



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
29 April 2002

Original: English

Second regular session 2002

17-28 June 2002, Geneva

Item 13 of the provisional agenda

Country programming and related matters

Country programme outline for Cuba (2003-2007)

Contents

	<i>Paragraphs</i>	<i>Page</i>
Introduction	1	2
I. Situation analysis	2-6	2
II. Past cooperation and lessons learned	7-10	3
III. Proposed programme.	11-25	3
IV. Programme management, monitoring and evaluation	26-31	5
Annex		
Results and resources framework for Cuba (2003-2007)		9

Introduction

1 The Country Programme for Cuba was prepared using inputs from the on-going Common Country Assessment (CCA) formulation exercise, the elaboration exercise of the Strategic Results Framework (SRF) and the overall programme review undertaken as a part of the reprofiling exercise undertaken in Cuba. The exercise started with an overall reflection of the role of UNDP in the country and its relationship to the rest of the UN system and the donor community at large. The result of this exercise was a major shift towards a facilitating and catalytic role for development where strategic partnerships were key in allowing UNDP to be more relevant and in allowing it to assist Cuba to meet the challenges of a globalized world economy.

I. Situation analysis

2 The first twenty-five years of UNDP in Cuba were marked by programmes to assist in the transfer and development of high technology and industrial development. Globalization has affected all the developing countries including Cuba. In addition, the disappearance of the USSR, the main trade and economic partner, led Cuba to adjust to a new world system and to insert itself into the global economy. The decade of the nineties, during which these adjustments began, constituted a period of difficulties and hardship for the population. It is referred to as the “Periodo Especial” or Special Period. UNDP’s role shifted to help Cuba cope with the difficulties of the decade. Its areas of involvement were broadened to include the social, economic, financial and energy areas.

3. The abrupt end to its ties with the socialist countries at the beginning of the decade of the nineties caused major disruptions in the economy. GDP fell by some 35% between 1989 and 1993 that in turn led to a major fall in production, in unavailability of goods for the population and an excessive liquidity and consequent increase in prices. Between 1991 and 1993, the Government introduced a set of stabilization decisions that have achieved great success over the decade of the nineties.

4. The stabilization actions were accompanied by a number of institutional reforms that included the reform of the financial sector, introduction of new economic instruments, liberalization of foreign trade and opening the possibilities for direct foreign investments. A new Central Bank was created and the banking sector was modernized to cope with the new challenges. The measures proved successful and a recovery started in 1994 with growth trends averaging 4.3% annually, until 2000 inclusive (using 1981 as base year) when most of

the economies of the Latin American region were showing either a flat or a negative growth trend.

5. But the decade of the nineties and the “Periodo Especial” have not been void of hardship and sacrifice for the population. It is also not yet over. The period of recovery that started around 1994 have helped Cuba to achieve growth in production in most sectors of the economy and some have even approached or surpassed the high levels of performance of the end of the 80s. But for the most part, Cuba has a lot of catching up to do. The effort to catch up has been aggravated by an international system that has rarely offered favorable conditions. The exclusion from world financial markets and the embargo by the United States poses additional challenges to a country already heavily strapped for cash and with limited access to markets and financing.

6. The new needs of the decade of the nineties led to a broadened mandate for UNDP. Shifting from a narrower mission on science, technology and industry, the decade of the nineties switched UNDP’s mission to supporting the government’s efforts to improve the quality of life of all Cubans in the face of adverse circumstances. As such, its programmes became more diverse, cutting across several fields and becoming active in several provinces and cities in the country. In addition to being one of the few development cooperation partners in the country, UNDP’s comparative advantages were more fully tapped in support of seeking integrated approaches to complex environmental, social and economic problems in the areas of the macroeconomic management, the environment, energy, decentralization and social sectors. These more integrated approaches facilitated in turn the mobilization of financial resources and the strengthening of linkages of these programmes as they sought to reinforce one another.

