



Integrated Country Strategy

Cuba

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1. Chief of Mission Priorities

Miguel Diaz-Canel was appointed president of Cuba, replacing his mentor, Raul Castro, on April 19, 2018, and since then, there has been no easing of the Castros' authoritarian governance. From his position as head of the Cuban Communist Party, which holds supreme political power, Raul Castro acts as the final authority on all policy matters. Diaz-Canel continues to affirm publicly that he is committed to continuity in both domestic and foreign affairs. This also reaffirms that there will be no deviation from Castro policies. Diaz-Canel's presidency aspires to evoke the symbolism of a younger generation that did not participate in the Cuban revolution, but his first months in power have been marked by tighter autocratic rule, designed to "protect the Revolution." Cuba's economic performance continues to be poor, the result of decades of state-controlled economic mismanagement. The Cuban government has produced a draft constitution, which proposes political and economic revisions. The perpetuation of an autocratic regime is most prominently embodied in the inalterable Article 5, in which the Communist Party retains its monopoly over power. Highlighted revisions to the constitution include economic changes made since 2010 and, for the first time, establishing rights for the LGBT community. The Cuban government has organized public debates nationwide and abroad, August 13 to November 15, during which discussions about the constitution have not been fully free. The draft constitution is scheduled to be put to a vote in a national referendum, February 24, 2019. In this political and economic context, the U.S. Embassy in Havana works to fulfill the U.S. Government's Cuba policy, as articulated in the National Security Presidential Memorandum (NSPM) of June 2017, entitled "Strengthening the Policy of the United States Toward Cuba."

As a result of health attacks on U.S. diplomats serving at U.S. Embassy Havana, starting in December 2016, post operations changed dramatically and over the past year, our primary imperative has become the security of our personnel. These health attacks resulted in brain injury, loss of hearing and concentration, dizziness, tinnitus, balance problems, cognitive issues, among others. In October 2017, when ordered departure (OD) was announced, staffing was reduced to one-third of previous levels. As a result, over the last year, personnel at the Embassy are typically obligated to fill two, three, sometimes four roles. Since March 2018, our post has been unaccompanied. In June 2018, the number of confirmed cases of injury reached 26 – the greatest harm done at any U.S. Embassy over the last year.

The NSPM states, "the United States recognizes the need for more freedom and democracy, improved respect for human rights and increased free enterprise in Cuba." The Cuban people have long suffered under a Communist regime that suppresses their legitimate aspirations for freedom and prosperity and fails to respect their essential human dignity." In an environment of reduced staffing and heightened security concerns, essential and core diplomatic and consular activities are proscribed to top NSPM priorities.

Politically, as noted, the new President and constitutional revisions will perpetuate the authoritarian state and maintenance of the one-party system. The Communist Party will continue as the only legal party and the “leading force of society and of the state.” Internationally recognized civil and political rights, including freedom of expression, freedom of the press and freedom of assembly, are not protected. The government often justifies short-term detentions and arrests of human rights activists by citing “counter-revolutionary activity.” Police and security officials use short-term and sometimes violent detentions, among other intimidation tactics, to prevent independent political activity or free assembly. The government often restricts Cubans from international travel, under laws that require no reason for such prohibitions and offer no recourse. Civil society is harassed by the government and limited by poor access to media.

Under the new draft constitution, the presidency is strengthened, the post of Prime Minister is revived, and governors are appointed in the provinces. Private property, which has been tolerated since 2010 but without any legal protection, is formalized in this draft. The term “communism” is edited out of key clauses but the Cuban Communist Party maintains dominance on the day to day activities of society. LGBT marriage rights will be offered. Ultimately, basic human rights and democratic freedoms, such as expression and association, are not guaranteed. The draft constitution contains ambiguous language, so that implementing regulations can and will curtail broader political rights and economic expansion.

