IN-DEPTH ANALYSIS

EU-Cuba relations: a new chapter begins

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ABSTRACT

The Political Dialogue and Cooperation Agreement (PDCA) between the EU and Cuba, endorsed by the European Parliament (EP) on 5 July 2017, opens a new phase in EU-Cuba relations. Until now Cuba was the only country in Latin America without a cooperation or political dialogue agreement with the EU. The PDCA creates a framework for political dialogue and closer bilateral cooperation, including in trade. The parts of the agreement (mostly related to cooperation and trade issues) that fall within EU competence can already be applied provisionally, but the agreement will only enter into force in full after it has been ratified in all the EU Member States.

Since negotiations on the PDCA began in 2014, Cuba’s relations with the EU and individual Member States have intensified considerably. For the EU, the PDCA is a tool for supporting a process of change and modernisation in Cuba, while for Cuba it represents the ‘normalisation’ of the relationship with an important economic and trade partner and helps it to diversify its external relations.

Parliament will focus, in monitoring the implementation of the PDCA, on two areas of particular concern to the EP: human rights and civil liberties on Cuba, and the role of Cuban civil society.
# Table of contents

1. European Parliament–Cuba: Milestones ........................................... 4
2. The EU and Cuba: an overview ....................................................... 6
   2.1 EU-Cuba relations .................................................................. 6
   2.2 The human rights dialogue ..................................................... 9
3. The Political Dialogue and Cooperation Agreement .................... 12
   3.1 Summary of the agreement ................................................... 13
   3.2 Expectations and criticism .................................................... 19
4. Cooperation .................................................................................... 22
5. Trade and investment relations ..................................................... 24
6. Parliamentary links ......................................................................... 26
7. The European Parliament and the PDCA ................................... 27
8. Map ............................................................................................... 31
# European Parliament–Cuba: Milestones

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>5 July 2017</td>
<td>The European Parliament (EP) gave its consent to the conclusion of the Political Dialogue and Cooperation Agreement (PDCA) by a huge majority. On the same day, the EP adopted a resolution welcoming the PDCA as a new framework for relations between the EU and Cuba and affirming their strategic value. The resolution also stresses the importance of the EU-Cuba human rights dialogue, encouraging both parties to establish guarantees for the active participation of all civil society and opposition political actors, without restrictions, in the political dialogue.</td>
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<td>12 October 2016</td>
<td>The 2010 Sakharov Prize laureate Guillermo Fariñas participated in an exchange of views on EU-Cuba relations in a joint meeting of the Committee on Human Rights and the Committee on Foreign Affairs in association with the Delegation to the Euro-Latin American Parliamentary Assembly.</td>
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<td>13 December 2013</td>
<td>In its resolution on the Annual Report on Human Rights and Democracy in the World in 2012, the EP about the continuing repression of independent journalists and human rights activists and the suppression of political dissent in Cuba. It called on the European External Action Service (EEAS) and the EU High Representative/Vice-President (HR/VP) to promote an international and independent committee of inquiry to investigate the circumstances in which the human rights defenders and dissidents Oswaldo Payá (Sakharov laureate 2002) and Harold Cepero died in July 2012.</td>
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<td>21 October 2010</td>
<td>The Cuban human rights activist and political dissident Guillermo Fariñas was declared the winner of the 2010 Sakharov Prize. He received the prize in Strasbourg on 3 July 2013.</td>
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<td>11 March 2010</td>
<td>In a resolution on prisoners of conscience in Cuba, the EP condemned the death of political prisoner Orlando Zapata and asked the EU to step up action to demand the release of prisoners and to begin a structured dialogue with civil society and democrats in Cuba.</td>
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<td>21 June 2007</td>
<td>The EP passed a resolution urging the EU institutions to give unconditional support to a peaceful transition process to a multi-party democracy in Cuba and demanding the release of political prisoners.</td>
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<td>2 February 2006</td>
<td>In a resolution on the EU position towards the Cuban Government, the EP regretted the absence of significant signs on the part of the Cuban authorities in response to the EU's calls for full respect for fundamental freedoms and condemned the worsening repression and the increase in the number of prisoners of conscience. It also stressed that human rights issues should be raised by every high-level EU visitor.</td>
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<td>26 October 2005</td>
<td>The EP announced that the Sakharov Prize for 2005 would be awarded to the human rights activist group ‘Ladies in White’ (Damas de Blanco). The group received the prize in Brussels on 23 April 2013.</td>
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17 November 2004  The EP adopted a resolution calling for the immediate release of all political prisoners and prisoners of conscience and reiterating that the objectives of the EU’s policy towards Cuba continued to be respect for human rights and fundamental freedoms, encouragement of a transition to pluralist democracy and lasting economic recovery.

4 September 2003  In a resolution, the EP reiterated its condemnation of the continuing flagrant violation of the civil and political human rights and fundamental freedoms of members of the Cuban opposition and of independent journalists, noting that the human rights situation has severely deteriorated.

10 April 2003  The EP resolution on human rights in Cuba strongly condemned the wave of arrests and sentences involving the Cuban opposition and called on the Cuban authorities to release those arrested immediately.

19 December 2002  Cuban dissident Oswaldo José Payá, founder of the Varela Project, received the Sakharov Prize for 2002 in Strasbourg.

15 May 2002  In a resolution on the transatlantic relationship, the EP called for an end to the embargo against Cuba and the rescinding of the extraterritorial ‘Helms-Burton’ law. In a resolution passed the same day on the second European, Latin-American and Caribbean Summit, the EP urged both Cuba and the EU to pursue their relations and renewed political dialogue.

18-22 July 2001  The EP Delegation for relations with the countries of Central America and Mexico visited Cuba.

11 March 1999  In a resolution on the situation of human rights in Cuba, the EP called on the Cuban authorities to release all political prisoners and condemned the imprisonment and house arrest of dissidents and members of the opposition. It also called on the Council and the Commission to continue efforts to achieve positive change in Cuba through constructive dialogue.

20-23 May 1998  The EP Delegation for relations with the countries of Central America and Mexico visited Cuba.

25-29 June 1996  The EP Delegation for relations with the countries of Central America and Mexico visited Cuba.

14 March 1996  In a resolution, the EP condemned the shooting down of two civilian aircraft by the Cuban airforce, stating that actions of this kind could delay the process of normalising relations between the EU and Cuba.

18 January 1996  In a resolution on Cuba, the EP considered that dialogue between the EU and Cuba could have a positive influence on political and economic reforms and that the EU should support the democratisation process in Cuba on all levels.

29 September 1994  The EP passed a resolution calling on the US administration to reinstate full economic, trade and financial relations with Cuba and on the Cuban government to introduce political changes to deepen democracy and increase respect for human rights.
2 The EU and Cuba: an overview

The European Parliament (EP) gave its consent by a large majority (567 votes to 65, with 31 abstentions) on 5 July 2017 to the conclusion of the Political Dialogue and Cooperation Agreement (PDCA) between the EU and Cuba. With the Parliament’s endorsement of the agreement, signed by the High Representative / Vice President of the Commission (HR/VP), Federica Mogherini, and the Cuban minister of foreign affairs, Bruno Rodríguez, in Brussels on 12 December 2016, the parts of the agreement that fall within EU competence (mostly related to cooperation and trade issues) can be applied on a provisional basis. As a ‘mixed agreement, the EU-Cuba PDCA can only be applied in full when it has been ratified in all the EU Member States.

The signing of the PDCA and the EP’s consent to the agreement mark the culmination of three years of intensifying relations between Cuba and the EU, and at the same time opens a new phase in relations between them. It is the first such agreement between the two parties. Up to now, Cuba was the only country in Latin America that had not concluded a cooperation or political dialogue agreement with the EU.

The agreement creates a new framework for political dialogue and strengthened bilateral cooperation, including in trade. For the EU, the PDCA is a tool for ‘accompanying’ and ‘supporting’ a process of change and modernisation in Cuba, supporting economic and social development and European values, including the promotion of democracy and respect for human rights. For Cuba, the agreement represents the ‘normalisation’ of its relationship with an important economic and trade partner and contributes to the diversification of its external relations.