II. Past cooperation and lessons learned

7. The new UNDP initiated programmes in economic recovery. It supported the updating of national economic management in public institutions involved in economic affairs, plus the nation’s central bank. UNDP is strongly supporting environmental protection activities in the country and the improvement of natural resources management. UNDP has also reinforced Cuba’s mission on science and technology in support of the social sector (exemplified by the programmes in biotechnology for health and informatics for health and education). UNDP has provided support for the introduction and development of information technology in the society. UNDP has sponsored a programme involving several major technical universities and institutions to improve the knowledge and utilization of informatics in

development. UNDP is also providing support to the energy sector with a focus on management and conservation and on the development of energy renewables. In the social sector, and focusing on the commitments of the various UN Summits, but particularly the Social Summit and the Millennium Development Goals, UNDP supports the Cuban government in its efforts of decentralization, equity, strengthening of gender thematic work, improvement of the coverage of social services, and the strengthening of the local economies as a way to eradicate pockets of less developed areas of the country. Lastly, the periodic droughts, tropical storms and hurricanes that have passed through the country during the past decade have made disaster reduction and mitigation a recurrent theme in the assistance of UNDP and of the UN system as a whole.

8. The entry of UNDP into new areas made the UNDP role in the country, particularly with the difficulties and challenges it faced, more relevant and more effective. This broadening of role, however, also coincided with a sharp decrease of resources available for development assistance in most organizations. UNDP was no exception and Cuba's programmes suffered a reduction that made the new role very difficult to execute effectively. Starting in 1999, and faced with falling resources, UNDP switched its role to one that was more catalytic and facilitating. The new role was based on establishing strategic alliances with funding partners interested in the work of UNDP and its new philosophy of partnership for development.

9. The result of the new change in strategic focus has led to a high period of growth, substantive cooperation and more relevant role for UNDP in the country. Establishing partnerships with several countries and agencies, UNDP now delivers and manages resources of other partners in programmes jointly designed, formulated and executed by the government and UNDP in the areas mentioned above. This new strategy has not only brought important resources for the implementation of new programmes in the country. It has also established a strong partnership with key partners for UNDP and created synergies and reinforcements among the donor funded programmes in Cuba.

10. One of the major bottlenecks of the on going programme has been the lack of access to financial resources. In many countries, the partnership of UNDP with IFIs has proven to be a dynamic source of development work in the country. Due to the absence of the IFIs, this partnership does not exist in Cuba. What is worse is the general lack of financial resources for urgent development work.

III. Proposed programme

11. The present programme builds on the lessons of experience of the on-going work and the evolving role of

UNDP in the country. Building on the good lessons of the shift of 1999, the present programme aims at consolidating the modalities of work but focusing on a set of more concrete priorities that cut across the most urgent development problems and needs of the country.

12. Because of the immense needs of the country, its high level of skilled human resources that allow for a good management of resources, and the consequent high absorptive capacity of the country, the new UNDP programme will concentrate in creating an enabling environment for Cuba to attract additional resources for its development. Following is the list of priorities for the new programme established in collaboration and consultation with the government and with the UN agencies. Although these are presented in subheadings for simplicity, it is recognized that they are intimately linked to one another and could be quite possibly be grouped under a variety of combinations:

A Strengthening Management Capacity for Human Development:

13. In addition to continuing its support to the economic recovery of the country and in its research and dissemination of information on critical issues on the human development, the new programme will focus on the following:

14. **Human Development at the Local Level:** This is an initiative designed to strengthen the local capacities (community, municipal and provincial) to planning and management of development. The initiative promotes decentralized cooperation between regions, provinces and municipalities of other countries with those regions, provinces and municipalities of Cuba. The main objective is to develop local capacities, strengthen and invigorate local economies, make local development environmentally sustainable, improve the coverage of social services for the population, improve gender equity, and support decentralization. A novel tool such as a credit scheme/revolving fund providing hard currency loans to small and medium enterprises has been designed and is contributing to local economic development, more efficiency and competitiveness and to the entrepreneurial betterment ("*perfeccionamiento empresarial*").

