

## State of Negotiations between Monaco and the European Union

Since 18 March 2015, the Principality of Monaco has been officially engaged in negotiations with the European Union (EU) with the aim of signing an association agreement that will offer a framework for cooperation and ongoing dialogue with the 28 member States of the EU and the European Institutions.

The main aim of this agreement is to enable Monaco and all its economic stakeholders to participate in the European internal market, which comprises 500 million consumers, and remove any obstacles that can currently hinder exports and which could cause further hindrance in the future, if there is no Agreement.

In line with the EU's wish to create a framework for relations with the small States of Europe, Monaco has begun these negotiations alongside the Principality of Andorra and the Republic of San Marino.

Work has begun on the institutional framework of the Agreement, i.e. the mode of implementation of the Agreement: the creation of a joint EU/Monaco Committee, the transposition of certain European texts within Monegasque laws and regulations, monitoring the enforcement of the Agreement, dispute settlement, ways in which Monaco can become involved with drawing up future European legislation, etc. The negotiations on this chapter, which contains thirty or so articles, are well advanced, and all the positions are known.

Monaco does not wish to make a final decision on the institutional framework while the substance of the Agreement has not yet been negotiated, i.e. its scope clearly defined.

Discussions have thus begun on the various aspects of the internal market, with the free movement of goods.

On this matter, Monaco has received confirmation from the European negotiators that the status of the Principality, which already forms part of the European customs territory by virtue of the Franco-Monegasque customs union, will be maintained. Furthermore, Monaco should benefit from future trade agreements between the EU and third States.

Negotiations will then continue on the three other "freedoms" of the internal market – freedom to provide services, free movement of capital and free movement of persons.

With regard to the freedom to provide services, the Government has already begun discussions, in particular with the regulated professions with which it regularly consults. The next meetings with the Monegasque Committee for Regulated Professions will be held in early July 2016.

Finally, the so-called "horizontal" provisions, such as the participation of stakeholders from the Principality in European research programmes and environmental programmes, and access for Monegasque nationals to student exchange programmes.

In practice, the negotiation on each "chapter" of the Agreement is focussed on four phases:

- a screening phase, during the course of which the relevant Directorates-General of the European Commission outline the main aspects of the project, or, with regard to substance, the EU acquis relating to the freedom studied;
- an exchange of views will then take place between the European Union and Monaco, Andorra and San Marino;
- the EU will forward a draft text to the delegations;
- then dynamic negotiation of each chapter will begin, article by article.

All these negotiation meetings last for between three and five days and are held every six or seven weeks in Brussels.

In parallel, discussions have begun with the French Authorities, because the future Association Agreement may amend or even replace some bilateral agreements that may fall within its scope. In this context, Monaco and France have carried out a full overview of the agreements in force and have identified those that are likely to be affected by this future Agreement. "Working pairs," comprised of representatives from both authorities, have been created, and have begun to examine these agreements jointly. The Commission for Franco-Monegasque Cooperation of 31 May 2016 was an opportunity to take stock of the progress of these discussions.

The first negotiating meeting will be held from 6 to 8 June 2016. This will be the last before the summer break.

The issue of the British referendum of 23 June 2016 will determine the future pace of negotiations between Monaco and the EU, because an exit by the United Kingdom would draw heavily upon the services of the European Commission.