

**REPUBLIC OF CUBA**

**Permanent Mission to the United Nations Office at Geneva and International Organizations in Switzerland**

**Note No. 133/2020**

The Permanent Mission of Cuba to the United Nations Office at Geneva and the international organizations in Switzerland presents its compliments to the Office of the United Nations High Commissioner for Human Rights and has the honour to refer to the note of 6 December 2019, which requests information on the right to development and financing for development.

In this regard, the Permanent Mission of Cuba would like to convey the following comments:

1. **On practices related to the right to development and financing for development at the international level:**

The Declaration on the Right to Development, adopted on 4 December 1986 by the United Nations General Assembly, includes development as a global economic, social, cultural and political process, which aims at the constant improvement of the well-being of the entire population and of all individuals on the basis of their active, free and meaningful participation and in the fair distribution of the benefits resulting therefrom.

Each State must assume greater responsibility for its own development and financing, but the commitment cannot be solely national; it also requires co-responsibility in the international arena.

However, the current international economic order is an illustration of the serious obstacles that still persist and oppose the full realization of the human being and peoples.

It is evident that in 2018 the fortunes of billionaires grew by 900 billion dollars, 12% in the last year, at a rate of 2.5 billion dollars a day, which means that 26 people possess the same wealth as the poorest half of the world's population.[[1]](#footnote-1)

The concentration of wealth in developed countries contrasts with the situation of extreme poverty in which 780 million people live, according to the estimates of the Report on the Achievement of the Sustainable Development Goals by 2018.

While the mobilization of national resources is prescribed as a solution to development problems, the industrialized countries continue to fail to meet their historic commitment to provide 0.7% of their GDP for Official Development Assistance for 40 years in a row.

These international financial failures are accompanied by billions of dollars in financial resources for arms and speculative purposes. It is estimated that in 2017 military expenditure was US$ 1,739 billion, the highest figure since the end of the Cold War, equivalent to 2.2% of world GDP or US$ 230 per person.[[2]](#footnote-2)

Excessive military spending contradicts the will of States in the Declaration on Development, which confirms that progress in the field of disarmament would greatly promote progress in the area of development and that the resources released by disarmament measures should be devoted to economic and social development and the well-being of all peoples, in particular those of the developing countries.

This shows that international financial resources to contribute to the right to development do exist but are directed to the expansionist priorities of hegemonic powers.

Countries with a high level of development have a historical responsibility, a moral duty, financial means and technologies to fulfil and increase international cooperation and thus provide predictable, stable and sufficient sources of financing for developing countries.

 In short, the persistent inequality within and between countries, the failure to meet the commitments made in the Official Development Assistance, the obstacle to access to sources of financing, among others, violate the right to development of individuals, communities and countries.

Under these conditions, financing for development continues to be a pending issue on the international agenda, which indicates the need to promote greater efforts.

It should be borne in mind that it is not possible to apply funding actions homogeneously within nations, taking into account the different needs and particularities of country categories such as LDCs, Small Island Developing States (SIDS), Africa, Landlocked Countries and countries under foreign occupation.

In the case of Cuba, in addition to the limitations typical of developing countries, the main obstacle to the full realization of this right is the economic, commercial and financial blockade imposed by the United States government for almost 60 years.

The U.S. blockade makes access to external sources of financing impossible, and hinders South-South cooperation projects between Cuba and numerous countries to improve the health conditions of millions of people. Its economic impact on Cuba reaches 933.678 billion dollars, taking into account the depreciation of the dollar against the value of gold on the international market. At current prices, the blockade has caused quantifiable damages of more than 134.499 billion 800 thousand dollars.

 This genocidal and illegal policy has been brutally intensified with the full application of the Helms-Burton Act, while the persecution, surveillance and imposition of sanctions on the companies that supply and transport fuel to Cuba have increased.

Cuba reaffirms the need to democratize the international system in order to increase the effective participation of developing countries in international decision-making. It also stresses the importance of South-South cooperation, although this cannot replace but rather complement North-South cooperation.