15. **Information Technology and Informatics Industry:** Learning from the brilliant and very strategic biotechnology development undertaken by Cuba in the last 15 years, UNDP will help Cuba in its efforts to introduce IT for planning and management and for the introduction of these technologies in all aspects of society for the purposes of improving the quality of life of all Cubans. Building on its work with several universities, UNDP will seek resources for broadening, among others, its work with universities and with the science poles of the country.

B. Strengthening of the Productive Capacity:

16. One of the main priorities of the nineties has been to rebuild the economy so as to enable to respond to the needs of the population in the new conditions of the international context. UNDP's programme will focus on helping Cuba build a more competitive productive capacity in the areas that produce goods and services for the population and that help make Cuba's economy more dynamic.

17. **Strengthening productive capacity in selected clusters:** The decade of the nineties and the introduction of economic measures to adjust to a new global economy have created major challenges but also opportunities for Cuba. The transformation of the sugar industry, the ongoing growth of the tourist industry and the establishment of economic relations with many countries around the world offer Cuba the possibility of strategically targeting new markets and new economic relations. These new opportunities will be realized only to the extent that new clusters of productive and service activities are established in the country. UNDP will place great priority in helping Cuba develop these new clusters.

18. **Improving food security:** Cuba continues its efforts to find new ways to improve its capacity to feed its population. One very successful alternative that has emerged particularly in the last ten years is that of increasing food production in urban empty spaces. Much more can be done still to increase even more the production of food under this very novel modality that has created a model for the rest of the world. Other strategies for the improvement of food security in the country are also being explored but implementing these requires actions in infrastructure as well as investments in water management and irrigation systems for which support is required. In addition to exploring new strategies, UNDP's programme will seek to examine ways to determine and to mitigate risk and vulnerability in the area of food security.

C. Improving quality of life:

19. It is obvious that all of the new proposed programme aims at improving the quality of life of the citizens of the country. Activities in three particular areas, however, will aim to improve their daily lives: the environment, the habitat and the energy sector.

20. **The environment:** UNDP will continue to place a major emphasis on improving and preserving the quality of the environment. The focus of this programme will be in the areas of protected areas, biodiversity, land degradation, coastal zone management, the clean-up of major polluted areas, protection of the ozone layer, and on waste management. The emphasis of these programmes will be placed on helping Cuba implement new and innovative policies and to preserve the environment in

the face of increasing pressures derived from increased economic activities and a growing tourist sector.

21. **The habitat:** The lack of resources of the decade of the nineties and the vulnerability to recurrent tropical storms passing through the island have produced pressures on the quality of habitat and housing in the country that create new social pressures and that need and deserve the support of UNDP. Focusing on reconstruction and recovery of the housing stock and on introducing innovative strategies for the improvement of neighborhoods, UNDP's programme will focus on innovation and demonstration programmes that can be replicated throughout the country. In order to secure the sustainability of the urban habitat, additional investments in water and sanitation will be required.

22. **The energy sector:** Since the beginning of the decade of the nineties, Cuba has had to seek new sources of energy and to depend on its own for its energy needs. Considering this as one of the main new challenges and bottlenecks for development, Cuba embarked on an ambitious energy strategy that was based on three components: to improve the management and conservation culture of energy in the country and to seek new sources of energy internally and externally. UNDP's focus has been and will continue to be to support Cuba in its effort to improve its management and conservation of energy, to improve energy efficiency, to develop new renewable sources of energy, particularly in the area of biomass, and to implement innovative approaches to climate change while promoting sustainability. As part of this effort to support this important sector, UNDP will also assist in making sure that Cuba benefits from the various funding and other mechanisms resulting from the UN Framework Convention on Climate Change and more particularly the Clean Development Mechanism.

D. Promoting cooperation and innovative problem solving:

23. Its strategic location and its level of human resources and skills in certain areas make Cuba an ideal country to address certain issues through cooperative programmes with its neighbors. The main focus of these cooperative programmes is in the area of risk management and mitigation in two components. A first component includes natural disasters and adaptation to climate change and a second component having to do with health and HIV/AIDS particularly.