2.1 EU-Cuba relations

In contrast to the USA, the EU and its Member States have maintained full diplomatic and economic relations with Cuba throughout recent decades although the relationship has at times been fraught. Cuba has received humanitarian and development aid from the EU since 1984 and the EU and Cuba first established diplomatic ties in 1988. The EU opened a representation office in Havana in March 2003 — which operated as part of the delegation to the Dominican Republic — and upgraded it to a fully-fledged delegation in 2008. Similarly, Cuba has attended all the summits between the EU and Latin American and the Caribbean since the first summit in June 1999 in Rio de Janeiro.

Relations were largely frozen in the five years between 2003 and 2008, due to the Cuban government’s crackdown on dissidents and the democratic opposition and the EU’s response — mainly a number of ‘diplomatic sanctions’, including the limitation of high-level visits. A rapprochement began when the EU decided in June 2008 to remove the sanctions applied
EU-Cuba relations: a new chapter begins

The possibility of a cooperation agreement between the EU and Cuba was on the table several times over the years.

The EU’s policy on Cuba was based on its 1996 Common Position until it was superseded by the PDCA.

The Common Position stated that the EU’s objectives in its relations with Cuba was to encourage a transition to pluralist democracy and an improvement in the living standards of the Cuban people.

The Common Position also stipulated that full cooperation with Cuba would depend on improvements in human rights and political freedoms.

The Council formally repealed the Common Position on 6 December 2016, in parallel with its decision to sign the PDCA.

since 2003 and to pursue a ‘comprehensive and open political dialogue’ with the Cuban government.

Development aid to Cuba, which the country had refused since July 2003, resumed in October 2008. Since then, seven high-level political dialogue meetings have taken place — although at irregular intervals — and different European Commissioners have met several times with representatives of the Cuban government, including at the highest level.

The possibility of concluding a cooperation agreement with Cuba was on the table several times over the years. Back in 1988, when Cuba established diplomatic relations with the then European Community, its ambassador announced that Cuba would ask for negotiations on a cooperation agreement. However, progress towards closer relations and their possible formalisation in an agreement on dialogue and cooperation — bilateral or through Cuba’s access to the Cotonou Agreement between the EU and the ACP countries — was thwarted by political divergences and the situation of human rights and civil liberties in Cuba. Examples include the ‘crisis of the embassies’ in 1990, the ‘airplane crisis’ and the adoption of the EU’s Common Position on Cuba in 1996 and the multiple arrests of Cuban dissidents in 2003.

From 1996 until the PDCA was signed, the EU’s policy on Cuba was based on the Common Position on Cuba, first adopted by the Council on 2 December 1996. The Common Position set out a number of basic principles for the EU’s relations with Cuba, notably the following:

- the EU’s objective in its relations with Cuba was to encourage a transition to pluralist democracy and respect for human rights and fundamental freedoms, as well as an improvement in the living standards of the Cuban people;
- the EU wished to be Cuba’s partner in the progressive and irreversible opening-up of the Cuban economy;
- full cooperation with Cuba would depend on improvements in human rights and political freedoms;
- the EU would support progress towards democracy in Cuba and would examine the use of different means for that purpose, including the intensification of political dialogue and of cooperation and exploring the possibilities for negotiating a cooperation agreement.

The Common Position was superseded by the PDCA. It was formally repealed by the Council on 6 December 2016, in parallel with the decision to sign the agreement. The Cuban government had sharply rejected the Common Position since it was adopted for the first time, seeing it as unilateral, discriminatory and an unacceptable interference in the country’s internal affairs. The abolition of the Common Position had therefore always

2 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31996E0697&amp;id=1482250607125&amp;from=EN
The abolition of the Common Position had been a central Cuban demand. The Cuban government officially welcomed ‘with satisfaction’ the decision to repeal the Common Position, noting the ‘political significance’ of the decision, which created the conditions for signing the PDCA as a ‘reciprocal contractual framework’, based on respect and mutual benefit.\(^4\)

The start of negotiations on the PDCA in 2014 saw a general intensification of EU-Cuba relations:

- Coinciding with the start of the negotiations on a PDCA, Cuba and the European Commission concluded in August 2014 the Multiannual Indicative Programme (MIP), which regulates bilateral cooperation in the 2014–2020 period.

- The HR/VP visited Cuba for the first time on 23 and 24 March 2015 — the highest-level EU visit in several years. During her stay, Ms Mogherini met President Castro, the ministers for foreign relations, foreign trade and investment and the economy, the president of the National Assembly, Cardinal Jaime Ortega y Alamino (the Archbishop of Havana) and representatives of Cuban cultural life. The visit was reportedly very positive and the Cuban side demonstrated a sincere commitment to change. During the visit, the parties decided to intensify negotiations on the PDCA.

- Cuba’s minister of foreign affairs, Bruno Rodríguez, visited Brussels on 22 April 2015 and met with the HR/VP. At the meeting, the EU-Cuba formal political dialogue was re-launched after a four-year interruption. Notably, the parties also agreed to establish a special structured dialogue on human rights, and set the first meeting for June 2015. Mr Rodríguez’s visit to Brussels formed part of a wider visit that also took in France, Luxembourg and the Netherlands.

- On the sidelines of the EU-CELAC summit on 10 and 11 June 2015 in Brussels, HR/VP Mogherini held a bilateral meeting with the Cuban vice president Miguel Díaz-Canel (who also met with the prime ministers of Luxembourg and Slovenia).

- The HR/VP’s second visit to Cuba within a year took place on 10 and 11 March 2016. During the visit, Ms Mogherini held a formal political dialogue meeting with the foreign minister Bruno Rodríguez. This was the seventh such meeting overall and the second between the two. The HR/VP also met with President Raúl Castro and initialled the PDCA. Also visiting Cuba on the same dates was the European Commissioner for International Cooperation and Development, Neven Mimica. He met with various ministers to address the EU’s cooperation with Cuba and visited EU-funded cooperation projects.

Closer political and economic links with Cuba at Member State level have accompanied and reinforced the intensification of relations at EU level.

Individual Member States have also stepped up their political and economic links with Cuba.

President Raúl Castro visited Italy in May 2015 (and also met with Pope Francis) and the then French President François Hollande visited Cuba from 10 to 12 May 2015. Mr Hollande’s visit received significant press coverage due to its level and historic nature — he was the first French president and the first Western European political leader to visit Cuba in almost 30 years — but he was preceded and followed by a number of other European ministers or high-level officials, usually accompanied by business delegations.3

Three other European heads of state, the president of Austria, Heinz Fischer, of Portugal, Marcelo Rebelo de Sousa, and of Ireland, Michael D. Higgins visited Cuba in March 2016, October 2016 and February 2017, respectively. The Greek prime minister, Alexis Tsipras, visited Cuba in November 2016 (speaking at a ceremony to honour Fidel Castro a few days after his death). President Castro paid a state visit to France in February 2016, his first official visit to Europe as president and the first such visit by a Cuban leader in 20 years.

Other high-level visits included the meeting between the then German foreign minister, Frank-Walter Steinmeier, and his Cuban counterpart Bruno Rodríguez in Havana in July 2015. They discussed options for developing bilateral relations. This visit led to the signing of agreements on cooperation between the two countries and on political consultations between the two ministries.6 The German vice-chancellor and then minister for economic affairs, Sigmar Gabriel, visited Cuba in January 2016 and the prime minister of the Netherlands, Mark Rutte, in June 2016. Other EU Member State foreign ministers (UK, Spain, Belgium, Luxembourg and Poland) paid official visits to Cuba between April 2016 and June 2017. Likewise, Bruno Rodríguez has visited several EU Member States during the past two years.

The agreement reached in December 2015 with 14 countries of the ‘Paris Club’, 10 of them EU Member States (Austria, Belgium, Denmark, Finland, France, Italy, the Netherlands, Spain, Sweden and the United Kingdom), on the restructuring of USD 11.1 billion of outstanding Cuban debt was another expression of the closer relations between Cuba and most EU countries in recent years.

2.2 The human rights dialogue

Notwithstanding the conclusion of the PDCA and the positive dynamic in EU-Cuba relations in recent years — at both EU and individual Member State level — the EU and the Cuban government continue to have fundamentally different perceptions on a number of issues. These relate in

3 http://www.cubaminrex.cu/es/arribo-cuba-canciller-de-italia

6 http://www.cubaminrex.cu/es/sostienen-conversaciones-oficiales-ministros-de-relaciones-exteriores-de-alemania-y-cuba
Despite the PDCA and the positive dynamic in EU-Cuba relations in recent years, the EU and the Cuban government still have different perceptions of issues concerning democracy and fundamental freedoms. The EU and Cuba held their first high-level dialogue on human rights in Brussels on 25 June 2015. The EU statement on the meeting referred to their ‘frank and respectful’ exchange, which demonstrated the parties’ commitment to deepening relations in support of respect for human rights.

