

**Cuban Civil Society Support Program
(CCSSP)**

Contract Number DOT-I-00-03-00009-00
Task Order No. 4

Monthly Report

August 2010

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1. Country Situation Update

Expectations for change increase

In July, Raúl Castro surprised many when he agreed to free 52 of 75 dissidents sentenced in 2003 in a deal struck with the Catholic Church and brokered by Spain. So far, Spain has received 166 people, between ex-prisoners and relatives, and they expect more will be released in the months to come. Many consider the release of prisoners a victory for dissidents in Cuba, while others have criticized these actions. Critics view the release as banishment in exchange for further jail time since they are not given the option of staying in country and must agree to remain in Spain. There was a lot of speculations last month about the real intentions of the Cuban government with this move. It was the first time the Cuban government agreed to dialogue with an independent organization (the Catholic Church) but analysts and dissidents suspected it was just another move to buy time and maintain the status quo, influence the European Union's pending decision about the Common Position, assure survival of the regime and avoid moving forward with structural changes expected by the Cuban people since Raúl Castro became the president.

Whatever the real intentions of the Cuban government are, the release of these prisoners created expectations for change at different levels on the island. Rumors about the release of more prisoners, the authorization for private citizens to buy and sell houses, freedom of travel inside and outside Cuba, and especially more freedom for independent entrepreneurs circulated about the island during the month of July. In a speech given to the Council of Ministers on July 16, Raúl Castro talked about the need for expanding independent businesses and allowing them to contract labor, which could mean the beginning of the liberalization of the productive forces in Cuba. On July 26th, a very important date for the Revolution, expectations were very high that an announcement would be made. On that day in 1953, Fidel Castro led an assault by young rebels on the Moncada military barracks that officially initiated the armed insurrection. Many hoped Raul Castro was going to announce decisive economic, political and social changes for the country. But at the main event this year in Santa Clara, Raúl did not speak. Vice President Juan Ramon Machado Ventura was in charge of giving the main speech to approximately 90,000 spectators, while President Raul Castro looked on. Machado's speech did not announce anything new nor any structural changes for Cuba. Instead, the speech reiterated the same revolutionary rhetoric of a centralized economy and no changes in civil or political rights. In a response to those pushing for faster change on the communist-led island, he said the government would move deliberately and stay loyal to revolutionary ideals.

The National Assembly meeting in August provided Raúl Castro with another opportunity to announce changes. Although he mentioned that Cuba was not going to follow 'capitalist recipes' to solve the economic crisis, he reiterated the need to reduce the Government's payroll and the authorization of more licenses for independent entrepreneurs. Many believe that the creation of a private labor force could help alleviate the serious employment problem in Cuba. The open recruitment of a labor force is of great significance for the establishment of small and medium enterprises and laying the foundation for their success. Allowing small and medium private businesses would generate employment, profitable goods and services, and contribute to the national budget through taxes but decrease state control.

While these developments were taking place, Fidel Castro returned to the public eye. The intensity and frequency of Castro appearances seems to have puzzled analysts. On July 26, he made a public appearance at a ceremony marking the anniversary of the beginning of the Cuban Revolution in Havana, but avoided discussion of issues of interest for Cubans, such as the economy and the recent release of dissidents from Cuban jails. During the National Assembly, Fidel appeared at this forum after 4 years of absence. Again, he did not talk about topics of interest for the Cuban people and referred instead to issues he had been discussing in his latest "*Reflexiones*" statements, such as an imminent nuclear war initiated by the USA against Iran or North Korea and the need for the "salvation of humanity." According to analysts like Jaime Suchlicki, this new campaign has little to do with the salvation of mankind and more to do with support for Ahmadinejad, his friend and ally in Iran. Fidel Castro is starting a public relations effort to pressure the Obama administration to reject any attack on Iran and accept a

nuclear Iran, but more importantly, these political campaigns may weaken the United States' position, divert attention and resources, and ultimately could drive the US to make concessions to both Iran and Cuba.

Lifting restrictions on travel: seizing the opportunity to expand people to people contacts

Concerning US-Cuba relations, the dominating issue in the news has been the possibility that President Obama may ease travel restrictions to Cuba. This would allow the administration to change US policy toward the island even if legislation to repeal a wider travel ban is not approved by Congress this year. Those in favor of lifting travel restrictions believe this policy has the potential to create new conditions for change in Cuba. Increased contact between people in both countries will allow groups to share expertise as well as life experiences and will encourage an injection of new ideas for Cubans. In particular, members of dissent groups and those who oppose the regime, say these changes will result in an infusion of democratic ideas, greater access to technology, a window into the realities of the outside world and a way to get their messages to abroad.

Some analysts said the measures were partly a response to pressure from an unlikely alliance of liberal political groups and conservative business associations, led by Senator John Kerry, head of the Senate Foreign Relations Committee, who have been pushing Congress to lift all restrictions on travel to Cuba. But lifting of travel restrictions is equally opposed by those who are against any concession to the Cuban government. Cuban Americans and dissidents in the US argue that eliminating the isolation of Cuba by lifting the travel restrictions, would reward the government, which will profit from the funds generated by American travelers that will eventually be used to increase repression on Cuban citizens. Sen. Robert Menendez (D-N.J.), a prominent Cuban American legislator, said the timing was wrong. In his public statement, he said, "Promoting travel and widespread remittances will give the regime a much-needed infusion of dollars that will only allow the Castro brothers to extend their reign of oppression and human rights violations."