24. **Risk Management – nature:** There is a tradition and culture of disaster and risk mitigation in Cuba equal to none in the developing world. New world insights on medium and longer term effects and impacts on climate variability and climate change has driven Cuba to develop new strategies that seek to link the good preparation and mitigation strategies for natural disasters with more medium and longer term sector strategies of adaptation to climate change that address

the challenges while at the same time seeking to enhance sustainability. UNDP will support these new strategies while at the same time facilitate cooperation with the rest of the Caribbean to make these programmes more effective but more importantly to strengthen actions in the Caribbean as a whole.

25. **Risk Management – health:** The Caribbean region is the second most affected region in the world with a growing incidence of HIV/AIDS and little institutional and other infrastructure to fight the growth of this pandemic. UNDP will facilitate cooperation with multi as well as bilateral donors, NGOs and the GFATM. UNDP will focus on establishing one of the main reference centers on HIV/AIDS for the Caribbean and an effective prevention programme for Cuba as its challenges increase due to a growing tourist sector and to its location in one of the most affected areas in the world. The focus of UNDP's programme will be to strengthen Cuba's capacity to lend support to the region with technical assistance as well as with treatment packages and to prevent the spread of the disease nationally.

IV. Programme management, monitoring and evaluation

A. CCA UNDAF:

26. The on-going preparation of the CCA and the UNDAF exercise will result in a number of system-wide synergies that will require greater coordination and mutual reinforcement. The coordination mechanisms are being strengthened in order to ensure that there is no duplication of action but most importantly, that there is sufficient support to enhance results and impact.

27. The CCA UNDAF exercise is being focused in making the UN more efficient in making Cuba's economy more dynamic and in mobilizing resources for development. The management, monitoring and evaluation capacity of the UNDP is being strengthened to give not only administrative and logistical support but also substantive support in key areas. There is also an effort underway to strengthen the monitoring and evaluation capacity and the capacity to measure progress against the Millennium Development Goals.

B. UNDP:

28. **Strengthening managerial capacity:** One of the major challenges of UNDP in Cuba has been its constant growth. With shrinking core resources available to Cuba, the challenge for UNDP has been to develop capacity, over a relatively short period of time, to formulate and implement programmes that are doubling and more every year. With the reprofiling exercise and support of donor partners, UNDP in Cuba has been able to build a professional and support staff capable of managing effectively and efficiently a complex and broad

programme. The geographical coverage of UNDP country programme expanded to include the whole country. Efforts are under way to enhance information technology and innovative management so that the relatively small staff can do more with less and at a constant high quality. There is a major emphasis on ensuring and measuring for results and impact.

29. **Strengthening substantive capacity:** Through the establishment of partnerships with donor countries, the substantive capacity of the UNDP office has been substantially increased in a relatively short period of time. This increased substantive capacity has allowed UNDP not only to formulate insightful programmes in areas of major priority and need for the Government of Cuba but also to mobilize resources to support their implementation. The major emphasis has been on innovation and non-traditional modalities of cooperation. Among the most notable of this last category has been the decentralized cooperation programme mainly in the Eastern provinces of Cuba that has attracted the support of various countries and various agencies of the UN system. The strengthening of the substantive capacities has been enhanced by the new instruments available for programme design, management, monitoring and evaluation particularly the RBM approach with a focus on results and impact.

30. **Strengthening capacities through partnerships and strategic alliances:** With the philosophy that together UNDP can accomplish more than on its own, the programme has and will continue to develop strategic partnership for all of its programmes in Cuba. This will not only bring financial resources but new perspectives on development, which seek to enrich UNDP's approaches to development in Cuba. These partnerships will include governments in developing countries, donor countries, NGOs, private enterprise and civil society at large. There will be enhanced efforts in the area of TCDC and triangular relationships – where Cuba in collaboration with donor (s) partners could have cooperation activities with other developing countries. This triangular relationship will be sought particularly in the area of health where Cuba has a proven track record and performance including working in other developing countries. The use of UNVs for this purpose will be explored as a possibility.