Cuba stressed its interest in dialogue based on reciprocity, respect for the sovereignty of the parties and non-interference in their internal affairs.

The EU and Cuba held their first high-level dialogue on human rights issues in Brussels on 25 June 2015. The delegations were headed by Stavros Lambrinidis, for the EU, and by the director-general for multilateral issues and international law in Cuba’s ministry for foreign affairs. According to the EU statement issued after the meeting, the parties focused on the objectives of the new dialogue. These are: to improve mutual understanding on human rights issues, to exchange experiences and best practices and to seek to identify areas of cooperation, basic principles and issues of mutual interest (including gender and violence against women, children’s rights, sustainable development, health, education, freedom of expression and association, migration and the rule of law). The European External Action Service (EEAS) said in the statement that the meeting had allowed for a ‘frank and respectful’ exchange, demonstrating both parties’ commitment to deepening relations in support of respect for human rights. Issues such as the universality, indivisibility and interdependence of human rights were discussed.

Somewhat in contrast with the EU’s emphasis on the political importance of human rights issues, the Cuban government’s communiqué described the meeting as a ‘technical dialogue’. It stressed Cuba’s interest in holding the dialogue on a basis of reciprocity, respect for the sovereignty of the parties and non-interference in their internal affairs. It made clear that the Cuban delegation emphasised the need to maintain an ‘adequate balance’ between particular to the principles that lie at the heart of the EU’s external action: democracy and the rule of law and fundamental freedoms, including civil liberties and political rights. Although the Cuban government is willing to address such issues and has accepted dialogue and cooperation on human rights and democracy as an integral part of the PDCA — even embarking on a specific human rights dialogue with the EU, similar to the EU’s dialogues with countries such as China and Vietnam — these differences are unlikely to disappear any time soon.

The differences are reflected in official communiqués and statements. For example, the joint statement following the third round of the PDCA negotiations (on 4 and 5 March 2015 in Havana) referred to ‘elements of divergence’ on issues such as the role of civil society in cooperation, the transposition of international legal obligations and differences in political and legal systems, particularly in the areas of governance and human rights.

Nevertheless, the mere creation of a dialogue focusing on human rights issues and, more specifically, Cuba’s acceptance of the visit to Cuba by the EU’s Special Representative on Human Rights, Stavros Lambrinidis, in connection with the second dialogue meeting in June 2016 could be considered an achievement.

8 http://www.cubaminrex.cu/es/comunicado-de-prensa-sobre-el-dialogo-tecnico-en-temas-de-derechos-humanos-entre-cuba-y-la-union
EU-Cuba relations: a new chapter begins

civil and political rights, on the one hand, and economic, social and cultural rights, on the other. In line with this, Cuba expressed its interest in addressing issues such as racial discrimination, the rights of vulnerable groups such as migrants, the protection of human rights in the context of the fight against terrorism and the right to privacy.

The second high-level dialogue meeting on human rights took place in Havana on 6 June 2016. It addressed the constitutional, legal and administrative aspects of freedom of association and the possibilities for civil society to participate freely in public life. The meeting also discussed gender equality, racism and xenophobia, as well as the treatment of vulnerable groups, such as migrants, refugees and asylum seekers. According to an EEAS statement, the meeting demonstrated both sides’ ‘firm commitment’ to discuss openly and constructively issues of interest and of concern to each side, seeking to enhance mutual understanding and explore options for joint action and cooperation, including through further engaging at technical level.

The Cuban government’s press statement highlighted that the meeting discussed specific human right issues defined in advance, regarding both civil and political rights and economic, social and cultural rights. The statement referred to ‘deep differences of opinion’ on various substantive issues, but said that they were addressed in a ‘respectful’ atmosphere and with ‘full respect for sovereign equality, independence and the non-interference in the parties’ internal matters’.

The third and most recent high-level dialogue on human rights took place in Brussels on 22 May 2017. The parties had an ‘extensive discussion’ on different aspects of elections in both the EU and in Cuba, notably the 2017 municipal elections and the election of a new Cuban president foreseen for 2018. According to the EU press release, the EU representatives underlined the need to comply with international human rights electoral standards, including the freedoms of expression, association and assembly and to ensure free access to media and information, so that voices from different parts of the political spectrum can be heard and participate in the election.

The two parties also discussed the situation of freedom of association and expression in Cuba and in the EU, including the issue of how to engage with civil society activists and the possibilities for civil society to participate freely in public life. The EU and Cuba addressed economic and social rights, including the coverage of social protection systems, the promotion of social dialogue, respect for core labour standards, the fight against discrimination and the inclusion of disadvantaged groups, as well as the protection of the human rights of refugees and migrants.

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10 http://www.minrex.gob.cu/es/comunicado-de-prensa-sobre-los-resultados-del-dialogo-de-derechos-humanos-entre-cuba-y-la-union

The Cuban foreign ministry’s statement on the meeting referred to ‘deep differences’ between the two parties’ positions and in their approach to several of the issues discussed. However, it also referred to the ‘respectful and constructive’ climate of the meeting and to the parties’ willingness to address all issues in ‘full respect for the sovereign equality and the independence’ of the other and without interfering in internal affairs. According to the statement, the Cuban side reiterated the wish for the dialogue to contribute to addressing human rights issues in an ‘effective, constructive and no-discriminatory’ way, serving to improve relations between Cuba and the EU.

On the specific issue of elections, the Cuban delegation pointed to the reportedly low turnout in European elections, reflecting the crisis of confidence and the limitations of ‘bourgeois representative democracy’, and the strength of Cuba’s socialist democracy, based on the full participation of citizens and the organisations of civil society.12

3 The Political Dialogue and Cooperation Agreement

The process leading up to the negotiation of the PDCA began with the Council decision in October 2010 to ask the HR/VP, in the framework of the 1996 Common Position, to explore possible options for the way forward for relations with Cuba. This step is to be viewed in the context of the incipient economic reform process in Cuba and the growing number of bilateral cooperation agreements between Cuba and EU Member States. The reflection process concluded with a proposal to the Council for negotiating directives for a bilateral PDCA with Cuba and their adoption on 10 February 2014.

After a relatively slow start to the negotiations, which opened in April 2014 with a first round of talks (in Havana) focused on the organisation of the negotiations, followed by a second round (in Brussels) in August 2014 dealing mainly with cooperation, the negotiations gained new momentum in the first half of 2015.

The third round, in March 2015, produced provisional agreements on many articles of the cooperation chapter of the PDCA and allowed for exchanges on the PDCA’s two other main chapters, on political dialogue and trade, clarifying concepts and the ambitions of the two parties. During the next three negotiation rounds, in June, September and December 2015, the trade chapter of the agreement was closed, the chapter on cooperation was nearly completed and ‘substantial progress’ was made on the chapters on political dialogue.

Although the goal of concluding the negotiations before the end of 2015 proved to be too optimistic, the outstanding issues related to political dialogue and cooperation, as well as the institutional arrangements and

12 http://www.minrex.gob.cu/es/comunicado-sobre-tercera-ronda-de-dialogo-de-derechos-humanos-entre-cuba-y-la-union-europea
The Council decided on 6 December 2016 to sign the agreement. The general provisions of the agreement, were solved during the seventh negotiation round, held on 3 and 4 March 2016 in Havana. The PDCA was initialled a week later, on 11 March, by the chief negotiators. The Council decided on 6 December 2016 to sign the agreement and to apply on a provisional basis the parts of the PDCA that fall within EU competence.

### 3.1 Summary of the agreement

The PDCA sets out a number of fundamental, shared principles. These are: respect for Cuba’s sovereignty, territorial integrity and political independence; commitment to effective multilateralism, universal human rights and the principles of democracy, good governance and the rule of law; and, promotion of international peace and security.

Article One establishes the respect for and promotion of democratic principles and respect for all human rights and fundamental freedoms as an essential element of the agreement.

A central objective is to create a framework for dialogue and cooperation to ‘accompany the process of updating the economy and society in Cuba’.

