



United Nations
Office of the Resident Coordinator
Cuba

1. Cuba has maintained a high human development rate, having attained 51st place among 187 nations and 11th place among developing countries in 2011. In terms of MDGs accomplishment, Cuba is a developing country with many of the MDGs achieved long before these goals were agreed to in an international forum. The main challenges in the Cuban case are in terms of quality and sustainability in what has been already achieved. The UN System supports the national authorities' efforts in these dimensions (quality / sustainability), especially in a context of international crisis and domestic updating process. The three goals that the government considers (3rd national report) with insufficient progress to reach the target if the present trend is maintained are: reduce maternal mortality (note that maternal mortality rate in Cuba is among the lowest in LAC); significant improvement in the lives of slum-dwellers by 2020; and access to ICT.
2. Cuban population is aging rapidly. In 2011 the older population--persons 65 years or older--was the 18,1% of the total population, in 2030 is expected to be the 30,8%, of which 54% will be women. Additionally the fertility dropped to less than replacement level fertility since 1978. The low birth rates and rising life expectancy are leading to a rapid aging and a decline in working age population. Consequently an important concern is the rising dependency ratio, and its implications for public policies and services in particular care policies for the elderly. A Housing and Population Census was conducted this year (2012).
3. An economic and institutional reorganization process has been carried out by the Cuban Government. This process has been focused on national priorities such as food security, import substitution policy as well as efficiency and productivity of the economy. As part of the restructuring plan, in 2010, the Government began to implement a more comprehensive reorganization known as the "updating process of its economic model".
4. A landmark in this process is the "Economic and Social Policy Guidelines for the Party and the Revolution" ("Lineamientos"). This document captures the major national challenges and development transformations to be implemented. It was presented by President Raul Castro in November 2010 and served as basis for popular debate. Over 8 million people were consulted from December 2010 to February 2011. During the Sixth Congress of the Communist Party of Cuba in April 2011 the document was discussed and finally approved.
5. The Guidelines address the fundamental axes of the reform process such as the economic management model, macroeconomic policies (monetary policies, exchange rate, fiscal policies, and pricing), foreign economic policy, investment policy, social policy, agro-industrial policy, industrial and energy policies and, other sectoral policies (tourism, transport, construction, trade, housing) and science and technology.
6. Among the innovative topics addressed in this new Policy are: recovery of rigor in the payment of external debt, domestic market development, creation of Special Development Zones, separation of state and corporate functions, incentive for business autonomy, bankruptcy, the possibility of transferring state assets to cooperatives, non-agricultural (urban) & second tier cooperatives, subcontracting for self-employed worker, the relaxation of procedures related to housing and property transfer, and the possibility to rent state facilities. Additionally, the Policy addresses issues such as the buying and selling of motor vehicles among private individuals, the buying and selling of housing, and enabling Cubans living in the country to travel abroad as tourists. These are all issues with far-reaching effects in the Cuban context.

7. To implement these guidelines, the Permanent Commission of the Government for Implementation and Development was established. This committee monitors, verifies and coordinates the actions of all involved in this activity, suggests the incorporation of new guidelines, and leads, in coordination with the competent bodies, adequate disclosure of the process. Marino Murillo, Vice President of the Council of Ministers and former Minister of Planning and Economy, is the chairman of this Commission.
8. Within the area of foreign economic policy there is a sub-section dedicated to international collaboration offered and received by Cuba, leading to the effectiveness that policy and ensuring its compliance with the national priorities. This sub-section also highlights the guideline 112, which calls for the promotion of a multilateral collaboration, with particular reference to the institutions of the United Nations System.
9. As part of the economic and social measures taken under the implementation of the guidelines are: authorization and facilitation of the transmission of property of homes and cars (sale and donation); flexibilization and broadening of self-employment sector as an employment option; creation and facilitation of a credit policy system by financial institutions (benefiting self-employment sector, agricultural producers with legal custody of land, and individuals for home construction activities by own efforts); granting of subsidies to low income-people to undertake self-construction or self-repair of housing; authorization for direct sales of agricultural producers (Agricultural Production Cooperatives (CPA), Credit and Services Cooperatives (CCS), Basic Units of Cooperative Production (UBPC) and state enterprises with organic farms) to tourist facilities in Cuban Pesos without the intermediation of a government agency.
10. In fostering non-state forms of management as an employment alternative in a context of restructuring state labour force, specific measures include relaxed regulations, tax cuts, reduced licensing fees, exemption for the elderly from paying into Social Security, waiving of tax payments for some independent workers, changes to facilitate the hiring of employees, space rental. Cuban authorities also decided to further expand the current categories of private jobs up to 181. New customs regulations and tariffs were established by the government in August.
11. The updating of the migration policy has been approved by the government this year. The Cuban government decided to forgo the required Travel Permit as well as the Letter of Invitation. Therefore, as from January 14th, 2013, it will only be necessary to submit the ordinary passport, duly updated, and the visa issued by the country of destination, in those cases when it is required. The ordinary passport will be issued to the Cuban citizens who meet the requirements of the Migration Law. This is an issue eagerly awaited by the population and Cuban Diaspora.
12. The National Assembly of People's Power approved a law governing the country's tax system. The new law will be gradually implemented beginning in January of 2013. National authorities have declared that the tax system is a tool which contributes to the reduction of inequality among citizens. Its design considers the ability of tax-payers to contribute and the characteristics of different regions.
13. Cuba's first UNDAF (2008-2012) addresses five key areas: Local Human Development, Natural Disaster and Risk Mitigation, Environment and Energy, Health and Food security. Overall the emphasis is placed on strengthening national and local capacities to support development in Cuba. The Cuban Government agreed to extend the current UNDAF to fully align the new programming cycle (UNDAF and CPDs) with the Economic and Social Policy Guidelines ("Lineamientos").
14. In the context of these important economic and social transformations, the second UNDAF (2014-2018) will be critical to substantively contribute to national development. The UNS has been engaged during this year in a substantive, inclusive and participatory UNDAF formulation process and a joint coordination and working mechanism was established with the government. Key national counterparts have been directly involved in the process. The discussion also benefitted

from inputs from different academic research institutes and members of organizations such as the small producers, women's federation, youth council and others.

15. The future program will include strategic issues directly related to the updating process: quality, sustainability and efficiency of social services; sustainable economic development; food security; and environmental sustainability and disaster risk management. The UNDAF will support people-centered strategies with a focus on gender, population, including youth, and territorial challenges.
16. The US embargo has a direct impact on the human development context in Cuba and on UN activities in the country. During 2012, due to U.S. regulations, the scientific and cultural exchanges between the two nations have been affected. American scientists, artists and intellectual traveling to Cuba have faced travel limitations. The General Assembly passed the resolution Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba, with 188 votes in favour, 3 against and 2 abstentions.