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After the start of provisional application of the Political Dialogue and Cooperation Agreement (PDCA) on 1 November 2017, the EU and Cuba are holding on 15 May 2018 the first ministerial-level Joint Council under the new Agreement. The EU and Cuba thereby take one further step towards enhanced collaboration to the benefit of the Cuban and European people.

Between 1996 and 2016, the diplomatic relations between Cuba and the EU – first established in 1988 – were governed by the so-called Common Position. In an effort to update EU-Cuba relations, the EU re-launched a dialogue at political level in 2008, complemented by development assistance. An EU representation office was opened in Havana in 2003, and upgraded into a fully-fledged EU Delegation in 2008. On 12 December 2016, the repeal of the Common Position and the signature of the PDCA between the EU and Cuba set the stage for a new impetus in EU-Cuba relations.

All 28 EU Member States maintain bilateral diplomatic relations with Cuba.

EU-Cuba Political Dialogue and Cooperation Agreement

Negotiations for the Political Dialogue and Cooperation Agreement (PDCA) were launched in April 2014 and it was officially signed on 12 December 2016. Following the consent of the European Parliament on 5 July 2017 most parts of the agreement are provisionally applied since 1 November 2017.

The PDCA creates an enabling framework for enhanced political dialogue, for improved bilateral cooperation, as well as for developing joint action in multilateral fora. The agreement defines general principles and objectives for the relationship between the EU and Cuba and provides a framework for accompanying the reform process in Cuba.

The Agreement's three main chapters cover:

- **Political dialogue:** addressing issues, such as human rights, small arms and disarmament, non-proliferation of weapons of mass destruction, migration, drugs, fight against terrorism, sustainable development, etc.;
- **Cooperation and sector policy dialogue:** including areas, such as governance, civil society, human rights, social and economic development, environment as well as regional cooperation;
- **Trade and trade cooperation:** dealing with principles of international trade and covering cooperation on customs, trade facilitation, technical norms and standards, sustainable trade and investment.

Political relations

High-level political dialogue meetings were launched in 2008, in parallel with EU cooperation. Since then, both sides have discussed bilateral relations, regional issues in the Cuban and EU vicinity, and global matters of mutual concern, such as climate change, sustainable development or migration, with a view to defining potential areas of cooperation. The EU and Cuba seek to strengthen the United Nations as the core of the multilateral system, and to promote the strategic partnership between the European Union and the Community of Latin American and Caribbean States (CELAC). The last high-level political dialogue meeting between High Representative / Vice President Mogherini and Cuban Foreign Minister Rodríguez took place on 4 January 2018.

Under the PDCA, high level political dialogues will be held in the framework of the ministerial-level EU-Cuba Joint Council that brings together Cuba, the EU and its Member States.

Human Rights Dialogue

The EU and Cuba established a regular informal human rights dialogue, launched in 2015 by the High Representative/Vice President Federica Mogherini and Cuban

Minister of Foreign Affairs Bruno Rodriguez, in anticipation of the end of PDCA negotiations. Three high-level dialogues have been held since, co-chaired by the EU's Special Representative for Human Rights Stavros Lambrinidis. The PDCA includes provisions to establish a formal basis for this dialogue, which allows both sides to exchange views on basic principles of human rights and address mutual concerns. One of the objectives of the dialogue is to identify areas to cooperate or share best practices. Independently of the yearly human rights dialogues, there are regular exchanges between the EU and Cuba on democracy and human rights related questions.

Trade relations / Foreign Direct Investment (FDI) flows

The EU remains Cuba's main export and second trade partner; the EU is also the biggest foreign investor in Cuba (mainly in the sectors of tourism, construction, light and agro-industries) and accounts for a third of the arriving tourists.

In 2017, exports in goods to Cuba were worth €2.09 billion, and imports amounting to €0.47 billion. Cuba's main export goods are agricultural products, beverages and tobacco and mineral fuels for which there is no preferential trade regime.

