, signed in Brussels on 16 December 1991[2],

– having regard to the negotiating directives of 22 December 2014 for the negotiations on one or several association agreement(s) between the EU and the Principality of Andorra, the Principality of Monaco and the Republic of San Marino,

[1] OJ L 374, 31.12.1990, p. 14, ELI: http://data.europa.eu/eli/agree_internation/1990/680/oj.
[2] OJ L 84, 28.3.2002, p. 43, ELI: http://data.europa.eu/eli/agree_internation/2002/245/oj.

– having regard to the European Parliament recommendation of 13 March 2019 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[3],

– having regard to the Council conclusions of 21 June 2022 on a homogeneous extended internal market and EU relations with non-EU Western European countries and with the Faroe Islands,

– having regard to the Council conclusions of 25 June 2024 on a homogeneous extended internal market and EU relations with non-EU Western European countries and with the Faroe Islands,

– having regard to Rule 107(5) of its Rules of Procedure,

– having regard to the opinions of the Committee on Economic and Monetary Affairs and the Committee on the Internal Market and Consumer Protection,

– having regard to the interim report of the Committee on Foreign Affairs (A10-0003/2026),

A. whereas Andorra and San Marino are close, like-minded partners and neighbours united by shared values, many common interests and close political, economic, geographical, historical, cultural, linguistic and people-to-people ties; whereas Andorra and San Marino have demonstrated a strong will to pursue closer political, economic and cultural relations with the EU;

B. whereas San Marino and Andorra have progressively strengthened their ties with the EU through several bilateral agreements, which will be replaced and superseded by the draft Agreement upon its entry into force;

C. whereas Andorra and San Marino each have long-standing bilateral agreements with their respective neighbouring countries, which address issues of mutual concern, take into account the specificities and sensitivities of Andorra and San Marino and reflect the need to preserve the viability of such states; whereas such specificities and sensitivities have been acknowledged by the Parliamentary Assembly of the Council of Europe;

D. whereas Andorra and San Marino are important economic partners for the EU as a whole, and particularly for Member States in their immediate proximity, and provide employment opportunities;

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[3] OJ C 23, 21.1.2021, p. 159.

E. whereas Andorra and San Marino have a long-standing practice of supporting the EU’s policy stance in the UN;

F. whereas political and economic systems nowadays face deep uncertainties, and global supply chains are increasingly fragmented; whereas further cooperation and association agreements are therefore a vital step towards promoting a strong, resilient and open European economy;

G. whereas in 2015, the EU began negotiations on an association agreement with Andorra, Monaco and San Marino to foster prosperity, stability and closer cooperation, on the basis of shared values;

H. whereas Monaco and the EU decided to suspend negotiations on 14 September 2023;

I. whereas the Association Agreement between the European Union and the Principality of Andorra and the Republic of San Marino (‘the Association Agreement’) constitutes a significant step towards these countries’ deeper economic and political integration with the EU and is essential for strengthening political and economic ties between the EU and Andorra and San Marino;

J. whereas the Association Agreement consists of a framework agreement, seven framework protocols, two associated state protocols and 25 technical annexes to each associated state protocol, containing all EU legal acts falling within the scope of the Association Agreement; whereas the framework agreement establishes a coherent, effective and efficient institutional framework to ensure the uniformity of the internal market and legal certainty for economic operators and citizens;

K. whereas Andorra has been able to further intensify its move to a more diversified economy; whereas this long-term process will present relevant challenges and, therefore, adequate protection will be required for workers in Andorra as it shifts to a more diversified economy; whereas broader access to the internal market will support economic development in the long-term and create new economic and employment opportunities in Andorra;

L. whereas robust enforcement mechanisms ensure compliance with the Association Agreement’s obligations; whereas the Association Agreement also grants the parties the ability to take measures to safeguard their interests, including compensatory measures in cases of misapplication; whereas the important reforms undertaken and progressive alignment with EU legislation by Andorra in the area of financial regulation should be commended; whereas compliance with relevant EU financial supervisory rules should be ensured at all times in the integration of Andorra and San Marino’s financial services market segments;

M. whereas transparency, the exchange of information and tax cooperation between the competent authorities of the EU and of Andorra and San Marino should be ensured;