Cuba is committed to the right to development. The Cuban State promotes national development policies to constantly improve the well-being of the population, according to the needs and territorial characteristics.

1. **On practices at the national level related to the right to development and financing for development**

**Regarding participation and access to information:**

Decisions in Cuba are taken with a high level of popular consensus, after consulting the people on the issues of greatest importance to the nation. For example, the draft of the new Constitution of the Republic was submitted to a broad consultation process and subsequently approved by a favourable vote of 86.85% of voters.

The Constitution establishes, as the maximum guarantee for the full participation of citizens and territories in the achievement of the right to development, that the State directs, regulates and controls economic activity by reconciling national, territorial, collective and individual interests for the benefit of society.

The constitutional text also establishes as rights the participation of citizens in the shaping, exercise and control of State power, as well as being informed of the management of bodies and authorities.

The State assumes the constitutional responsibility of providing truthful, objective and timely information, as well as ensuring access to the information generated by State bodies.

Likewise, it is recognized that the municipality is the local society that constitutes the primary and fundamental political-administrative unit of the national organization. The municipality enjoys autonomy and legal personality for all legal purposes, with the purpose of contributing to the reduction of the main disproportions between them, taking advantage of their potential, and mainly to achieve the satisfaction of local needs.

The territories have their own income and the allocations it receives from the Government of the Republic, in accordance with the economic and social development of the municipality and other State purposes, under the direction of the Municipal Assembly of People's Power.

In addition, the Supreme Law establishes the powers of the Municipal Assembly, the highest body of State power in its area, to approve and control, as appropriate, the budget and the plan for the comprehensive development of the municipality.

In order to guarantee the rights of petition and popular participation, the Constitution mandates the Municipal Assembly to call a popular consultation on matters of local interest, to guarantee the correct attention to the proposals, complaints and petitions of the population, to guarantee the right of the population of the municipality to propose the analysis of issues within its competence and to maintain an adequate level of information on the decisions of general interest that are adopted by the bodies of People's Power.

With a comprehensive approach to the right to development, the People's Council works actively to meet the needs of the economy, health, welfare, education, culture, sports and recreation, as well as in the tasks of prevention and social care, promoting the initiatives of the population and local initiatives to achieve them.

In accordance with the provisions of the Constitution and as part of the legislative process to complement the constitutional will, the National Assembly of People's Power adopted the Law on the Organization and Functioning of Municipal Assemblies and People's Councils, which reinforces the autonomy of municipalities and the capacity of individuals and communities to participate in local development.

In this regard, this Law reaffirms the responsibility of the People's Council to identify the problems and needs of the population, as well as their possible solutions.

In turn, the Law establishes that the People's Council must exercise control over production and service entities with local impact, in conjunction with the delegates and voters, independently of the administrative control of the corresponding entities. In this way, the people have the capacity to control the adequate destination of the resources assigned by the municipality, the compliance with the actions approved in the local development plan and the environmental impact.

The people's participation also manifests itself in the direct and systematic exchange of the highest level of leadership of the Cuban State and Government with the people. From May 2018 to January 2020, the President of the Republic has made 90 government visits to the territories, during which, among other issues, the use of resources in terms of local development, export potential and the main needs of the population have been noted.

In general, Cuba is strengthening the capacity of national actors, municipalities and local communities to manage and promote local development from an integral, equitable and sustainable perspective, with the people at the centre of decision-making.

**As for Resource Mobilization and Budget:**

Cuba ratifies the Addis Ababa Action Agenda (AAAA) which provides a global framework for financing sustainable development, while serving as support and complement to contextualize the means of implementation with a view to achieving the ODS. Above all, it emphasizes the development dimensions by promoting inclusive economic growth, protecting the environment and fostering social inclusion.

However, it should be pointed out that there is no single formula or set of measures applicable to financing for development, it is necessary to assess them taking into account the needs and particularities of States, paying special attention to developing countries.