The aim of the PDCA is to create a more predictable and transparent atmosphere for economic operators and increase their economic capacity to produce, trade and create jobs, but it does not establish a free trade area between the parties or cover investment protection.

The EU advocates diversification of exports from Cuba beyond the traditional products, and cooperates to disseminate the necessary knowledge among Cuban exporters to improve the access of goods onto the EU market.

EU-Cuba development cooperation

EU cooperation with Cuba is covered by the Development Cooperation Instrument and development cooperation resumed in 2008.

During the first period until 2014, the European Commission committed around €90 million mainly in the fields of food security, hurricane response and disaster preparedness, environment, climate change and energy, culture and heritage, support to economic and social modernization as well as management capacities.

A further €50 million have been allocated for the period 2014-2020 to support the development of the country in three priority sectors: sustainable agriculture and food security, environment and climate change, as well as support to economic and social modernisation. The selected sectors respond to the national priorities

identified in the "Cuban Guidelines for economic and social policy", with a view to "updating" the Cuban economic management system in the country.

In addition, the EU allocated €5 million for the 2014-2017 period for social projects to support vulnerable population groups and cultural projects implemented by civil society organisations or local authorities, and in the process of allocating a further €5million for the 2018-2020 period..

Cuba can also benefit from EU thematic and Latin American regional programmes, covering a wide range of topics, including supporting the internationalisation of Cuban SMEs (AI invest), increasing resilient food and nutrition security (PROACT), mobilising technical assistance to reinforce policy dialogue in agriculture (FIRST), strengthening south-south or triangular cooperation, supporting cooperation on security and justice (PACcTO) and on social cohesion (EUROsociAL+, Socieux), or facilitating climate change mitigation and adaptation strategies (Euroclima+, GCCA+). Further programmes address scientific collaboration (H2020) and higher education cooperation, including staff and students mobility and capacity building in academic institutions, mainly through the Erasmus+ programme. The EU is also exploring the opportunities of blending in Cuba through the Latin America Investment Facility and South-South and triangular cooperation in strategic areas such as culture and health.

Whereas up until the start of the PDCA's provisional application on 1 November 2017, all cooperation programmes benefitting Cuba were contracted and implemented by third parties (e.g. UN agencies), the EU will sign in 2018 its first Financial Agreement directly with the Cuban authorities, setting the framework for the implementation of a bilateral Programme in the area of renewable energies for which the EU contributes up to €18 million. This will pave the way for a second Financing Agreement later in the year for a Programme in support of climate resilient and sustainable food security in Cuba, with an EU contribution of €19.65 million.

Humanitarian Aid

The European Commission's department European Civil Protection and Humanitarian Aid (ECHO) has been providing emergency assistance to Cuba since 1993, to support the population affected by natural disasters. Since then, almost €100 million were granted to humanitarian aid actions in Cuba. Given its disaster risks and the population's vulnerability, specific support for more than €7 million was provided to disaster preparedness, e.g. on seismic risk reduction, hydro-meteorological Early Warning Systems or resilience to droughts.

Following Hurricane Irma that struck the island in September 2017, the EU has provided €3.9 million in humanitarian aid to more than 200.000 most vulnerable

people in most affected areas. In the target areas, immediate response to shelter and food needs have been prioritised. As a complement, support to Water, Sanitation and Hygiene in key health infrastructures, as well as epidemiological surveillance and rehabilitation of health services in the neediest communities is being provided.

A joint EU response strategy to rebuild after the hurricanes, linking relief, rehabilitation and development has been elaborated between ECHO and the European Commission's Directorate General for International Cooperation and Development (DEVCO), and allocated further €4m in resilient energy supply in synergy with the above mentioned support to the housing component of the first phase of the response provided by ECHO.

In 2018, ECHO will further invest €1.2 million in activities to foster drought resilience in Cuba to reduce the impact of the drought on the food security. Furthermore, Cuba will be part of a series of regional projects for exchange of best practices on disaster risk reduction but also on building resilient communities to better face future disasters.