Cuba’s old dysfunctional economy dominates. From an economic perspective, Cuba’s mismanaged resources and vulnerable sources of income are contributing to sliding economic results. The government has not issued growth or key sectoral data since 2015, largely seen as a way to hide negative trends. Cuba is import-dependent on almost everything it consumes, from manufactured goods to food. Cuba pays for these imports with tourism services revenues, U.S. remittances from the approximately two million Cuban Americans, and exports of medical and other professional services, nickel and cobalt. Its dependence on significant subsidies from Venezuelan oil shipments are increasingly at risk, as Venezuela’s economy spirals rapidly downward. Sewage and electricity standards are among the worst in the region. Cuba’s medical institutions are aging, and there is a growing scarcity of essential drugs and medicine. Shortages of medicines and medical products are significant and medical equipment is not up to world standards. At the same time, the government’s long-standing attention to health care and a high doctor-to-patient ratio and focus on preventive medicine is considered the reason behind high life expectancy in Cuba.

Cuba’s large and influential military controls significant economic assets through the Grupo de Administracion Empresarial (GAESA), including large portions of lucrative, expanding international tourism services. As directed by the NSPM, the United States has published regulations that ensure the benefits of U.S. engagement focus on the Cuban people rather than Cuba’s military, security, or intelligence services. In the meantime, President Diaz-Canel has

been campaigning across the country to promote the idea that Cuba is open for foreign investment and that investors are interested in engaging with Cuba. The creation of the Mariel Special Development Zone in 2013 and the 2014 promulgation of a new Foreign Investment Law established that foreign investment could act as an important component of the Cuban economy. In reality, this foreign investment law and Mariel Special Development Zone have produced only disappointing results towards modernizing an ossified economic system.

The real promise of entrepreneurs is being constrained. Raul Castro and Diaz-Canel are taking steps to limit the growth of a formal private sector, in the name of preventing the concentration of individually-held wealth. This is evident in a new set of regulations that will take effect in December 2018, which will constrain private sector activity and likely result in closures, along with overall frustration from the public. Cuban's innovation and determination has allowed the small private sector to grow to an estimated 579,000 self-employed people ("*cuentalpropistas*") and private sector farmers (agricultural cooperatives) since 2010, when the Cuban government first permitted a limited private sector. Today, this private activity generates an estimated 1.3 million jobs, or some 29% of the country's workforce. "*Cuentapropismo*" and private sector cooperative businesses have become a permanent feature, despite the Cuban government's refusal to advance meaningful economic reforms. They have the potential to become an economic voice, but are still far from creating a solid and healthy middle class in the near term.

Normalization of relations between the United States and Cuba contributed to a large surge in the number of Americans traveling to Cuba. Airlines and cruise ships built up new, regularly scheduled routes between the U.S. and Cuba. American visitors are the most important customers for Cuba's *cuentalpropistas*. These numbers retreated markedly after Hurricane Irma and the downgrading of the Department of State Travel Advisory in September. Visitor's numbers are once again starting to rebound, following the upgrade of the Travel Advisory from Category Three to Two in August 2018.

Thanks to slowly increasing internet and social media penetration, Cubans aspire to full connectivity with the outside world and are pressing their government for more internet access. Thus far, the Cuban government, either by policy or technical capabilities, has denied full and mobile connectivity, drastically limiting Cuban internet access, which is among the lowest penetration rates in the world. Cubans can only access the internet via a network of public WiFi hot spots, widely spread out around the country. Data is nearly impossible to verify. While Hootsuite estimates 40% of the population has some sort of internet access, some official media and Cuba's telecommunications monopoly report an estimated 54% of the population has daily access. The Cuban government blocks certain websites critical to the government and harasses independent voices, but Cubans today have more interaction with and information from the outside world than ever before in the last 60 years. The information revolution is woefully behind in Cuba, as outside news only reaches the elites.

Government propaganda through its State-controlled media –is the lion’s share of messaging media. Anti-U.S., anti-imperialist rhetoric is constant and continues. The current and the draft constitution prohibit private media. Less than two dozen independent outlets, the majority created after 2014, are able to function with the assistance of a variety of funding sources such as grants, awards, crowdfunding and alliances, and use all types of social media for their distribution. Due to lack of a legal framework for such outlets, their existence is at the disposition of the government and said to be “tolerated”. The Cuban government censors some of these outlets and blocks those that are more critical of the government. The readership of this independent media is mostly young Cubans and Cuban expats.