The PDCA refers to a number of fundamental, shared principles in the preamble and Article One. It beings with respect for the sovereignty, territorial integrity and political independence of the Republic of Cuba, followed by references to the commitment to effective multilateralism, universal human rights and the principles of democracy, good governance and the rule of law, as well as the promotion of international peace and security. The preamble also underlines the parties’ opposition to unilateral coercive measures with extraterritorial effect and their commitment to promote their abrogation. This is a clear reference to US legislation imposing sanctions on Cuba with an extraterritorial scope, such as the 1996 Helms-Burton Act.

Similarly, Article One of the PDCA establishes that the central basis for relations between the EU and Cuba is equality, reciprocity and mutual respect. It also establishes that an essential element of the agreement is the respect for and the promotion of democratic principles and respect for all human rights and fundamental freedoms. It refers to both parties’ recognition that all peoples have the right to determine freely their political system and to pursue freely their economic, social and cultural development.

The PDCA sets out a number of shared objectives. It sets the overall aim of consolidating and strengthening EU-Cuba relations in the areas of political dialogue, cooperation and trade and defines various specific objectives. These are: reinforcing bilateral cooperation in international fora with the aim of strengthening human rights and democracy; achieving sustainable development and ending discrimination in all its aspects; supporting efforts to achieve the goals of the 2030 Agenda for Sustainable Development; promoting trade and economic relations in conformity with WTO rules and principles; enhancing regional cooperation in the Caribbean and Latin America; and, encouraging contact, dialogue and cooperation between the societies of Cuba and EU countries at all levels. Notably, the PDCA states that a central objective is to create a comprehensive framework for dialogue and cooperation to “accompany the process of updating the economy and society in Cuba”.

The agreement has three main sections: political dialogue, cooperation and sector policy dialogue, and trade and trade cooperation.

Political dialogue

This chapter covers a wide range of areas where the parties agree to establish a political dialogue, exchange views or cooperate. In addition to agreeing on a regular political dialogue at senior officials and political level, it includes the following areas:

Human rights. The dialogue is established with a view to enhancing practical cooperation, at multilateral and bilateral levels. The agreement stipulates that the agenda for the dialogue sessions shall ‘address in a balanced fashion civil and political rights and economic, social and cultural rights’.

Illicit trade in small arms. The EU and Cuba agree to cooperate at bilateral, regional and international level and to ensure coordination of their efforts to ensure effective control of the production, exports and imports of small arms and light weapons, and to prevent, combat and eradicate illicit arms trade. A regular political dialogue shall accompany this cooperation.

Disarmament and non-proliferation. The parties agree to cooperate and to contribute to international efforts on disarmament and the non-proliferation of weapons of mass destruction, and to establish a regular dialogue to accompany cooperation in this area.

The fight against terrorism. Cuba and the EU agree to cooperate in exchanges of experience and information on terrorist groups and their support networks, in accordance with international and internal law, and on means, methods and best practices to counter terrorism.

Serious crimes of international concern. The parties agree to cooperate to strengthen the legal framework aimed at preventing and punishing the ‘most serious crimes of concern to the international community’, stating that these crimes should be prosecuted at either internal or international level, including the International Criminal Court (ICC).

Unilateral coercive measures. In this provision, which is clearly aimed at the 1996 Helms-Burton Act, the parties agree to pursue a regular dialogue on the application of such measures and the prevention and mitigation of their effects.

Trafficking of persons. The parties agree to exchange views on preventing and combating the smuggling of migrants and trafficking in persons with a view to identifying areas for joint action, focusing on best practices and activities to identify and prosecute criminal networks.

Drug trafficking. In this provision, the EU and Cuba reaffirm the importance of exchanging views and best practices to identify areas for joint action to prevent and combat the production, trafficking and consumption of illicit drugs. They also agree to cooperate with third countries in reducing the production and trafficking of illicit substances.

Combating xenophobia and racism. This point includes a commitment to fight racism, racial discrimination, xenophobia and related intolerance, including through ratification and implementation of the International
EU-Cuba relations: a new chapter begins

The PDCA sets out a range of areas for future cooperation between the EU and Cuba.

Actions should complement Cuba’s development efforts, promote sustainable development and contribute to the goals of the 2030 Agenda for Sustainable Development.

Cooperation should take place in five main sectors:

Democracy and human rights, good governance, the rule of law, modernisation of public administration and conflict prevention and resolution. The parties define the overall principles for cooperation in this area and declare that the protection and promotion of human rights and fundamental freedoms is the first responsibility of governments. They acknowledge that it is their duty to protect all human rights and fundamental freedoms regardless of their political, economic and cultural systems. The text also recognises that democracy is based on the freely expressed will of the people to determine their own political, economic, social and cultural systems and their full participation in all aspects of life. However, it also refers to the significance of ‘national and regional particularities’ and of various historical, cultural and religious backgrounds.

Cooperation on human rights may include activities seeking inter alia to promote and protect civil, political, economic, social and cultural rights for all; address human rights globally; and effectively implement international human-rights instruments and integrate the promotion and protection of human rights into internal policies and development plans. It may also aim...
to raise awareness and promote education in human rights and strengthen democratic and human rights related institutions and legal and institutional frameworks.

Under the PDCA, cooperation activities can be agreed with the aim of respecting the rule of law, promoting transparent, responsible, efficient and democratic institutions, promoting exchanges of best practices on good governance, accountability and transparent management and of working for more inclusive political processes that allow for genuine participation by all citizens. The EU and Cuba also agree to attach particular importance to the consolidation of the rule of law, including access to justice and a fair trial, as well as to the reinforcement of institutions related to enforcement and the administration of justice.

Cooperation on the modernisation of public administration should aim, *inter alia*, to increasing the effectiveness of public institutions and improving the transparent management of public resources and capacity building. Finally, cooperation on conflict prevention and resolution should aim to strengthen capacities, including support for mediation, negotiation and reconciliation processes.

Under the title ‘*promotion of justice, citizen security and migration*’, the PDCA establishes mechanisms for cooperation in many areas that are also included in the political dialogue chapter. They include: protection of personal data; preventing and combating drug trafficking, money laundering and organised crime; the fight against corruption; preventing and combating illicit trafficking in small arms and light weapons; the fight against terrorism; migration, trafficking of persons and smuggling of migrants. This section includes an article in which the parties recognise the contribution of civil society, including academia, think tanks and media, to the fulfilment of the objectives of the PDCA. They agree to promote greater civil society participation in the formulation and implementation of cooperation activities, including through capacity building.

Cooperation on social development and social cohesion may cover areas such as economic policies to reduce inequality and inequity; trade and investment policies; fair trade; and the development of rural and urban state and non-state enterprises.

The PDCA also mentions the promotion of efficient social policies and equitable access to social services for all, employment policies and more inclusive and comprehensive social-protection schemes. In the area of employment and social protection, the parties agree to cooperate to create more inclusive and well-functioning labour markets, extend social protection, promote social dialogue and ensure respect for core labour standards.

One the first sectoral dialogue under the PDCA could address social issues. At the human rights dialogue meeting in May 2017, the two sides agreed to explore this possibility.
The PDCA also includes cooperation to promote the equal participation of women in political, economic, social and cultural life. It stipulates that the gender perspective must be included in all the relevant fields of cooperation.

On **education**, the EU and Cuba agree to support the development of human resources at all levels, particularly higher education, including through promoting exchanges of students, researchers and academics. The PDCA also sets out cooperation in the **health** sector, **consumer protection** and in the field of **culture**, including fostering ‘balanced’ cultural exchanges and contact with civil society organisations.

This part of the PDCA also deals with cooperation to promote the equal participation of women in political, economic, social and cultural life. It stipulates that the gender perspective must be included in all the relevant fields of cooperation, and that cooperation must facilitate equal access for men and women to all services and resources allowing them to exercise their fundamental rights. The parties agree to give particular attention to programmes aimed at preventing violence against women. Similarly, the EU and Cuba agree to promote the active participation of young people in society and foster cooperation between youth organisations.

The fourth title of this chapter sets out cooperation in the area of the **environment, disaster risk management and climate change**. Actions may include measures related, *inter alia*, to the transfer and use of sustainable clean technology and know-how, the promotion of sustainable production and consumption patterns, increasing the resilience of Cuba to disasters and the sustainable management of the water supply and of sanitation.

