



Council of the
European Union

Brussels, 22 September 2016
(OR. en)

12497/16

Interinstitutional File:
2016/0298 (NLE)

COLAC 72
CFSP/PESC 749

PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	21 September 2016
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	JOIN(2016) 43 final
Subject:	Joint Proposal for a COUNCIL DECISION on the conclusion, on behalf of the European Union, of 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

Delegations will find attached document JOIN(2016) 43 final.

Encl.: JOIN(2016) 43 final



HIGH REPRESENTATIVE
OF THE UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

Brussels, 21.9.2016
JOIN(2016) 43 final

2016/0298 (NLE)

Joint Proposal for a

COUNCIL DECISION

on the conclusion, on behalf of the European Union, of 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

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

On 10 February 2014, the Council adopted a Decision authorising the Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations for a 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 (the 'Agreement' or the 'PDCA')¹.

The negotiations began on 29 April 2014 and were concluded after seven rounds in March 2016. The Agreement was initialled on 11 March 2016 in Havana, in the presence of the High Representative and the Commissioner for International Development and Cooperation.

The Council was kept informed at all stages of the negotiations. It was consulted in the Working Party on Latin America and the Caribbean (COLAC) and in the Trade Policy Committee. Member States provided comments before the initialling of the Agreement.

The European Parliament was also kept informed throughout the negotiations.

The Commission and the High Representative consider that the objectives set by the Council in its negotiating directives have been met. The Agreement was signed on....

The present proposal concerns the legal instrument concluding the Agreement.

2. THE AGREEMENT

Relations between the European Union and Cuba are currently governed by the EU's Common Position 96/697/CFSP of 2 December 1996. The PDCA is the first bilateral agreement between the EU and Cuba. It will create a stable framework for EU-Cuba relations, superseding the *ad hoc* dialogue and piecemeal cooperation that have characterised them to date. It will serve as a framework and platform for closer cooperation and dialogue across a broad range of policy areas.

The Agreement aims to consolidate and strengthen links between the parties in the areas of political dialogue, cooperation and trade, on the basis of mutual respect, reciprocity, common interest and respect for their sovereignty. The relationship will be geared to supporting the modernisation of the Cuban economy and society, cooperating bilaterally and in international fora with a view to strengthening human rights and democracy, countering discrimination and achieving the sustainable development goals. The Agreement includes the EU's standard essential elements, the human rights clause and the non-proliferation clause, the breaching of which can lead to its suspension.

The Agreement builds essentially on a three-pillar structure:

¹ Insert reference

- *political dialogue (Part II)*: the relevant provisions cover a range of policy areas, including human rights, small arms and light weapons, disarmament and non-proliferation of weapons of mass destruction, terrorism, serious crimes of international concern (including the International Criminal Court), unilateral coercive measures (i.e. US embargo), combating the production, trafficking and consumption of illicit drugs, combating racial discrimination, xenophobia and related intolerance, and sustainable development.
- *cooperation and sector policy dialogue (Part III)*: these provisions cover a very wide range of areas for future cooperation, including political and legal (governance and human rights, justice, citizen security and migration), social, environmental, economic and developmental issues. Particular attention is also given to regional (Caribbean and Latin American) integration and cooperation; and
- *trade and trade cooperation (Part IV)*: this Part codifies the conventional (WTO-related) basis for EU-Cuba trade. In addition, it includes provisions on trade facilitation and cooperation in areas such as technical barriers to trade and standards, with a view to improving the prospects for deeper economic relations. It also includes a clause envisaging the future development of a stronger framework for investments.

Part V (Institutional and Final Provisions) establishes an institutional framework composed of a Joint Council and a Joint Committee. It also includes a provision on the fulfilment of Obligations which contains measures to be taken and the procedure for action to be followed should one of the parties fail to fulfil its obligations under the Agreement.

The Agreement is concluded for an unlimited period and can be terminated at six months' notice.