Migration continues to be an issue in Cuba and its accelerated brain drain is damaging all productive and key sectors of the economy and society. Since 2000, over 500,000 Cubans have obtained legal residence in the United States, over 150,000 have acquired Spanish citizenship, and up to 100,000 have moved elsewhere. Dismal expectations about the Cuban economy are driving young people to abandon Cuba for not only the United States or Latin America, but Europe, as well. For those who remain, daily life is full of economic and social contradictions that they opt for not having children making Cuba’s demography to behave as a develop country -- very low fertility rate and a high living expectancy. Nearly 20 percent of Cuba’s population is over 60 years old and by 2030, this figure will reach 30 percent, the highest in Latin America. Thus, demographics is making Cuba’s expensive social system increasingly unsustainable.

Embassy Havana mirrors efforts outlined in the National Security Presidential Memorandum to improve human rights, encourage rule of law, foster free markets and free enterprise, and promote democracy in Cuba. We sustain engagement and relationships with individuals in Cuba striving for these goals, recognizing the risks they take to build a better Cuban society. With limited resources, we ensure human rights leaders, dissidents, and other members of independent civil society continue to have full access to Embassy officers and visa services, as appropriate. We are expanding our internet services, where Cubans can have full uncensored and unmonitored online access. People-to-people exchanges constitute a mainstay for the NSPM’s central focus of supporting the Cuban people. Americans travelers are the best ambassadors as they interact with all type of Cubans and those exchanges highlight the true values of diversity and individual rights and freedoms.

During the process of normalizing bilateral relations, the U.S. and Cuba signed 21 bilateral agreements, in all areas of U.S. national interest such as health and cancer research, agriculture, environment and protected areas, counterterrorism, search and rescue, animal and plant health, Air Marshals, direct mail service, among others. All of which remain in effect. The “wet foot, dry foot” migration benefits for Cubans lifted at the end of the Obama administration, drastically reduced the flow of irregular Cuban migration to the United States. Removals of irregular migrants in the U.S., per our January 2017 accord, continue forward, albeit at low numbers. Our bilateral migration talks allow the U.S. and Cuba to continue to examine these developments and

discuss other issues of mutual interest. Our law enforcement dialogue focuses on cooperation and information exchange, provides leads in multiple ongoing investigations, and has resulted in good collaboration on criminals of interests to the United States Department of Justice. We have proposed to the Cuban Government that we again take up our dialogues on human rights and await their response.

The National Security Strategy states that it is the policy of the United States to promote a stable, prosperous and free country for the Cuban people. The Embassy will continue to engage with local and international civil society, and foreign government representatives on the island until the day Cuban people can enjoy freedom and prosperity for all.

2. Mission Strategic Framework

Mission Goal 1:	Advance Cuban human rights by engaging with grassroots civil society activists and young leaders
Mission Objective 1.1:	Promote respect for human rights and support human rights activists
Mission Objective 1.2:	Identify and engage the next generation of Cuban civil society leaders
Mission Goal 2:	Protect the national security and public health and safety of the United States and U.S. citizens, including through proper engagement on law enforcement, border security, and emergency response
Mission Objective 2.1:	Build and maintain effective lines of communication and coordination between U.S. and Cuban law enforcement and security entities to increase cooperation on achieving shared law enforcement and security goals
Mission Objective 2.2:	Enhance air and maritime security cooperation to include port security and marine environmental response
Mission Objective 2.3:	Through strengthened contacts with local first responder personnel, ensure a swift response to emergencies affecting U.S. citizens in Cuba or the United States
Mission Goal 3:	Encourage the growth of a Cuban private sector independent of government control
Mission Objective 3.1:	Stimulate private economic activity and encourage a more open economy by supporting entrepreneurs and private businesses
Management Objective 1:	Establish, maintain, and upgrade the Embassy's infrastructure to properly support the functions and demands of the Embassy facilities.
Management Objective 2:	Align human and financial resources to carry out mission objectives under special circumstances of reduced staff
Management Objective 3:	Improve morale by strengthening the quality of life for U.S. staff in the unaccompanied and hardship environment.