Under the heading ‘**economic development**’, the PDCA establishes a wide range of cooperation activities in the areas of agriculture and fisheries, sustainable tourism, science, technology and innovation, technology transfers, energy, including renewables, transport, statistics and good governance in taxation. Notably, this section includes a specific article on cooperation to support the modernisation of Cuba’s public administration and its economy through supporting the development of enterprises and cooperatives, with special emphasis on local development. This form of cooperation may take place in areas such as macroeconomic policies, statistics, trade facilitation measures, agro-industrial development, state control and oversight and the organisation of enterprises, including public enterprises. The EU and Cuba also agree to promote contacts between companies to support their insertion into ‘international markets, investments and technology transfer’.

Finally, a provision on **regional integration and cooperation** states that EU-Cuba cooperation shall support activities aimed at developing regional cooperation between Cuba and its Caribbean neighbours, in the context of CARIFORUM (the Caribbean states that have signed the EU-ACP Partnership Agreement). Similarly, the parties agree to promote activities aimed at developing active cooperation between Cuba and other Latin American countries and/or regions and the Caribbean in all areas included in the PDCA, paying special attention to the EU regional cooperation programmes in research and education.
As well as boosting trade and economic ties between the EU and Cuba, the PDCA aims to promote the integration of Cuba into the world economy and support the diversification of the Cuban economy.

The PDCA confirms the parties’ commitment to WTO rules on trade facilitation, technical barriers to trade and trade defence.

The EU and Cuba agree to encourage greater flows of investment, including by promoting a ‘stable, transparent and non-discriminatory’ business and investment regime.

**Trade and investment relations**

The PDCA’s third main chapter, on **trade and trade cooperation**, sets out the objectives of not only strengthening trade and economic relations, but also of promoting the integration of Cuba into the world economy, supporting the diversification of the Cuban economy and promoting an ‘appropriate’ business climate.

Another central aim is to increase investment flows by developing a stable environment for reciprocal investment, including through cooperation on investment issues and promoting a non-discriminatory investment regime.

On **trade**, the EU and Cuba recognise that the reduction of barriers to trade is a vehicle for promoting growth and economic diversification, reaffirming their interest in a rules-based multilateral trading system. In this respect, the PDCA outlines the parties’ obligations under GATT rules (most-favoured-nation treatment and national treatment) and confirms their commitment to the WTO agreements on trade facilitation, technical barriers to trade and trade defence.

The second part of this section includes provisions on various forms of **trade-related cooperation**, including between customs services, on trade facilitation, intellectual property, rules of origin, technical barriers to trade, trade defence, food safety, sanitary and phytosanitary issues, animal welfare, and cooperation to promote the production of traditional and artisanal goods.

The agreement also includes a provision recognising the contribution of trade to the goal of sustainable development. Finally, in a relatively short article on **investment**, the EU and Cuba agree to encourage greater flows of investment through mutual knowledge of relevant legislation, a dialogue aimed at enhancing understanding and cooperation on investment issues and the promotion of a ‘stable, transparent and non-discriminatory’ business and investment regime.

**Institutional provisions**

The PDCA creates two institutions to oversee the implementation of the agreement. A **Joint Council**, meeting at ministerial level at least every second year, will oversee the fulfilment of the objectives of the PDCA and supervise its implementation. The Council will examine any major issue arising within the framework of the PDCA, as well as ‘any other’ bilateral, multilateral or international issue of common interest. The Joint Council will adopt its decisions, which are binding on the parties, by mutual agreement.

A **Joint Committee**, including senior officials, will assist the Joint Council and be responsible for the general implementation of the PDCA. The Committee will meet once a year for an overall review of the implementation. It can also be convened for special meetings if the parties agree. The Joint Committee can decide to create sub-committees to deal with specific issues. The PDCA creates one such sub-committee, on cooperation-related issues.
The PDCA does not create a joint parliamentary body or contain any references to parliamentary dialogue. Similarly, the agreement does not include provisions on the participation of representatives of civil society in its institutional structure or on consultation with civil society as regards the implementation of the PDCA. In this respect, the agreement recognises the potential contribution of civil society to the fulfilment of its objectives but largely confines its role to being one of several actors of cooperation. However, the parties agree to support greater civil society participation in development and sectorial cooperation activities.

The EU and Cuba are bound to adopt any measure needed to fulfil their obligations under the PDCA and are obliged to ensure that they comply with its objectives. If either party considers that the other has failed to fulfil its obligations under the agreement, it can take certain specific measures. Except in cases of ‘special urgency’, it should first take the case to the Joint Council for examination and in order to seek a mutually acceptable solution. In any event, any measures taken must be those that are the least disruptive to the implementation of the agreement. The parties also agree that suspension of the PDCA should be a last resort.

Cases of ‘special urgency’ are defined as cases where one of the parties is in material breach of the agreement, consisting of either a repudiation of all or part of it or a violation of two of its essential elements: respect for democratic principles, human rights and fundamental freedoms and the rule of law, together with the commitment to disarmament and non-proliferation of weapons of mass destruction.

3.2 Expectations and criticism

A central goal of the EU is to accompany and support reforms and economic and social modernisation in Cuba. Equally, the PDCA allows the EU to take a further step towards completing its ‘map’ of political dialogue, cooperation and trade agreements with countries and sub-regional groups in Latin America.

A fundamental and frequently mentioned motive for the EU in concluding the PDCA has been the need for constructive engagement with Cuba with a view to on-going and future reforms in the country. In this respect, the EU sees its role as accompanying and supporting economic and social modernisation and change in Cuba, through the PDCA and other forms of engagement. As HR/VP Mogherini stated when the agreement was signed, the PDCA provides an instrument to support Cuba’s reforms and modernisation process, politically and with technical assistance.14

Equally, the PDCA allows the EU to take a further step towards completing its ‘map’ of political dialogue, cooperation and trade agreements with countries and sub-regional groups in Latin America. As such, the conclusion of the PDCA with Cuba — a member of all the most important regional and sub-regional organisations, including the Community of Latin American and Caribbean States (Comunidad de Estados Latinoamericanos y Caribeños, CELAC) and the Association of Caribbean States (ACS) — is part of the

By expanding and consolidating EU-Cuba relations, the PDCA is expected to contribute not only to bringing about economic reform in Cuba, but ultimately also to creating a democratic opening.

Reactions to the PDCA from parts of the opposition in Cuba and human rights defenders have largely been very critical. Critics have argued that the EU has put economic interests before democratic values in signing the PDCA.

For Cuba, the PDCA represents the ‘normalisation’ of relations with the EU, by abolishing the much-criticised 1996 Common Position. Stable contractual relations with the EU are a key plank in Cuba’s diversification of its external relations.

For Cuba, the PDCA represents the ‘normalisation’ of relations with the EU, by abolishing the much-criticised 1996 Common Position. Stable contractual relations with the EU are a key plank in Cuba’s diversification of its external relations.

Development of the overall strategic partnership with Latin America and the Caribbean.

Despite the intensifying EU-Cuba relationship, stronger links to Cuba will not lead to immediate or radical economic and social transformation in the country, and still less to immediate political changes or a democratic opening. EU representatives have made it clear that the reform process in Cuba is likely to proceed at its own pace and is not likely to respond to pressure from external actors. Nonetheless, the expectation in the medium and long-term is that by expanding and consolidating EU-Cuba relations, the PDCA may serve as a vehicle for promoting European interests and values and thereby contribute not only to facilitating economic reform, but ultimately also to creating a democratic opening.

From the Cuban government’s perspective, the PDCA is a means to ‘normalise’ the country’s relations with the EU, by abolishing the much-criticised 1996 Common Position and by ending Cuba’s status as the only country in Latin America without a dialogue and cooperation agreement with the EU. In view of the current uncertainties about Cuba’s future relationship with the USA and the country’s economic and political alliance with Venezuela, achieving stable contractual relations with the EU is a central element in Cuba’s diversification of its external relations. Statements by the Cuban government have also welcomed the PDCA as a contribution to a multi-polar world.

