Working lunch with

Mr Antoni Martí Petit,

Prime Minister of the Principality of Andorra,

and Mr Nicola Renzi, Secretary of State for Foreign Affairs, Political Affairs and Justice of the Republic of San Marino

*Residence of H.E. the Minister of State, 18 March 2017*

Since 18 March 2015, the Principality of Monaco has been officially engaged in negotiations with the European Union (EU), with the aim of concluding an association agreement that will offer a framework for long-term dialogue and cooperation with EU member states and European institutions.

Seeking to establish a common and consistent framework for its relations with the small European states, the EU launched negotiations with the Principalities of Monaco and Andorra, and with the Republic of San Marino.

Since 2010, the three countries have consulted each other frequently on their negotiations with the EU, through meetings at various levels in each state (San Marino in 2012, Andorra in 2012 and July 2016) as well as in Brussels, via their respective permanent representations or during negotiation meetings. The most recent tripartite meeting was held in Monaco on 18 October 2016 at foreign minister level.

**1. The unique situation of small countries**

Andorra, Monaco and San Marino have a number of things in common. They are all small independent states with small populations; and their neighbouring countries are all EU member states with which they have very close relations based on a shared history and political and cultural affinities.

All three states are parliamentary democracies and members of the United Nations, the Council of Europe and the Organisation for Security and Cooperation in Europe.

Nonetheless, there are significant geographic and demographic differences between them.

* Andorra occupies the largest territory (468 square kilometres) and has the highest population (around 73,105 inhabitants). It is located some distance from large urban areas and is linked to its neighbouring countries – Spain and France – by two major roads.
* Monaco is bordered only by France and has around 36,300 inhabitants.
It covers an area of two square kilometres.
* San Marino is situated in a mountainous region and is an enclave of Italy. Its territory extends over an area of 61.2 square kilometres and it has a population of 32,300 inhabitants.

These states are also different in terms of their constitutional, legal and political systems.

* Andorra is a Co-Principality; its Co-Princes are the President of France and the Bishop of Urgell (Spain). It has a parliamentary system.
* Monaco is a constitutional monarchy and is closely tied to France through numerous bilateral treaties.
* San Marino is a parliamentary republic.

**2. Relations with the EU**

Trade links between the EU and the three small nations are governed by customs union agreements: Monaco is party to such an agreement with France and is included within the EU customs area, while San Marino and Andorra have each concluded a customs union agreement with the EU.

In addition, there are monetary agreements and agreements relating to the prevention of money laundering and the exchange of information for tax purposes between the EU and each of the three small states.

In December 2010, the Council of the European Union determined that the EU maintained “extended but fragmented” relations with these three states, given that there were still barriers to the movement of people, goods and services to and from the EU. This led to a certain number of practical difficulties for citizens and businesses, both in the EU and in the small states.

On 18 March 2015, negotiations were formally opened between the EU on one hand, and Andorra, Monaco and San Marino on the other hand, with a view to reaching one or several association agreements to enable these countries to participate in the EU’s internal market and facilitate cooperation with the EU in other areas.

Discussions first focused on the institutional framework for a future agreement or agreements. They then moved on to the free movement of goods and, starting in early 2017, to the free movement of services.

The authorities in Andorra, Monaco and San Marino consult each other frequently as part of these negotiations with the EU, not least to coordinate their positions on issues where their interests coincide.

Appendix 1 – The Principality of Andorra

## Geography

An enclave of southern Europe, the Principality of Andorra is located in the Pyrenees between France and Spain, and covers an area of 468 square kilometres.

## Population

In July 2016, the Principality of Andorra’s population was 73,105: 46% Andorran, 26% Spanish, 13% Portuguese, 5% French and 10% other nationalities.

## Economy

The Principality’s economy is primarily focused on services, with tourism and trade being the main pillars.

In 2015, Andorra’s GDP was EUR 2.535 million, giving a GDP per capita of EUR 34,974, which is above the European average.

Andorra’s main trading partners are EU member states, which account for more than 95% of the Principality’s exports. More than 90% of Andorra’s imports also come from Europe.

**Economic indicators for 2015:**

* GDP growth: 0.2%
* Inflation rate: -0.9%
* Public debt: 40% of GDP
* Budget deficit: EUR 5 million

## Government

Type: Parliamentary Co-Principality

Head of state: President of the French Republic jointly with the Bishop of Urgell.

**Composition of government:**

* Head of government: Mr Antoni Martí Petit (since 12 May 2011, second term)

Ministers:

* Minister of Finance and Civil Service: Mr Jordi Cinca Mateos
* Minister of Public Administration, Transport and Telecommunications:
Mr Jordi Alcobé Font
* Minister of Territorial Planning: Mr Jordi Torres Falco
* Minister of Foreign Affairs: Mr Gilbert Saboya Sunye
* Minister of Justice and the Interior: Mr Xavier Espot Zamora
* Minister of Institutional Relations, Social Affairs and Employment:
Ms Maria Rosa Ferrer Obiols
* Minister of Tourism and Trade: Mr Francesc Camp Torres
* Minister of Education and Higher Education: Mr Eric Jover Comas
* Minister of Environment, Agriculture and Sustainable Development:
Ms Silvia Calvo Armengol

Legislative authority lies with the General Council, which is a unicameral parliament comprising 28 members, with mixed and equitable representation of the national population and the country’s seven parishes (districts). Half of the members of parliament are elected by national constituency, and the other half by parishes, with each parish returning two councillors. National elections are held every four years.