3. Mission Goals and Objectives

Mission Goal 1: Advance Cuban human rights by engaging with grassroots civil society activists and young leaders

Description and linkages: The Cuban people suffer under a Communist regime that suppresses their legitimate aspirations for freedom and prosperity and fails to respect their essential human dignity. Dissidents and peaceful protestors are arbitrarily punished and detained, and violence and intimidation against dissidents occur with impunity. In support of the June 2017 National Security Presidential Memorandum on Strengthening the Policy of the United States Toward Cuba, the Mission engages with activists and Cuban civil society at the community level to advance the democratic aspirations of the Cuban people. This supports the National Security Strategy goal of championing American values, and the State/USAID JSP objectives of engaging foreign publics and civil society to promote American leadership.

Mission Objective 1.1: Promote respect for human rights and support human rights activists

Justification: Despite a leadership transition and new constitution, Cuba remains a repressive one-party state that denies its people basic human freedoms such as freedom of assembly, access to information, and freedom from arbitrary punishment. The United States aims to engage and empower Cubans rightly condemning these abuses by building the capacity of civil society organizations, supporting independent media, and expanding Internet access.

Mission Objective 1.2: Identify and engage the next generation of Cuban civil society leaders

Justification: Cuba's future will be determined by its young people. If that future is to be democratic and prosperous, Cuba's brightest young minds must stay connected with the outside world. Our engagement supports these young people by connecting them with international resources and information, and improving their ability to advocate on behalf of the legitimate democratic aspirations of the Cuban people.

Mission Goal 2: Protect the national security and public health and safety of the United States and U.S. citizens, including through proper engagement on law enforcement, border security, and emergency response

Description and linkages: Though strained by other measures, cooperation between the United States and Cuba on matters of law enforcement and security remain productive, as both countries seek to deter irregular migration, ensure safe transportation networks, and protect the safety of their citizens. Our continuing work in these areas advance the preeminent national security goal of the United States, by protecting the homeland from threats, securing U.S. borders, and protecting the American people. This goal also serves JSP objectives 1.5 (strengthening border security) and 1.3 (countering instability and transnational crime), as well as the Joint Regional Strategy objective of deterring irregular migration.

Mission Objective 2.1: Build and maintain effective lines of communication and coordination between U.S. and Cuban law enforcement and security entities to increase appropriate cooperation on U.S. law-enforcement security goals

Justification: The United States and Cuba share an interest in addressing the threats posed by illicit pathways for illegal narcotics and trafficking in persons in the Western Hemisphere. As noted in the June 2017 NSPM, the United States also has an interest in enforcing final orders of removal against Cuban nationals in the United States and ensuring the return of fugitives from American justice living in Cuba or being harbored by the Cuban government.

Mission Objective 2.2: Enhance air and maritime security cooperation to include port security and marine environmental response

Justification: Cuba's geographic location a mere 103 miles from the U.S. homeland and the country's history as a source of irregular migration to the United States argue for increased cooperation on border security, particularly in the maritime sphere. Travel to Cuba by thousands of American citizens every year also mean we should work to promote aviation security, and support safe transportation procedures in compliance with international norms.

Mission Objective 2.3: Through strengthened contacts with local first responder personnel, ensure a swift response to emergencies affecting U.S. citizens in Cuba or the United States

Justification: The paramount mission of U.S. diplomatic missions abroad is protecting the lives and interests of American citizens. Cuba has a substantial American citizen population, and is host to many thousands of American citizen visitors for cultural exchanges and other programs. With decreased Embassy staffing, we must deepen cooperation with local officials and emergency responders to ensure we are prepared to react quickly to a natural disaster or other emergency that could negatively affect Americans on the island.

Mission Goal 3: Encourage the growth of a Cuban private sector independent of government control

Description and linkages: Cuba's repressive system of government has long strangled the Cuban people's dreams of a more prosperous and free home. Despite halting and largely ineffectual reforms, Cuba remains dominated by government and military actors, who exploit their preeminence at the price of a sluggish, inefficient economy mired in outmoded thinking. By encouraging economic activity outside the ambit of state control, U.S. engagement both helps to liberate the energy of the Cuban people and weaken the government's stranglehold. This serves the JSP objective of increasing engagement with the private sector.