General observations about political relations

1. Highlights the significance of close, robust relations between the EU and non-EU European countries for the security and prosperity of the European continent in the light of current geopolitical shifts;

2. Highlights the fact that Andorra and San Marino are close, like-minded partners and neighbours sharing the same democratic values and many common interests with the EU, and the fact that this partnership is underpinned by close political, economic, geographical, historical, cultural, linguistic and people-to-people ties, and by several cooperation and bilateral agreements concluded by various Member States with both countries;

3. Welcomes the fact that Andorra and San Marino strongly support multilateralism and are firm defenders of the principle of territorial integrity and of the sovereignty of states; appreciates the continued constructive cooperation with Andorra and San Marino at the multilateral level; highlights in particular the engagement and efforts of Andorra and San Marino within the UN and the Council of Europe;

4. Welcomes Andorra and San Marino’s alignment with the EU’s common foreign and security policy; supports the fact that they are systematically invited to formally align with statements on common foreign and security policy made by the High Representative of the Union for Foreign Affairs and Security Policy on behalf of the EU and with EU restrictive measures;

5. Values Andorra and San Marino’s consistent positions, expressed through votes in the UN General Assembly, with regard to Russia’s unjustified, unprovoked and illegal war of aggression against Ukraine; strongly welcomes their implementation of restrictive measures against Russia and their provision of humanitarian aid to Ukraine; stresses that the restrictive measures against Russia must urgently be strengthened further; deeply appreciates the efforts of Andorra and San Marino to host Ukrainian refugees despite the small size of their territories;

6. Welcomes Andorra and San Marino’s participation in meetings of the European Political Community and insists that they be systematically invited to future meetings;

General observations about the Association Agreement

7. Welcomes the conclusion of the Association Agreement as an important step forward in significantly strengthening the mutually beneficial political and economic partnership, incorporating and

replacing the current customs unions between the EU and each of these countries;

8. Insists that the Association Agreement should be preserved as an EU-only agreement, as this would allow for its swift entry into force through a coordinated ratification procedure; highlights the fact that the Association Agreement is the most comprehensive one that the EU has concluded with any third country;

9. Emphasises the fact that the 1990 customs agreement with Andorra and the 1991 cooperation and customs agreement with San Marino have boosted the economies of these countries; considers that the new Association Agreement has the potential to further support their economic development, in particular by breaking down barriers to cross-border economic activity;

10. Notes with satisfaction that this comprehensive Association Agreement reflects many of the recommendations issued by Parliament for the negotiation of the Agreement and is in line with the negotiating directives adopted by the Council in December 2014;

11. Welcomes the fact that the Association Agreement takes into account the specific challenges faced by each country as a result of its small territorial dimensions and small population, as demanded by Parliament in its 2019 recommendation; notes that this will prevent the need for the two states to substantially increase their administrative capacity and hence avoid negative implications for available budgetary resources and public opinion;

12. Calls on the Commission to continuously monitor the adoption and implementation of the *acquis* falling under the scope of the Association Agreement, taking into account the respective dimensions and resources of the two states, and to provide the necessary institutional and policy support to them; calls for the establishment of an adequate monitoring and surveillance mechanism at European level to prevent and counteract any restrictions and distortions of competition within the internal market;

13. Recalls that the Association Agreement should also promote economic integration and cohesion between the EU and the associated countries; underlines the importance of fostering convergence between Andorra, San Marino and the EU Member States in terms of economic development, employment levels and income;

14. Recalls that the Principality of Monaco had been officially engaged in the negotiation of an association agreement with the EU, alongside Andorra and San Marino, since 2015; takes note of the suspension of negotiations with Monaco; considers it desirable, once all the necessary conditions are met, to resume negotiations with Monaco,

which remains a close, like-minded partner for the EU; notes that Monaco remains welcome to join the Association Agreement with Andorra and San Marino;

Access to the internal market

15. Welcomes the fact that the Association Agreement allows Andorra and San Marino to participate in the EU's internal market for the mutual benefit of businesses, in particular small and medium-sized enterprises, investors, consumers and citizens on both sides, creating new and tangible opportunities under equal competition conditions and the same rules; highlights the fact that their access to the internal market will become comparable to that of Iceland, Liechtenstein and Norway under the Agreement on the European Economic Area;