The Agreement should supersede Common Position 96/697/CFSP. In parallel with this joint proposal, the High Representative will submit a proposal for a Council decision repealing Common Position 96/697/CFSP, on the understanding that the Council will adopt both measures simultaneously.

3. LEGAL BASIS FOR THE PROPOSED DECISION

3.1. Substantive legal basis

The Court has held² that simultaneously pursues a number of objectives, or that has several components that, which are inseparably linked without one being incidental to the other, and to which various provisions of the Treaty therefore apply, must be founded, exceptionally, on the various corresponding legal bases, unless the procedures laid down for each legal basis are incompatible.

The Agreement pursues objectives and contains components in the areas of the Common Foreign and Security Policy (CFSP), common commercial policy and development cooperation. These aspects of the Agreement are inseparably linked without one being incidental to the other.

² Case C-490/10 Parliament v Council.

The legal basis of the proposed decision should therefore include Articles 37 TEU, 207 TFEU and 209 TFEU.

3.2. Procedural legal basis

Article 218(6) TFEU provides that the Council, on a proposal by the negotiator, shall adopt a decision concluding the Agreement.

Article 218(6)(a) TFEU provides that, where an agreement establishes an institutional framework by organising cooperation procedures, the Council shall adopt the decision concluding the agreement after obtaining consent of the European Parliament. The PDCA establishes an institutional framework by organising cooperation procedures between the EU and Cuba.

The second subparagraph of Article 218(8) TFEU provides that the Council is to act unanimously if the agreement covers a field for which unanimity is required for the adoption of a Union act. The CSFP is a field for which unanimity is required for the adoption of a Union act.

3.3. Conclusion

The legal basis of the proposed decision should therefore be Articles 37 TEU, 207 TFEU and 209 TFEU in conjunction with Article 218(6)(a) TFEU of Article 218(8) TFEU (second subparagraph). No additional provisions are required as legal basis³.

4. NECESSITY OF PROPOSED DECISION

Article 216 TFEU provides that the Union may conclude an agreement with one or more other countries where the Treaties so provide or where this is necessary in order to achieve, in the framework of the Union's policies, one of the objectives referred to in the Treaties, is provided for in a legally binding Union act or is likely to affect common rules or alter their scope.

The Treaties provide for the conclusion of agreements such as this PDCA, see in Articles 37 TEU, 207 TFEU and 209 TFEU. Moreover, the conclusion of the PDCA is necessary for the purpose of achieving, in the framework of the Union's policies, objectives referred to in the Treaties, including in the areas of political dialogue, strengthening of human rights, the non-proliferation of weapons of mass destruction, counter-terrorism, the fight against corruption and organised crime, trade, migration, environment, energy, climate change, transport, employment and social affairs, education and agriculture.

The Agreement must be concluded on behalf of the Union.

³ Case C-377/12 Commission v Council

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on the conclusion, on behalf of the European Union, of 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

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, in particular Article 37 thereof,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 207 and 209, in conjunction with Article 218(6)(a) and the second paragraph of Article 218(8) thereof,

Having regard to the proposal from the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy,

Having regard to the consent of the European Parliament,

Whereas:

- (1) Pursuant to Council Decision [XXX] of [...] ⁴, 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 ('the Agreement') was signed on behalf of the Union on [...], subject to its conclusion at a later date.
- (2) The European Union and the Republic of Cuba are committed to consolidating and strengthening their relations in the areas of political dialogue, cooperation and trade on the basis of mutual respect, reciprocity, common interest and respect for the sovereignty of the Parties.
- (3) The Agreement should be approved on behalf of the Union,

⁴ OJ L [...], [...], p.[...].

HAS ADOPTED THIS DECISION:

Article 1

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 is hereby approved on behalf of the Union.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council shall designate the person empowered to proceed, on behalf of the European Union, to the notification provided for in Article 86 of the Agreement in order to express the consent of the Union to be bound by the Agreement.

Article 3

This Decision shall enter into force on the day following that of its adoption.

Done at Brussels,

*For the Council
The President*