In Cuba, in 2011, the Guidelines of the Economic and Social Policy of the Party and the Revolution, for a period of 5 years, were discussed and approved. This document contains 313 tasks aimed at solving macroeconomic imbalances and economic efficiency.

The Guidelines were updated for the period 2016-2021. In addition, the document "Conceptualization of the Cuban Economic and Social Model of Socialist Development" and the "Bases of the Economic and Social Development Plan until 2030: Proposed Vision of the Nation, Axes and Strategic Sectors" were adopted.

These instruments guide the country's development strategy and ratify that the economic system in Cuba will continue to be based on the socialist ownership of all the people over the fundamental means of production, where the principle of socialist distribution rules "from each one according to his capacity to each one according to his work".

Likewise, planning is established as the central axis of the country's development, taking into account market trends. Economic actors include the socialist state enterprise as the main form of the national economy, foreign investment modalities, cooperatives, small farmers, usufructuaries, tenants, self-employed workers and other forms that may arise to contribute to raising efficiency.

The Guidelines of the Economic and Social Policy of the Party and the Revolution for the period 2016-2021 mandate that companies and cooperatives must pay a territorial tax to the municipal administration councils where they operate their establishments, to contribute to local development and as a source of financing for current and capital expenses.

In addition, the process of territorial development planning in Cuba is conceived from the central design of territorial policies to develop their capacities and enhance activities of national interest; as well as through the more specific objectives of municipal development based on the potentialities, needs, capacities and expectations of the inhabitants.

To achieve these goals, Cuba promotes the autonomy of the municipalities, as well as fiscal measures aimed at supporting territorial development, based on the contribution of the entities located in them, regardless of their subordination. In this way, a contribution is made to consolidating the role of these structures and to the financing necessary for territorial development.

The Cuban State encourages the use of all available sources of funding for territorial development, including the State budget, foreign investment, donations and collaborative projects, territorial contributions for local development, and funds associated with national programmes, among others.

In Cuba, the financial mechanism for the redistribution of national wealth is the State Budget, to which all the country's economic actors pay taxes, mainly State-owned and non-State-owned companies.

The adoption of the Budget and, consequently, the Economy Plan, are discussed with the workers, the budgeted units, the companies, the Superior Organizations of Business Management, in the municipalities and provinces. Finally, they are approved by the National Assembly of People's Power.

The country's Budget includes the Central Budget and the local budgets, among others. In addition, it seeks to capture all the income generated by the economy, enhancing existing reserves, efficiency in the productive and service processes, as well as discipline in the payment of taxes, both from the state and non-state sectors.

The State Budget is eminently social, through the assurance of access to basic resources, education, health services, food, housing, employment, and the fair distribution of income. In the year 2020, 23.6% is allocated to Education, 27.4% to Public Health, 16.2% to Social Assistance and 18.8% to Social Security.

In addition, the budget includes funding to support low-income mothers with three or more children under 12 years of age to purchase construction materials. The State appreciates the possibility of extending this policy and making it more flexible, as long as new sources of income are identified to increase financing.

In 2019, in the midst of the cruelest restriction of fuel availability, investments in the country represented a growth of 19% with 12 billion pesos.

In addition, there was a wage increase in the budgeted sector that benefited more than 1'400,000 workers, where the average salary went from $667 to $1,067 pesos.

In 2019, 43,700 houses were completed by the state, subsidy and own effort, a figure 10,801 higher than the planned amount.

The 2019 Budget granted more than $7.475 billion pesos for the housing subsidy program. 490 mothers with three or more children have been benefited, with more than 42,534,000 pesos destined to the construction of new houses, extensions, rehabilitations and major and minor conservation. In total, since 2012, more than 139,000 Cuban families have benefited from this subsidy program.

By 2020, the State has proposed to develop a more flexible and participatory plan for the economy, identifying the strengths of each territory and enterprise in order to exploit the potential of the productive chain.