Similarly, the Cuban government has highlighted the importance of economic relations with Europe in Cuba’s efforts to achieve efficient and sustainable economic development. It has emphasised that the PDCA should help to enhance trade and financial relations and create favourable conditions for Europe to be present in Cuba’s economic development.15

In contrast, reactions to the PDCA from parts of the Cuban opposition and human rights defenders have largely been negative or very critical — just as they have been to the changing Cuba-US relations in recent years. Critics emphasise that the EU (and the USA) have opened up towards Cuba without any conditions or concessions from the Cuban government in the form of political reforms or attenuation of the repression of the opposition. They argue that strengthening economic relations to the benefit of the Cuban economy will only serve to reinforce the position of the government. Some have seen the negotiations with the EU and the conclusion of the PDCA as unjustifiably extending a hand to a regime that has no intention to change. Some have claimed that in signing the PDCA the EU has put economic interests before its democratic values and the consideration of the freedom of the Cuban people. Some have used expressions such as ‘betrayal’ regarding the EU’s position. Among the critics of the PDCA and the rapprochement between the EU and Cuba in general are prominent dissidents such as Guillermo Fariñas, the 2010 Sakharov Prize laureate, members of the ‘Ladies in White’, who won the Sakharov Prize in 2005, and

Opposition groups have rejected the PDCA on the grounds that it lacks conditions that would allow the Cuban people to exercise individual and collective freedoms.

Members of the Cuban opposition, including Sakharov Prize laureates, have deplored the PDCA’s lack of democratic guarantees and called on the EP to make its endorsement of the agreement conditional on the establishment by the Cuban government of a ‘roadmap’ for progress on the respect for rights and civil liberties.

Elizardo Sánchez of the NGO ‘Cuban Committee for Human Rights and National Reconciliation (Comisión Cubana de Derechos Humanos y Reconciliación Nacional, CCDHRN).

The clearest expression of Cuban opposition groups’ rejection of the PDCA has been the open letter addressed by representatives of 37 of these groups — some based in Cuba, some abroad, mostly in the USA — to HR/VP Federica Mogherini on 9 December 2016.16 In the letter, they commended the EU’s interest in forging closer ties with Cuba but rejected the content of the PDCA as lacking conditions that would allow the Cuban people to exercise individual and collective freedoms and regretted that the agreement did not reflect the values of respect for human rights, democracy, and the rule of law. Furthermore, the signatories to the letter asked all EU entities to make the ratification and the implementation of the PDCA conditional on six steps that would lead to a democratic transition in Cuba. These steps include free elections, ratification by Cuba of international human rights instruments and an end to political repression and violence against members of the peaceful opposition movement. The letter also demanded that Cuban citizens have the right to enter into joint investment ventures with EU citizens or companies and that enterprises they form have the right to attain legal status and to import and export directly.

Similarly, the opposition coalition Cuban National Encounter (Encuentro Nacional Cubano) and representatives of other opposition groups held a press conference in Miami on 15 December 2016, at which they strongly criticised the PDCA. Among other things, they reportedly criticised the agreement for abandoning fundamental democratic and ethical principles.17

Members of the Cuban opposition have also rejected the PDCA in person in the EP. Guillermo Fariñas and Alejandro González Raga of the NGO Cuban Human Rights Observatory (Observatorio Cubano de Derechos Humanos, OCDH) addressed the Committee on Foreign Affairs (AFET) and the Subcommittee on Human Rights (DROI) on 12 October 2016. They both emphasised that the EU should guarantee democracy above any other consideration and that human rights violations in Cuba had continued throughout the PDCA negotiations. They regretted that the agreement had been negotiated ‘behind the back’ of the Cuban population and did not include any democratic guarantees, and they MEPs to vote against ratifying the PDCA. A declaration delivered on behalf of the Ladies in White characterised the agreement as a concession to a government without democratic legitimacy. It was also suggested that the EP should make its endorsement of the PDCA conditional on the establishment by the Cuban government of a ‘roadmap’ for progress on respect for rights and civil liberties.18

16 http://www.cubaarchive.org/files/Carta_de_opositores_cubanos_a_la_UE_%28ENG-3%29.pdf
17 http://dhcuba.impela.net/2016/12/grupos-del-exilio-y-la-oposicion-se-sienten-tracionados-por-el-primer-acuerdo-entre-la-ue-y-el-regimen/
Similar criticism of the agreement has been expressed in Europe, for instance by the Swedish NGO Civil Right Defenders. In a report on the EU’s policy towards Cuba, the organisation stated that the PDCA will not promote democracy and human rights in Cuba, but rather complement and legitimise the Cuban government’s political and economic strategy. It also condemned the international community’s alleged defence of the status quo in Cuba as delegitimising the democratic opposition and recommended the EP not to give its consent to the PDCA.19

On the other hand, solidarity and friendship groups with Cuba in EU Member States have welcomed the PDCA and the removal of the 1996 Common Position. The 17th European Meeting of Solidarity with Cuba, which took place in Stockholm in November 2016 with representatives from 30 countries, called on the EU to lift the Common Position and to maintain a ‘respectful’ position in its relations to Cuba.20

4 Cooperation

Cuba has benefited from different forms of European assistance for more than 30 years. Since 1984, the country has received humanitarian and development aid from the EU, particularly since the mid-1990s, when the European Commission stepped up its cooperation with Cuba and granted the country access to the EU’s regional cooperation programmes for Latin America. Between 1993 and 2003, the Commission provided EUR 145 million in assistance to Cuba, mostly for humanitarian assistance, food security, co-financing of NGOs and economic cooperation.

The EU suspended its development cooperation with Cuba in 2003, but resumed it in October 2008. Since then, the Commission has allocated around EUR 140 million to cooperation programmes in Cuba, covering areas such as disaster preparedness and the response to hurricanes, agriculture and food security, the environment and renewable energy, exchanges of experts and culture and education, including NGO initiatives. Overall, the EU contributed to the funding of some 80 projects between 2008 and 2013.21

Despite being an upper middle-income country, Cuba continues to be eligible for bilateral development cooperation from the Commission until 2020, under an ‘exceptional clause’ in the Development Cooperation Instrument (DCI). Cuba and the European Commission concluded the Multiannual Indicative Programme (MIP), which regulates bilateral cooperation for the 2014-2020 period, in August 2014, coinciding with the start of the negotiations on the PDCA. The MIP, which was signed during Federica Mogherini’s visit to Havana in March 2015, allocated EUR 50 million for cooperation with Cuba in 2014-2020, and defined three priority sectors22:

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21 https://eeas.europa.eu/delegations/cuba/651/node/651_en
Cooperation with Cuba in 2014-2020 will focus on three sectors: sustainable agriculture and food security; better use of key natural resources for sustainable development; and support for economic and social modernisation.

Through ECHO, the European Commission has given Cuba emergency relief and assistance to reduce the risk of natural disasters.

These three focal areas respond to the Cuban government’s priorities, as set out in the 2011 ‘Guidelines’ for Cuba’s economic and social development. Sustainable agriculture and food security should receive EUR 21 million over the seven years. The indicative amount for the second focal sector is EUR 18 million and EUR 10 million will be allocated to actions promoting sustainable economic and social modernisation. In addition, the EU has allocated some EU 5 million to social projects, targeting vulnerable groups in particular, and cultural projects. Local authorities in Cuba or civil society organisations will carry out these projects.

The on-going EU-funded cooperation projects in Cuba include AGROCADENAS (Fortalecimiento de cadenas agroalimentarias, or Agriculture value-chain development), which is co-funded with an EU contribution of EUR 8 million and is scheduled to end in 2018. It aims to strengthen the capacities of farmers, agricultural cooperatives and other non-state entities, and to improve the management of the value chains of a number of agricultural products. Also in the field of agriculture and food security, the goal of the BASAL (Bases ambientales para la sostenibilidad alimentaria local) programme is to reinforce the capacity to gather, analyse, understand and use environmental and scientific information on the impact of climate change and to promote adaptation strategies and actions. BASAL is co-financed with an EU contribution of EUR 6.3 million.

Two more priority programmes aim at capacity building in the Cuban institutions and public administration. They are: the programme for the exchange of experts (with EU funding of EUR 3.5 million for the 2014-2017 period), including public officials, in various areas, and the FORGEC (Fortalecimiento de las capacidades de gestión cubanas) programme aimed at strengthening management capabilities in Cuban institutions, with EU funding of EUR 2.2 million for the period 2013-2016. In addition to bilateral cooperation, Cuba has access to cooperation under the regional cooperation programmes covering all of Latin America, such as AL-INVEST, EUROCLIMA, Erasmus+ and Copolad, although the country’s participation in these programmes has been limited.

The European Commission’s Directorate General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) has given Cuba emergency relief and assistance to reduce the risk of natural disasters. For the period 2015 to 2017, the Commission has granted EUR 700 000 to Cuba to help reducing the impact of the current drought, caused by the El Niño weather phenomenon, on food security, nutrition and health and to strengthen resilience to future droughts.