## Diplomatic relations between Monaco and Andorra

The Principality of Monaco and the Principality of Andorra officially established diplomatic relations on 7 July 2006.

H.E. Mr Enric Tarrado-Vives obtained the prior approval of H.S.H. the Sovereign Prince on 4 November 2011 and presented his credentials on 1 March 2012.

In turn, H.E. Mr Claude Cottalorda was appointed Ambassador Extraordinary and Plenipotentiary to the Principality of Andorra by Ordinance No. 5.419 of 15 July 2015.

H.E. Mr Cottalorda presented his credentials to Mr François Hollande, Co-Prince of Andorra, on 19 October 2015, and to H.E. Monseigneur Joan-Enric Vives i Sicília, Bishop of Urgell and Episcopal Co-Prince of Andorra, on 30 October 2015.

**Bilateral agreements**

* Agreement between the Principality of Monaco and the Principality of Andorra on the exchange of tax information, 18 September 2009.
* Agreement on administrative cooperation between SICCFIN and its counterpart in Andorra
(4 May 2004).

Appendix 2 – Republic of San Marino

## Geography

A southern European state and sovereign enclave of Italy (between Emilia-Romagna to the north and Marche to the south) overlooking the Adriatic coast, San Marino covers an area of 61 square kilometres.

## Population

San Marino has 32,789 inhabitants (2015). In 2015, demographic growth stood at 0.67%.

It is worth noting that the Sammarinese community living outside the country numbers nearly 15,000 nationals, who reside primarily in Italy, France and the United States.

## Economy

Share of principal economic sectors in GDP:

* Industry: 33.3%
* Banking and insurance: 17.6%
* Services: 13.6%

The country’s economy is essentially tied to that of Italy, which absorbs 87% of its exports. Eighty-two percent of San Marino’s imports come from Italy. Italy and San Marino are connected by a customs union.

The economic and financial crisis in Italy has had a significant impact on San Marino’s economy since 2008.

**Economic indicators**

GDP growth: 1%

* GDP (2014): EUR 1.4 billion
* Growth rate (2014): -1%
* Unemployment rate (March 2014): 8.4%
* Inflation rate (2013): 2.5%

## Government

Legislative authority is exercised by the Grand Council, whose 60 members are elected by direct universal suffrage (proportional representation) every five years.

The Council approves the state budget and, twice a year (in April and October), elects the Captains Regent from among its members. The Captains Regent jointly assume the role of heads of state. They chair the Congress of State (government), which exercises executive authority through the Secretaries of State (Ministers).

The most recent general elections were held on 4 December 2016, when the sitting government, dominated by the Sammarinese Christian Democratic Party (PDCS), was defeated by a coalition, Adesso.SM, made up of left-wing parties and grassroots movements, which won 58% of the vote.

System: Parliamentary republic

Captains Regent: Mr Marino Ricardi and Mr Fabio Berardi (1 October 2016 to 1 April 2017)

**Composition of government:**

27th government, 27 December 2016

* Mr Nicola Renzi, Secretary of State for Foreign Affairs, Political Affairs and Justice\*
* Mr Guerrino Zanotti, Secretary of State for Internal Affairs, the Public Sector, Relations with Municipal Councils, Simplification of Standards, Institutional Affairs and Peace
* Mr Simone Celli, Secretary of State for Finance and the Budget, the Postal Service, Transport, and Economic Planning
* Mr Andrea Zafferani, Secretary of State for Industry, Crafts, Trade, Employment, Cooperation and Telecommunications
* Mr Augusto Michelotti, Secretary of State for Land and the Environment, Agriculture, Tourism, Civil Defence, Relations with Public Works Officials and Youth Policies
* Mr Franco Santi, Secretary of State for Health and Social Security, Equal Opportunities, Wellbeing and Social Affairs
* Mr Marco Podeschi, Secretary of State for Education, Culture, University, Research, Information, Sport, Technological Innovation and Relations with Public Installations Officials

\* Mr Nicola Renzi was Captain Regent from 1 October 2015 to 1 April 2016.

## Diplomatic relations between Monaco and San Marino

The Principality of Monaco and the Republic of San Marino established diplomatic relations on 16 October 2006.

H.E. Ms Sylvie Bollini obtained approval from H.S.H. the Sovereign Prince on 16 January 2015
and presented her credentials on 7 September 2015.

In turn, H.E. Mr Robert Fillon was appointed Ambassador Extraordinary and Plenipotentiary to the Republic of San Marino by Ordinance No. 4.135 of 28 January 2013.

**Bilateral agreements**

* Agreement between the Principality of Monaco and the Republic of San Marino on the exchange of tax information, 29 July 2009.
* Agreement on administrative cooperation between SICCFIN and its counterpart in San Marino (16 December 2005).