Among the priorities are the increase and diversification of exports, efficiency in the investment process, increasing the participation of national industry, strengthening local development projects, promoting links between all economic actors: state sector, non-state sector and foreign investment, among others. Likewise, increase the collection of income in order to comply with the expenses planned for the period. Above all, taking into account that the main source of resources of the State Budget is found in the income derived from the collection of taxes.

Sales tax represents 38% of tax revenues, with more than 18 billion pesos to be collected, constituting one of the main sources of local income. Added to this is the need to achieve business efficiency, particularly in the state sector, which guarantees 85% of total revenue.

Another important source of income for the country is the Territorial Contribution for Local Development, projected at 1,144 million pesos, of which 50 per cent is allocated to support local government decisions in terms of sustainable local development.

In order to access external financing, technology and new markets, as well as to insert Cuban products and services in international value chains, the Foreign Investment Law was adopted in Cuba in 2014. This guaranteed that attracting foreign capital would effectively contribute to the country's sustainable economic development objectives on the basis of the protection and rational use of human and natural resources and respect for national sovereignty and independence.

The Act establishes as taxpayers of the territorial contribution for local development joint ventures, national and foreign investors who are parties to international economic association contracts and totally foreign capital companies.

Consequently, in order to increase the participation of foreign direct investment in the country's development process, the Single Window for Foreign Investment (VUINEX) came into force in January 2020.

The VUINEX aims to create facilities for investors and help speed up procedures for the approval of new businesses. It is an important step to increase and consolidate the processes for exporting goods and services, as well as to eliminate internal obstacles and excessive bureaucracy in trade. All this in accordance with the activities, priority sectors and territories.

In this way, it is ensured that traders interested in the Cuban market know the documentation required to start a negotiation, the ways to submit it, receive information on the procedures, distribute the documentation to the relevant authorities and notify the participants about the granting of the corresponding permits.

Another priority for the country is to consolidate the Special Zone for Mariel Development and promote the creation of new projects, taking into account that it contributes to the national economy and in turn to local development. The Special Zone has contributed to the industrialization of the territory, as well as new jobs for the execution of the works.

By 2020, 283 local development projects are planned, of which 189 are productive, representing 67%. The aim of these projects is to take advantage of the internal potential of the territories and to strengthen the link between economic actors. It is estimated that these new development investments will create around 5,000 new jobs.

However, it is necessary to continue advancing in the comprehensive development strategy in each territory. To achieve this, the country has set out to achieve an appropriate and coherent combination between national development programmes and local development projects.

In general, the country's National Economic and Social Development Plan until 2030 assumes the need to expand and diversify sources of medium- and long-term external financing, in line with the country's development requirements, guaranteeing debt sustainability.

Cuba reaffirms that the right to development is an inalienable human right and that it also implies the exercise of the right to full sovereignty over natural wealth and resources.

According to article 23 of the current Constitution of the Republic, "The lands that do not belong to individuals or to cooperatives made up of individuals (...) are the socialist property of all the people. The lands are given in free usufruct for periods of 20 years, extendable to natural persons and for an indefinite period to legal persons (cooperatives).

79% of agricultural land is state-owned, 14% is owned by small farmers and 7% is owned by cooperatives. A total of 303,424 natural persons own land in usufruct and 131,802 are owners.

Idle areas have been gradually decreasing since 2008. From that year until the end of 2018, 1,200,299 hectares of land have been handed over for the fundamental line of livestock production. Of these, 1 million 71 thousand 748 hectares to 105 thousand 61 natural persons, which averages 10.2 ha/user.

For agricultural production, 624,938 hectares have been granted. Of these, 433,86 to 144,962 natural persons, which averages 3 hectares per user. For forestry, 14,826 hectares have been granted, of which 9,793 to 1,253 individuals, with an average of 7.8 hectares.