23 http://ec.europa.eu/europeaid/countries/cuba_en
5 Trade and investment relations

Cuba was the EU’s third trading partner in the Caribbean in 2016 and its thirteenth in Latin America.

According to European Commission data, the EU was Cuba’s first trading partner in 2016, ahead of China and Russia. According to European Commission data, the EU was Cuba’s first trading partner in 2016, ahead of China and Russia, representing 31.2% of Cuba’s total external trade. The EU was both Cuba’s most important export market (29.1% of all exports), and its top provider of imports (31.5% of all imports).

However, according to Cuban official data for 2015 (trade figures for 2016 have not yet been published), the EU was Cuba’s second trading partner after Venezuela, representing around 24% of the country’s total foreign trade. Similarly, the EU was the second most important market for Cuban goods, absorbing 23.8% of Cuban exports, after Venezuela, which was the destination for 43%. These figures show that the EU was the main supplier of imports, representing 24.2% of Cuba’s imports, while Venezuela and China supplied 23.9% and 19.9%, respectively.

Figure 1: EU trade with Cuba (EUR millions) 2006-2016

![EU trade with Cuba (EUR millions) 2006-2016](image)

Figure 2: Cuba’s trade in goods with the EU

<table>
<thead>
<tr>
<th>Imports from EU:</th>
<th>Exports to EU:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value 2016:</td>
<td>EUR 2 254 million</td>
</tr>
<tr>
<td>EU’s rank (for Cuba), 2016:</td>
<td>1</td>
</tr>
<tr>
<td>Cuba’s rank (for EU), 2016:</td>
<td>99</td>
</tr>
<tr>
<td>% Cuba’s total, 2016:</td>
<td>31.5%</td>
</tr>
<tr>
<td>% EU total, 2016:</td>
<td>0.0%</td>
</tr>
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Source: DG Trade

The value of EU-Cuba trade reached EUR 2.46 billion in 2016 (a drop of 9.5% from 2015, when it reached a record EUR 2.72 billion, according to the

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The EU has a huge trade surplus with Cuba.

Nearly 83% of the EU’s imports from Cuba in 2016 were primary products, while manufactures represented 79% of the EU’s exports of goods to Cuba.

The EU’s imports of services from Cuba reached EUR 1.3 billion in 2015, almost half the value of goods imports. Cuba had a balance in services surplus of EUR 0.8 billion with the EU, which partially offset the deficit in the balance of trade in goods.

The EU is the main source of foreign investment in Cuba, although reliable data is not available. European investment in Cuba could increase further with loans in the future from the European Investment Bank (EIB).

European Commission. However, over the past decade, the value of bilateral trade has largely stagnated at almost the same level in 2016 as in 2006. Trade exchanges dropped substantially on 2009 and 2010, recovering gradually in the following years.

Reflecting the overall structure of Cuba’s foreign trade, the EU has a huge trade surplus with Cuba. Exports to the country reached EUR 2.04 billion in 2016 (down by 6% from the previous year but up by 26% compared to 2014), while EU imports from Cuba were only EUR 418 million — a drop of 23% from 2015. The value of EU’s imports from Cuba has generally fluctuated considerably over the years.

Primary products accounted for 82.5% of the EU’s imports from Cuba in 2016, according to EU statistics. Food and live animals represented the most important group of products (38% of all imports), followed by beverages and tobacco (29%) and raw materials (12%). Similarly, manufactures represented 79% of the EU’s exports of goods to Cuba. The most important product category was machinery and transport equipment. However, agricultural products, mainly food, represented almost 18% of the Union’s exports to Cuba. Cuban exports to the EU benefited from the trade preferences granted by the EU in the framework of the Generalised System of Preferences (GSP) up to the end of 2013, when the reform of the GSP excluded upper-middle income countries from the scheme. One result of this was that the EU’s customs fees on imports of tobacco from Cuba increased.

EU-Cuba trade in services is relatively important compared to the trade in goods. According to Eurostat figures, the EU’s imports of services reached EUR 1.3 billion in 2015, nearly half the value of imports of goods. EU exports of services to Cuba stood at EUR 0.4 billion. Consequently, Cuba had a surplus in its services balance with the EU of EUR 0.8 billion, which partially offset the deficit in its balance of trade in goods.

The EU is the main source of foreign investment in Cuba, although reliable data is not available. Most European investment in Cuba has gone into the tourism industry, the construction sector and agro-industrial production. Among the most important recent European investment projects in Cuba are the renovation and expansion of Havana’s international José Martí airport by a French consortium including the companies Bouygues and Aéroports de Paris under a concession agreement. European investment in Cuba could be increased further with future loans from the European Investment Bank (EIB). The PDCA has made it possible for the EIB to provide loans to projects in Cuba, and contacts with the Cuban
The EU accounts for a substantial and growing share of the foreign tourists visiting Cuba. Government have reportedly been taking place to explore the options and prepare the EIB for financing investment projects in the country.28

The EU also accounts for a substantial and growing share of the foreign tourists visiting Cuba. Of the approximately 3.5 million visitors to Cuba in 2015, 24 % — or around 860 000 — came from the 11 EU Member States that sent the most tourists to Cuba, according to official Cuban data.29

Equally, in the first half of 2016, tourists from the five biggest EU Member States (Germany, France, the UK, Italy, Spain and Poland) plus the Netherlands represented 25 % of all tourists entering Cuba. The number of tourists from these seven countries was 536 821, or 41 % more than in the same period in 2015 (when their share of all tourists was 20 %).30

The PDCA is unlikely to have any direct and immediate impact on trade and investment relations between the EU and Cuba because it does not include trade preferences or other steps to liberalise trade, or investment protection measures. However, the launch of actions for trade-related cooperation, including trade facilitation and technical barriers to trade, is expected to have a positive impact on EU-Cuba trade and, in consequence, on the diversification of the Cuban exports sector. Similarly, dialogue and cooperation on investment issues should help to create a more attractive and predictable environment for economic operators, thereby stimulating investment operations.

6 Parliamentary links

Institutionalised contacts between the EP and the Cuban parliament, the National Assembly of People’s Power (Asamblea Nacional del Poder Popular, ANPP) have been limited. However, Cuban parliamentarians, through their membership of the Latin American Parliament (Parlamento Latinoamericano, or Parlatino) have been involved in parliamentary dialogue with the EP since 1985, first through the bi-annual interparliamentary conferences and since 2006 in the framework of the Euro-Latin American Parliamentary Assembly, EuroLat.

No EP delegation or committee has visited Cuba since July 2001, when the Delegation for relations with the countries of Central America and Mexico visited the country. However, groups such as the EP’s Group for Friendship and Solidarity with the People of Cuba, the informal group for Friendship with the People of Cuba and the Friends of Free Cuba Informal Group have maintained relations with different Cuban interlocutors.

Similarly, the ANPP has created ‘friendship groups’ (grupos parlamentarios de amistad) with 17 EU Member States.\(^{31}\)

Recent contacts between MEPs and representatives of Cuba include the visit to Cuba in January 2016 of a delegation from the Group of Socialists and Democrats (S&D) led by the Group’s chair, Giovanni Pitelli, which met with the Deputy President of the ANPP, Ana María Mari Machado, among others.\(^{32}\) A delegation from the ANPP, led by Ms Machado, paid a return visit in October 2016.\(^{33}\) A delegation from the European United Left / Nordic Green Left (GUE/NGL) visited Cuba in July 2016 and also met with the ANPP deputy president and representatives of the Cuban government.

A delegation of six Cuban dissidents and human rights defenders, led by the Sakharov Prize laureate Guillermo Fariñas, visited the EP in October 2016. In addition to a participating in a joint meeting of the foreign affairs committee and human rights subcommittee, the delegation met with various MEPs and attended a meeting organised by the Friends of Free Cuba.

### 7 The European Parliament and the PDCA

The EP has been heavily engaged with the situation in Cuba throughout the past four decades, adopting numerous resolutions, tabling parliamentary questions, visiting Cuba and maintaining contacts with representatives of the Cuban government and society — inside and outside the country — and awarding the Sakharov Prize to Cuban human rights activists three times since 2002.\(^{34}\)

The EP has condemned the lack of democracy, respect for human rights and fundamental freedoms in Cuba on a number of occasions, and has regretted the absence of economic and social reforms. It has called on the Cuban government to release all prisoners of conscience and to stop the harassment of political opponents and human rights defenders. At the same time, the EP has rejected the US embargo imposed on Cuba and called for it to be lifted.