31. **Strengthening the linkages with other UNDP programmatic areas:** Continuing on the work of recent years, the country programme will seek to strengthen the linkages with relevant regional and global programmes. It will seek the support of the new SURF system with the related BDP Advisers.

Annex

Results and resources framework for Cuba (2003-2006)

UNDAF objective: Strengthening human development capacity				
Strategic areas of support	Intended outcomes	Indicators for outcome or purpose	Outputs, including key output indicators, where needed	Resources (by strategic area of support/outcome or programme area)
Human development at the local level	Creation and consolidation of capacity at community and municipal levels	Expansion of Anti-poverty Partnership Initiative/Local Human Development Programme (APPI/PDHL) in the country <i>Baseline:</i> Consolidated programme in two provinces and one municipality <i>Goal:</i> Extension and consolidation of APPI/PDHL in eight provinces	Plans for expanded development in region, municipalities and provinces Ongoing projects and initiatives	Regular resources Other resources Government cost-sharing, third-party cost-sharing and trust funds: \$58,000,000
Information technology industry	Increased national capacity in the use of information technology	Number of state institutions connected to public services network <i>Baseline:</i> Uneven use of information technology by public institutions <i>Goal:</i> Efficient and systematic use of information technology	Plans for the modernization of information systems of national institutions Pilot experiments and plans for utilizing Geographic Information Systems	
	Increasing capacity for software industry development	Number of industries commercializing software <i>Baseline:</i> Limited products and services <i>Goal:</i> Studies and minimum conditions for launching of Cuban software industry	Information technology: software developed in the area of biotechnology Strategic alliances identified with international development organizations and national information industry	
UNDAF objective: Strengthening productive capacity				
Strengthening of the productive capacity in specific industrial areas	Renovation in management productive capacity	Rise in economic index in selected area <i>Baseline:</i> Low productivity levels <i>Goal:</i> Selected area revitalized	Situation analyses Strengthening of the business excellence programme	Regular resources \$1,678,000

Increasing food security (working closely with Food and Agriculture Organization of the United Nations)	Use of urban agriculture as a complement to traditional agriculture	Increase in urban agriculture production <i>Baseline:</i> Ongoing Urban Agriculture National Plan (UANP) <i>Goal:</i> Strengthening UANP in selected provinces	Intensive learning plan Production in urban areas Efficient local production plans	Other resources Government cost-sharing, third-party cost-sharing and trust funds: \$12,530,000
	Innovative solutions in areas related to food security	Increase in food production <i>Baseline:</i> Low availability of basic food supplies <i>Goal:</i> Adequate basic food supplies	Technical support and renovation plans in security systems Pilot experiments for the increase of animal protein in human consumption	
UNDAF objective: Better quality of life				
Quality of environment	Consolidated support to the National Action Plan for Protected Areas (SNAP)	Number of initiatives in support of protected areas <i>Baseline:</i> National Action Plan <i>Goal:</i> Protection, biodiversity and sustainability	Approved ongoing management plan Specific management plans Consolidation of SNAP	Regular resources \$352,000 Other resources Government cost-sharing, third-party cost-sharing and trust funds: \$77,000,000
	Integrated management of the Sabana-Camagüey ecosystem (ESC)	Preservation and ecological balance of ESC <i>Baseline:</i> Preliminary studies, sustainable management <i>Goal:</i> Establishment of eight areas in the protected ESC	Establishment of eight protected areas in the region Studies and inventory of flora and fauna	
	Cleaning and regeneration of Havana Bay	Decreased contamination of Havana Bay <i>Baseline:</i> Preliminary studies of executed pre-investment and investment <i>Goal:</i> Reduce contamination of Havana Bay to the levels recommended by international indicators	Río Luyanó: Treatment and improved drainage, and building of sewer system Information Centre of Havana Bay created by a consolidated monitoring system Studies of the entire sewer system that drains into Havana Bay	
	Introduction of innovative solutions in the handling of solid waste	Number of initiatives already in place <i>Baseline:</i> Uneven situation <i>Goal:</i> Complete studies of initiatives in place with innovative solutions	Study of the national situation Introduction of appropriate technology interventions for specific pilot project	
Quality of housing for Cuban population	Reconstruction of housing affected by Hurricane Michelle	Number of housing units built <i>Baseline:</i> More than 12,500 units completed destroyed during the Hurricane <i>Goal:</i> Approximately 1,700 houses reconstructed	Development of quality control, construction methods and new materials Resource mobilization campaign	