16. Emphasises the fact that participation in the EU's internal market is a transformative opportunity for the economies of Andorra and San Marino, significantly enhancing their economic potential by removing existing barriers, including non-tariff ones, to cross-border economic activity and fostering growth beyond the framework of the current customs union;

17. Emphasises the indivisibility of the four freedoms and the need to preserve a level playing field within the internal market for the benefit of all; notes that participation in the internal market is fully conditional on consistent compliance with its comprehensive body of rules and principles;

18. Calls for the facilitation of the free movement of goods and services between Andorra, San Marino and the EU Member States to enhance economic integration and connectivity; underlines that aligning regulatory and legal frameworks with EU standards reduces bureaucratic hurdles, strengthens cross-border cooperation and fosters a more interconnected and dynamic economic environment; emphasises the fact that unrestricted movement within the EU deepens social and economic integration, benefiting the citizens and businesses of Andorra and San Marino;

19. Underlines the importance of the free movement of persons for citizens of the EU, Andorra and San Marino; welcomes the fact that the EU principle of non-discrimination on grounds of nationality is extended to Andorra and San Marino; takes note of adaptations in the area of free movement of persons, such as quantitative limits regarding certain types of residence, that seek to preserve the socio-economic inclusion of San Marino and Andorra's citizens; stresses that the right of establishment is an essential tool for enhancing the economic and entrepreneurial potential of Andorra and San Marino in the context of the internal market; emphasises the fact that the Treaty on the Functioning of the European Union allows Member

States to restrict workers’ right to free movement on the grounds of public policy, public security or public health;

20. Observes that the Association Agreement will be implemented progressively, as it allows for staggered access to the EU’s internal market for financial services over a maximum of 15 years, whereby the associated states may decide not to seek access to all market segments at the same time;

21. Highlights the fact that access to the EU single market for financial services depends on a comprehensive evaluation of the full and effective implementation of the EU *acquis* for the financial sector, including strict compliance with anti-money laundering legislation, and the robustness of the associated states’ regulatory and supervisory frameworks; notes that the European Supervisory Authorities will play a central role in the auditing process; highlights the fact that market access requires the Commission to adopt a positive recommendation confirming that all necessary conditions set out in the relevant protocol have been fulfilled; welcomes the additional safeguards included in the associated state Protocol on financial services; highlights the fact that, in cases where the regulatory or supervisory frameworks of an associated state show deficiencies, the EU has the option of suspending market access; calls on the Commission and the European Supervisory Authorities to thoroughly scrutinise the adoption of, and compliance with, the relevant *acquis* before granting access to the market for financial services and to continuously monitor compliance with the regulatory and supervisory frameworks as established in Protocol 3 on financial services;

22. Calls on the Commission to closely monitor the enforcement of anti-money laundering legislation in Andorra and San Marino in order to ensure that those countries meet EU standards in crucial areas, such as beneficial ownership, the regulation of crypto assets and cash limits; stresses that the Commission, with the support of the European Supervisory Authorities and before the end of the 15-year period, should carry out an evaluation in line with Protocol 3 on financial services; urges Andorra and San Marino to fully apply the EU’s targeted financial sanctions and to cooperate with the EU on their implementation;

23. Highlights the need for strong oversight of the financial activities of both associated states in order to safeguard the principles of free and fair competition within the EU’s internal market, and to protect retail investors; stresses that this should include shared mechanisms for support and assistance from the Member States, and welcomes the fact that this fundamental priority of strong oversight is already embedded in the Association Agreement so as to ensure the integrity and transparency of the EU’s internal market; welcomes, in this context, the commitment to concluding a memorandum of

understanding on supervisory cooperation and information exchange between the associated states and the European Supervisory Authorities;

24. Recalls that Andorra and San Marino have historically maintained substantial financial sectors, which has, at times, raised concerns regarding transparency and tax cooperation; notes that the Association Agreement includes provisions to implement the principles of good governance in tax matters, including current international standards on transparency and the exchange of information, fair taxation and minimum standards against base erosion and profit shifting; welcomes updated tax cooperation and transparency agreements with Andorra and San Marino; stresses the importance of the effective implementation and enforcement of these provisions to improve international tax cooperation and the exchange of information, ensure a level playing field and protect the tax base; notes that it is crucial that Andorra and San Marino fully honour their international commitments, especially those agreed on within the framework of the Organisation for Economic Co-operation and Development and those laid down under EU legislation, such as the directive on administrative cooperation in the field of taxation[4] and anti-money laundering legislation;