**On the macroeconomic fiscal policy:**

In 2019, there was an increase of 32,500 jobs in the economy; 12,500 in the state sector and 20,000 in the non-state sector. With the levels of activity foreseen in the Economy Plan, it is projected that employment will increase by 0.7%, reaching 4,545,200 employed people. Of these, 3,99,500 will be employed in the state sector, representing 68%, and 1,445,700 in the non-state sector, representing 32%.

More than 10 years ago, Cuba's unemployment rate was below 4.0%, so it can be said that there is full employment in the country.

Notwithstanding the complex scenario in which the economy is developing, income has been projected at just over 66 billion pesos, which represents approximately 12% growth. This growth has been associated primarily with the sale of goods and services to the population, which contributes to generating greater income for the country and local budgets.

By 2020, it is estimated that the average salary will reach 989 pesos; 112 pesos more than in 2019 and 222 pesos more than in 2018. In the case of labor productivity, a growth of 0.6% is projected, representing 12,766 pesos.

On the other hand, the Budget also covers the transfer of resources to guarantee agricultural and non-agricultural productions. More than 21 billion pesos are quantified, of which around 12 billion pesos to cover export subsidies and import substitution, such as sugar for the domestic economy, fresh milk, rice, pork, charcoal and corn.

Likewise, the prices of goods and services offered within the regulated family basket at subsidized prices are protected for more than 3 billion pesos.

The result of the implementation of the Economy Plan, the projection for next year, as well as the challenges in the development of the country, are analyzed in the main spaces of popular discussion, where the National Assembly of People's Power, the labor centers and the communities are included.

**On the distribution of benefits and social protection:**

The Cuban State guarantees the population's basic necessities, basically food, economic products and fuel. If necessary, the Government is empowered to over-implement the levels of imports foreseen in the economic plan for these destinations, reducing the financing of other activities.

This shows that Cuba is not committed to the implementation of the so-called "austerity programmes" to reduce public spending. It is not a question of guaranteeing minimum social protection, even in times of crisis; but rather of maintaining, in all circumstances, however complex, all social protection and all rights.

The use and mobilization of national resources for development is a priority for Cuba. An example of this is the opportunity offered to sectors of national industry to produce for domestic foreign exchange trade. This makes it possible to retain foreign currency in the country, increase the supply of national goods and promote greater participation by our industry.

Likewise, more than 3 billion pesos are supported for the achievement of priority programs such as the Housing Program, infrastructure works that include renewable energy sources, the tourism sector, agriculture, sustainability of the hydraulic system and programs to combat drought, among others. For disaster situations and decisions that cannot be foreseen, reserves are planned in the Central Budget for 200 million pesos.

While promoting autonomy and municipal management, and taking into account that all territories do not have the same level of development, transfers are made to ensure the financing of social priorities such as education and public health, among others.

In addition, the State has set out to increase and diversify the supply of credit to the population as far as the country's conditions allow, as well as the supply of banking products to the population to stimulate savings and access to financial services.

After the approval of the State Budget for 2020, the process of discussing and approving their segregation in each work center begins. This process began with the meeting of the President of the Republic with the representatives of the 15 National Unions and the National Association of Innovators and Rationalisers. In this way, the high participation of workers in the systematic control of the budget execution is guaranteed.

In conclusion, Cuba, a developing country that has been under blockade for almost 60 years by the United States government, fully guarantees the right to development, as well as popular participation in all financing measures.

Cuba promotes policies that take into account territorial particularities and needs, as well as raise social standards, comparable to those of developed countries.

The Permanent Mission of Cuba to the United Nations Office at Geneva and the international organizations in Switzerland avails itself of this opportunity to renew to the Office of the United Nations High Commissioner for Human Rights the assurances of its highest consideration.

Geneva, 13 February 2020

1. The World's Billionaires, www.forbes.com/billionaires/list/; citados por informe de Oxfam 2019 “Bienestar público o beneficio privado”, 21 de enero de 2019. [↑](#footnote-ref-1)
2. SIPRI Year Book 2018 [↑](#footnote-ref-2)