

EXPLANATORY MEMORANDUM ON THE POLITICAL DIALOGUE AND COOPERATION AGREEMENT BETWEEN THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE ONE PART, AND THE REPUBLIC OF CUBA, OF THE OTHER PART

TITLE OF TREATY

Political Dialogue and Cooperation Agreement between the European Union and its Member States, of the one part, and the Republic of Cuba, of the other part

Command Paper Number: 9587

SUBJECT MATTER

1. This Explanatory Memorandum and Command Paper cover a Political Dialogue and Cooperation Agreement (PDCA) between the European Union and its Member States and the Republic of Cuba. The PDCA was initially signed on 12 December 2016 and has been provisionally applied since 1 November 2017.
2. The PDCA is a mixed agreement. The PDCA replaced the application of the EU Common Position to Cuba. The PDCA will enter into force once it has been ratified by the Republic of Cuba and all EU Member States, the European Parliament has given consent, and it has been ratified by the EU. To date, the European Parliament has given consent and eight EU Member States, including Germany, have ratified the PDCA.
3. The objectives of the PDCA are to consolidate and strengthen the relationship between the EU and Cuba, and accompany Cuba's process of updating its economy and society, by providing a comprehensive framework for dialogue and cooperation. The PDCA covers a broad range of areas, including human rights, across three main pillars: political, cooperation and trade.

MINISTERIAL RESPONSIBILITY

4. The Secretary of State for Foreign and Commonwealth Affairs is the Minister with overall responsibility for UK policy on the EU's Common Foreign and Security Policy. Given the broad content of the Agreement, the Secretaries of States at BEIS, DIT, DfID, DfE, the Home Office, DEXEU, DEFRA, HMRC, HM Treasury, the Ministry of Justice, and the Departments of Culture, Media and Sport, Transport, Housing, Communities and Local Government, Health and Social Care, Work and Pensions have an interest.

POLICY CONSIDERATIONS

5. On 23 June 2016, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. The Government respected the result and triggered Article 50 of the Treaty on European Union on 29 March 2017 to begin the process of exit. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period, the Government will also continue to negotiate, implement and apply EU legislation.

6. Cuba is changing, albeit slowly, as it updates its social and economic model. Access to the internet is increasing and a small private sector has been allowed to grow, although still restricted. It is clear Cuba is broadening its international relations, and stepping up efforts to attract foreign investment. Most notably is the rapprochement with the US. But other countries are stepping up their engagement including France, Germany, Spain and Italy. The 1996 EU Common Position is looking increasingly outdated in view of this. The PDCA will reflect today's Cuba.
7. The UK Government has supported the negotiation and conclusion of the PDCA as it will help to promote UK and EU interests and values in Cuba, and support change and development that benefits the Cuban people. It aligns with the UK's current approach to Cuba which has seen our relationship strengthen over the past few years through increased cooperation. In April 2016, the Rt Hon. Philip Hammond MP was the first British Foreign Secretary to visit Cuba since the Cuban revolution in 1959. During the visit he signed a bilateral agreement restructuring Cuba's debt to the UK, and four Memorandums of Understanding in energy, higher education, financial and professional services, and culture.
8. There is increasing interest in Cuba among the British business community as a place to trade and invest. In May, the Lord Mayor of London visited Havana to take forward discussions on financial and professional services cooperation. In April 2015, Lord Hutton of Furness led a trade mission representing 30 UK companies to Cuba.
9. On human rights, the UK Government continues to have concerns around freedom of expression and association in Cuba. The human rights elements of the Agreement will complement the traditional bilateral work the UK already does on human rights and help to address our concerns.

FINANCIAL

10. The PDCA does not oblige Member States to make any financial contributions in addition to those which they already do via the EU budget.
11. Bilaterally, the UK Government will continue to provide funding for projects in Cuba through our Embassy's bilateral programme, as well as other funds from across the UK Government.

RESERVATIONS AND DECLARATIONS

12. None.

IMPLEMENTATION

13. The PDCA has been provisionally applied since 1 November 2017. It will enter into force on the first day of the second month following the date on which all EU Member States and the Republic of Cuba have completed their internal procedures of ratification. To date, eight of the other 27 EU Member States have ratified the Agreement.

14. The One-in One-out rule has been considered as part of the process of concluding the Treaty, but is not applicable.
15. A Regulatory Impact Assessment has not been carried out as there is negligible impact on the costs to UK businesses, charities and voluntary bodies.
16. Application to Gibraltar: Yes.

CONSULTATIONS

17. No consultation has been made of the Devolved Administrations, although a copy of this Explanatory Memorandum will be sent to them. Similarly, there is no planned public consultation on the PDCA.

A handwritten signature in black ink, appearing to read 'Alan Duncan', followed by a horizontal line.

Rt Hon Sir Alan Duncan MP
Minister for Europe and the Americas
Foreign and Commonwealth Office