25. Takes note of the transitional periods in areas such as telecommunications, transport and energy; considers that the Association Agreement should provide for ongoing monitoring in all these areas to ensure gradual and consistent alignment with the EU *acquis* throughout the respective transitional periods;

26. Considers it important to offer administrative and technical assistance to Andorra and San Marino, considering also their limited administrative resources, in order to support swift alignment with the current EU *acquis* and with a view to dynamic regulatory alignment and the effective implementation and enforcement of the Association Agreement; encourages Andorra and San Marino to proactively engage in this process, as alignment enhances transparency, fosters competition and improves business efficiency, ultimately reinforcing market integration; underlines, furthermore, the importance of providing assistance to the local administrations of communities neighbouring the associated countries in order to fully harness the potential economic benefits of the Association Agreement;

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[4] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (OJ L 64, 11.03.2011, p. 1, ELI: http://data.europa.eu/eli/dir/2011/16/oj).

27. Emphasises the importance of adjusting the requirements related to the provision of statistical data under the Association Agreement to the size of Andorra and San Marino;

28. Welcomes the establishment of a dispute settlement mechanism with the Court of Justice of the European Union as the arbiter of disputes on the interpretation and application of the Association Agreement, which will safeguard the cohesiveness of the internal market;

Cooperation outside the four freedoms

29. Welcomes the fact that the Association Agreement has the potential to enhance cooperation in a wide range of policy areas of common interest, such as research and development, environment and climate action, education, culture, consumer protection, civil protection and public health;

30. Notes that the implementation of these policies, together with alignment with the internal market, will foster deeper integration with the EU, enhance sustainable growth and benefit consumers in Andorra and San Marino;

31. Stresses that the Association Agreement should serve as a vehicle to deepen cross-border cooperation and enable Andorran and Sammarinese partners to access the Interreg funds available in these areas, which are provided by the European Regional Development Fund; highlights the fact that access to EU funds could further support innovation and growth in Andorra and San Marino;

32. Places strong emphasis on sustainability and the transition towards a green economy; welcomes the measures included in the Association Agreement that encourage Andorra and San Marino to align with the EU’s commitments on climate change, renewable energy and the circular economy; stresses the overriding importance of maintaining and safeguarding employment levels;

33. Encourages the development of closer ties with Andorra and San Marino in the area of justice and home affairs too, particularly with a view to combating organised crime, terrorism and other cross-border threats; considers that closer cooperation, with Eurojust and Europol would benefit all parties;

34. Stresses the significance of close cooperation between the EU and Andorra and San Marino during health crises, as demonstrated during the COVID-19 pandemic, when the EU Digital COVID Certificate system facilitating cross-border travel was extended to Andorra and San Marino and when Andorra and San Marino were invited to participate in the EU Health Security Committee; suggests taking stock of the lessons learnt;

Parliamentary dimension

35. Welcomes the fact that a Parliamentary Association Committee (PAC) is established as a pillar of the political dialogue with Andorra and San Marino;

36. Calls for the strengthening of parliamentary cooperation with Andorra and San Marino; considers it important that the PAC be informed of the proceedings and decisions of the EU-Andorra Joint Committee and the EU-San Marino Joint Committee; is of the view that the PAC could make recommendations to the joint committees about the implementation of the Association Agreement;

Involvement of stakeholders and citizens

37. Calls for the meaningful involvement of the Consultative Association Committee of economic and social partners in monitoring the Association Agreement’s implementation;

38. Calls on the European Supervisory Authorities to inform Parliament about the application of the Protocol on financial services, which covers the robustness of the regulatory and supervisory frameworks of Andorra’s and San Marino’s financial sectors;

39. Commends Andorra and San Marino’s efforts to communicate the advantages and obligations conferred by the Association Agreement; stresses the need for the authorities of Andorra and San Marino to provide transparent and accessible information to citizens, including through comprehensible tools, on the content of the Association Agreement, its effects and regulatory implications; encourages continued transparency in order to ensure public awareness;

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40. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy and the governments and parliaments of the Member States and of the Principality of Andorra and the Republic of San Marino.