The resolution on prisoners of conscience in Cuba, passed on 11 March 2010,\(^{35}\) is a clear statement of the position of a majority of the EP on Cuba. The resolution deplored the absence of significant signs of response by the Cuban authorities to the calls by the EU and the international community for all political prisoners to be released and for fundamental freedoms, especially freedom of expression and political association, to be fully

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\(^{34}\) Oswaldo Payá in 2002; Ladies in White (Damas de Blanco) in 2005 and Guillermo Fariñas in 2010.

The EP's resolution of 5 July 2017 on the conclusion of the PDCA, which accompanies the endorsement of the agreement, welcomes the PDCA as a turning point in EU relations with Cuba. It emphasises that closer political and economic ties can help advance political reforms and urges the EU and its Member States to assist 'the economic and political transition' in Cuba.

respected. The EP also called on the Cuban government to release immediately and unconditionally all political prisoners and prisoners of conscience and urged the Council and Commission to step up actions in support of this demand. It urged the EU institutions to give their unconditional support to a peaceful process of political transition to multiparty democracy in Cuba. More specifically, it called on the HR/VP and the European Commissioner responsible for cooperation to begin a structured dialogue with Cuban civil society and with those who support a peaceful transition in Cuba, using the Community's development cooperation mechanisms, in particular the European Initiative for Democracy and Human Rights (EIDHR).


The debate in plenary on 8 July 2015 on future EU-Cuba relations demonstrated Parliament’s broad support for constructive EU engagement towards Cuba and the negotiations for the PDCA. However, it also highlighted the absence of any signs of a democratic opening or improvement in the human rights situation in Cuba. Many speakers insisted in that the need to respect human rights and fundamental freedoms must be at the centre of the EU’s relations with Cuba in the new phase opened by the PDCA. While several Members supported the repeal of the 1996 Common Position, others favoured some form of conditionality in establishing closer relations with Cuba.

Parliament’s resolution of 5 July 2017 on the conclusion of the EU-Cuba PDCA, which accompanies its endorsement of the agreement, clearly reflects the concerns of a majority in the EP over the human rights situation in Cuba. In the resolution (which was approved by 487 votes against 107, with 79 abstentions), Parliament welcomes the signing of the PDCA as a new framework and as a turning point for relations between the EU and Cuba and affirms the strategic value of the relationship, but it also notes that its success will depend on its implementation and on the parties’ compliance, underlining their responsibility in this regard.

Overall, the resolution places the PDCA in the context of political and economic change in Cuba. It states that the PDCA can contribute to reforms and modernisation in Cuba, emphasises that closer political and economic relations between the EU and Cuba could help advance political reforms and urged the EU and its Member States to assist ‘the economic and

The resolution points to respect for human rights and fundamental freedoms as one of the objectives of the EU’s policy on Cuba. It encourages both Cuba and the EU to provide guarantees for the work of human rights defenders and it urges the Cuban government to meet international standards in its human rights policy.

The EP encouraged both parties to promote ‘an active role’ for Cuban civil society in the implementation of the PDCA.

The EP welcomes the PDCA as a platform for expanding trade and investment.

The Parliament defended the continuation of EU development aid to Cuba, despite the country’s status as upper-middle-income country.

EU-Cuba relations: a new chapter begins

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The EP welcomes the PDCA as a platform for expanding trade and investment.

The Parliament defended the continuation of EU development aid to Cuba, despite the country’s status as upper-middle-income country. political transition’ in Cuba. It defines this as the evolution towards ‘democratic and electoral standards’ that respect the basic rights of all citizens.

The resolution underlines the importance of the political and the human rights dialogue with Cuba and reiterated that the respect for human rights and fundamental freedoms is one of the objectives of the EU’s policy on Cuba. Noting that the human rights dialogue initiated in 2015 did not end ‘arbitrary politically motivated detentions in Cuba’, the resolution calls on the EU to endorse the EP’s views on democracy, universal human rights and fundamental freedoms and its policy of support for human rights defenders in the dialogue with the Cuban authorities. It also encourages both Cuba and the EU to establish guarantees for the work of human rights defenders.

The EP urges the Cuban government to meet international standards in its human rights policy and to respect the instruments it has signed. More specifically, noting Cuba’s efforts to incorporate fundamental UN principles on human and labour rights into its national legislation, it urges Cuba to ratify the UN human rights conventions that have not yet been ratified.

The role of Cuban civil society is another key issue in the EP resolution. Parliament points to its role in the economic and democratic development of the country and its own support for Cuban civil society in ‘promoting human rights and democracy in Cuba’, and stresses that civil society should be a ‘leading player’ in all the areas covered by the agreement. It encourages both parties to promote ‘an active role’ for Cuban civil society in the implementation of the PDCA, welcomes the references in the PDCA to civil society as an actor of cooperation and also calls for the ‘active and unrestricted participation’ of all actors from civil society and the political opposition in Cuba in the political dialogue. It recommends the use of EU foreign policy instruments, particularly the EIDHR, to strengthen the EU’s dialogue with Cuban civil society and ‘those who support a peaceful transition in Cuba’.

On trade, the resolution welcomes the PDCA as a platform for expanding trade and investment relations and for facilitating a more predictable and transparent business environment. It advocates EU cooperation with Cuba to support the diversification of Cuban exports and emphasises that to build a competitive production system Cuba needs further economic and financial measures that create legal certainty and economic stability, pointing out that Cuba can draw on the experience of EU Member States in this respect. Specifically, the EP calls for Cuba to be made eligible for lending from the EIB, provided it meets the requirements set out in the EU’s mandate.

On development cooperation, the EP resolution expresses concerns that the Cuba’s status as an upper-middle-income country could lead to the phasing out of development aid under the DCI regulation. It argues that Cuba’s situation as a developing island state and its economic circumstances, which are ‘exacerbated by the adverse impact of unilateral coercive measures — a clear reference to the US economic embargo
In monitoring the implementation of the EU-Cuba PDCA the EP will focus on human rights and civil liberties in Cuba, and the role of Cuban civil society — its two main concerns.

The ANPP’s Committee on International Relations strongly rejected the EP resolution as ‘unacceptable’ and running counter to the ‘principles of respect, equality and reciprocity’ set out in the PDCA.

against the country — justify the continuation of EU aid to Cuba. More specifically, the resolution notes that the PDCA is an opportunity for Cuba to boost its participation in EU research and education programmes, such as Horizon 2020 and Erasmus+.

In monitoring the implementation of the EU-Cuba PDCA the EP will focus overall on its two areas of particular concern: human rights and civil liberties and the role of Cuban civil society. Accordingly, the 5 July resolution urges the EEAS to follow closely the situation of human rights and fundamental freedoms in Cuba and report back to the EP. It calls on the European Commission and the EEAS to have regular exchanges with the Parliament on the implementation of the PDCA and the fulfilment of the mutual obligations it sets out, particularly regarding human, environmental and labour rights.

However, the strong reaction from the Cuban side to the EP resolution on the agreement underlined the divergence of views on the PDCA. Immediately after the EP vote on the resolution, the Committee on International Relations (Comisión de Relaciones Internacionales) of the ANPP issued a declaration strongly rejecting the ‘unacceptable’ resolution which it branded as ‘unnecessary, inopportune’ and with a ‘remarkable colonialist content’, promoted by MEPs with ‘an extensive anti-Cuban record’, opposed to the advancement of relations between Cuba and the EU. The committee further criticised the resolution for running counter to the ‘principles of respect, equality and reciprocity’ contained in the PDCA and for standing in contrast to the positive development of Cuba’s relations to the Commission, the EEAS and Member States. It also accused the EP’s resolution of distorting the reality of Cuba, suggesting unwarranted ‘recipes’ and interfering in Cuba’s internal affairs, which it said was ‘extremely harmful’ to the sovereignty of the Cuban people.

The Cuban Parliament committee of the recommended its EU counterpart to be concerned instead about the ‘deep and increasing deterioration of confidence in the institutions of the Community’, the increasing xenophobia and ‘segregationist practices’ against minorities in the Union, the lack of solidarity with which the EU handles the ‘waves of refugees’ arriving from Africa and the Middle East, political corruption in Europe, the deterioration of social security, the high unemployment rates and the lack of progress in Europe in terms of gender equality.

EU-Cuba relations: a new chapter begins

Map

Source: http://www.mapsopensource.com/cuba-political-map.html