	Improvement of living conditions and housing in neighbourhoods	Number of houses built <i>Baseline:</i> Insufficient housing <i>Goal:</i> 1,000 pilot houses	Studies of housing and formulation of appropriate and innovative methods Pilot projects	
Increased distribution, use and quality of energy	Increased use of renewable energy	Generated energy <i>Baseline:</i> 7 per cent of generated energy <i>Goal:</i> Demonstration activities to take place	40 megawatt plant Plant proposal, using gasification Studies for increased production of solar panels	
	Enforcement of national capacity for resource mobilization in the energy sector (including efficient energy)	Mobilized financing <i>Baseline:</i> New financial tools available <i>Goal:</i> Duplicate the mobilized funds for the energy sector	Authorities take advantage of the Kyoto Protocol mechanisms (emphasis in MDL) Joint initiatives with the private sector identified within the framework of MDL	
UNDAF objective: Promoting cooperation and solutions to problems with innovative methods				
Handling of environmental hazards	Improved capacity to handle environmental hazards in the Caribbean	Use of products and services in the framework of handling of hazardous materials in the Caribbean (RMRC) <i>Baseline:</i> Initiatives with low impact <i>Goal:</i> Mobilization of resources	RMRC fully established and national strategies of adaptation to climate change of participating countries formulated	Regular resources Other resources Government cost-sharing, third-party cost-sharing and trust funds: \$19,000,000
Handling of hazards in the health sector; national prevention of HIV/AIDS and support to efforts in the Caribbean	Prevention and control of HIV/AIDS	Mitigating the impact of HIV/AIDS <i>Baseline:</i> Prevention and control <i>Goal:</i> More prevention centres, HIV/AIDS control and more medical treatment	Social marketing of condoms surpasses 11.5 million units in 2006 Training for professionals, doctors and technicians who work in the HIV/AIDS area	
	In the Caribbean, subregional programme and support to persons living with HIV/AIDS	Further Cuban cooperation in the Caribbean <i>Baseline:</i> World Health Organization/Office for Project Services Network <i>Goal:</i> United Nations Special Session on HIV/AIDS goals	Cuban products and services adapted to Caribbean demand Pilot experiments with Cuban medicines for the treatment of HIV/AIDS	

RESOURCE MOBILIZATION TARGET TABLE
(In thousands of United States dollars)

I.

Period: **2003-2007**

Source	Amount	Comments
UNDP REGULAR RESOURCES		
Estimated carry-over	264	
TRAC 1.1.1	1,466	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	300	
SPPD/STS	0	
Subtotal	2,030 _{a/}	
UNDP OTHER RESOURCES		
Government cost-sharing		
Third-party cost-sharing	67,530	
Funds, trust funds and other	99,000	
	Of which:	
UNDP TTFs	2,000	
GEF	22,000	
GFATM	25,000	
Housing & Food Trust Fund (Cuba)	15,000	
CDM	25,000	
UNIFEM	1,000	
Capacity 21	5,000	
PPPUE	2,000	
UNF	2,000	
Subtotal	166,530	
GRAND TOTAL	168,560_{a/}	

_{a/} Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: *(The following are samples. Use only what you need.)* TRAC = target for resource assignment from the core; SPPD = support for policy and programme development; STS = support for technical services; TTF = thematic trust fund; GEF = Global Environment Facility; GFATM = Global Fund to Fight AIDS, Tuberculosis and Malaria; CDM = Clean Development Mechanism; UNIFEM = United Nations Development Fund for Women; PPPUE = Public-Private Partnership for Urban Environment; UNF = United Nations Foundation