Mission Objective 3.1: Stimulate private economic activity and encourage a more open economy by supporting entrepreneurs and private businesses

Justification: Despite opaque and ever-changing regulations, the persistent existence of Cuba's private sector points to the entrepreneurial energy of the Cuban people and the hunger for

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more avenues to prosperity. U.S. programs nurture this energy by connecting Cuban private businesses to global sources of information and resources, including international organizations, to encourage more productivity, particularly in the agricultural sector.

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4. Management Objectives

Post operations changed dramatically in FY2018. Ordered Departure (OD) was announced in late September 2017 due to health incidents.

As made clear in the June 2017 National Security Presidential Memorandum entitled “Strengthening the Policy of the United States Toward Cuba,” the United States recognizes the need for more freedom and democracy, improved respect for human rights, and increased free enterprise in Cuba. The Cuban People have long suffered under a Communist regime that suppresses their legitimate aspirations for freedom and prosperity and fails to respect their essential human dignity. Efforts will be focused on the ability to improve human rights, encourage the rule of law, foster free markets and free enterprise, and promote democracy in Cuba. Post will continue efforts to support the Cuban people and ensure that engagement between the United States and Cuba advances the interests of the United States and the Cuban people. Opportunities to achieve these goals include expansion of internet services, free press, free enterprise, free association, and lawful travel.

The success of these goals is largely dependent on the resources available to facilitate broader influence. Additional staffing above the FY 2018 authorized level is needed to ensure we can implement the Integrated Country Strategy while providing a safe and effective working environment for our personnel.

Management Objective 1: Establish and upgrade the Embassy’s infrastructure to properly support the functions and demands of the bilateral relationship

Justification: For over five decades, the then-U.S. diplomatic mission in Havana faced strict shipping and visa limitations, resulting in neglected building conditions, low morale, and lack of supplies for safety and security maintenance. Consequently, the Embassy lacks a strong ICASS platform to support additional demands.

Post will focus on engaging with Overseas Building Operations, the Bureau of Administration, and WHA/EX to ensure the acquisition of facilities and supplies needed to achieve key objectives. To accomplish this objective, critical focus is necessary to obtain TDY support and secure Cuban visas in order to upgrade aging Embassy facilities.

Management Objective 2: Align human and financial resources to carry out mission objectives and more closely special circumstances, limited staff, and living conditions.

Justification: For our operating platform, additional cost savings are difficult to realize. Cuban state monopolies, strict government control over utilities, rent, communications pricing, and the limited availability of products and equipment locally complicate contracting and competing for services. Procurement from the United States is expensive and can only be completed through OFAC-licensed operators who continue to increase charges. Continuing reductions in Venezuelan support to Cuba may escalate the already high prices for fuel, gasoline, and other imported goods. Though worldwide gasoline prices have dropped considerably, the Cuban

government has not lowered the price per liter in Cuba. The GOC's planned unification of its dual currency system may result in further inflation and economic uncertainty. This means that many of our contracts, local purchases, wages, and utility costs could rise with little or no notice. Major uncertainty surrounding the Embassy's footprint presents unique challenges in sustaining an efficient management platform equal to achieving the ICS goals enumerated above. Current consolidated housing presents new management challenges. Post will focus on the transition from individual houses to dormitory style living conditions and the impact on staff morale. Additionally, the Mission is pursuing virtual positions to be located in the U.S. which will provide critical support of core Embassy operations.

Management Objective 3: Improve morale by strengthening the quality of life for U.S. staff

Justification: Cuba remains a uniquely challenging place to work for U.S. diplomats and other staff. Yet given the importance of our goals in Cuba to U.S. national security interests and the continuing constraints on funding and staffing, we must attract and retain the best staff possible. Working within known constraints, our management section will focus on addressing basic quality of life issues to lessen the strain on U.S. staff. Post advocated for and received a Service Recognition Package that includes a change in the tour of duty to one year with two R&R trips, 20% special differential, and home leave following one year of service. In a parallel effort, the Post Differential was increased to 35%. These changes established a solid foundation to attract dedicated staff to serve in the challenging environment. Post will continue to focus on new initiatives to attract, retain, and align staff efforts to the ICS goals.