Lobbying for elimination of travel restrictions has been very strong lately. Examples are: Agriculture Commissioner Doug Goehring will lead a five-member trade group to Cuba in September with Alimport, (the Cuban government agency responsible for making all food purchases for the country), with the purpose of exploring future business opportunities between both countries and New Mexico Governor, Bill Richardson, began an official visit to Cuba to promote agricultural exports. On Richardson's visit, some analysts believe that Richardson may try to discuss the Alan Gross case with the Cuban authorities to seek his release. , a U.S. contractor, was arrested in December 2009 in Cuba and accused by the Castro regime of spying for Washington.

2. Programmatic Highlights and Major Activities

- **Program Performance Review:** During a full week of meetings in Costa Rica, OTI PPR members met with staff and grantees to evaluate program performance to date. Preliminary indications seem positive and a final report with recommendations is expected next month.
- **Program Strategy Restructure:** The management team, CREA headquarters staff and OTI stakeholders held several meetings to determine how to restructure the program in light of the continued travel restrictions, which have made certain activities difficult to implement. The development of new grants has been postponed until final restructuring decisions are made. The field office will be closing as of October 31, 2010, grants administration and operations will move to Washington, D.C., and a final determination on the future of each initiative is under consideration.

Key Programmatic Accomplishments

- **Grant Cluster 1.1-** *This cluster of grants targets a vibrant and promising sector with a potential for social action. The activities within this cluster have empowered leaders identified through our program to learn technical skills and create high quality products. The CCSSP is working to focus technical assistance, replicate success with other groups and utilize advances on current projects. This cluster has resulted in an independent network developed by local beneficiaries and a cadre of local trainers. By*

taking advantage of existing social networks and affinities, this cluster seeks to solidify and strengthen these natural networks and move them towards pursuing common goals.

- [SJO029]: The grantee and beneficiaries that participated of a joint-training on organizational development were not able to proceed with the planned cross-training sessions for the remaining group members because the group lost consistency. Final administrative paperwork in being processed for close out.
- [SJO039]: Final reporting is complete. The beneficiaries are hesitant to continue their activities due to a previous security issue that has increased their profile. In light of the program's restructuring, staff is currently determining the future of this initiative.
- [SJO046]: This grant has been marked as complete and its final close out process is underway. The new ideas developed from this grant will be considered by OTI/CREA staff for future activities under the new implementation model.
- [SJO055]: All activities for this grant are complete and final close out is underway. No further activities are anticipated for this initiative. This grant is in the process of closing and final reporting is underway.
- [SJO057]: Final reporting is complete. The new ideas developed under this grant will be considered by OTI/CREA staff for future activities under the new implementation model.
- [SJO062]: Meetings with the grantee and organizers were successful. The level of participation of the beneficiary group in the activity was high and enthusiastic. Assistance is underway to cover cost and materials for the activity. Video documentation is expected next month showing the results of this grant.
- **Grant Cluster 1.2-** *The different population sectors encompassed in this cluster have advanced along the 1-9 methodology at different rates depending on their starting point. While some sectors are engaging actors, others have already begun implementing small victories with great success. Additionally, some activities have reported an increase in their number of beneficiaries or replication of trainings to new groups. This cluster has also begun to see a modest impact in local beneficiaries' behaviors moving from apathetic to successfully negotiating with the local authorities' spaces to address legitimate community concerns. Activities within this cluster have provided valuable lessons to enhance the CCSSP's implementation strategy.*
 - For SJO032, SJO033, SJO034, and SJO047 all activities and final reporting for these grants are complete and final close out is underway. Follow up activities for these initiatives are under consideration in light of the program's restructuring.
 - [SJO052]: The reports presented by the grantee upon their return are under review due to insufficient content. Final determination on the future steps for this initiative is currently being evaluated.
- **Grant Cluster 2.1-** *Through the four grants under this cluster, the CCSSP has identified the needs and developed targeted methodologies for this particular population sector. A total of four groups will be created in different provinces and their coordinators have been trained in leadership and community work. Program and grantee staffs continue to devise new creative ways to engage these beneficiaries.*
 - [SJO060]: A pending grant developed last month to engage this particular target sector utilizing economic development concerns has been cancelled.
- **Grant Cluster 2.2-** *The greatest accomplishments for this cluster are the new population sectors the CCSSP has been able to target through the different initiatives. A total of 15 grants have allowed the CCSSP to reach out to previously untouched population sectors and engage them successfully in common projects. These are also some of the most challenging initiatives because of the lack of civic experience*

of the beneficiaries. Among new partner NGOs, a total of 17 grantee staff members were trained and equipped to more swiftly implement projects in unique strategic areas.

- [SJO038]: The grantee presented all their programmatic reports and deliverables. Nevertheless, after a careful evaluation by OTI/CREA staff further details and explanations were requested regarding the report's contents. According to the new information collected a new course of action will be determined for this initiative.
- [SJO050]: The first phase of field work was successfully completed. The technical team had the opportunity to carry out all of the planned activities with good results. A draft report with evidence of the advances was presented and is being reviewed by OTI/CREA staff. The second phase of the field work will start the first week of September. Upon completion of the second phase, the grantee will present a report with results, analysis and a detailed plan with future steps. A no-cost amendment was signed for this grant to account for the travel delay.
- [SJO054]: This grant is in the process of closing and new activities under this initiative are under consideration.
- [SJO056]: All activities under this grant were successfully completed. This grant is in the process of closing. OTI/CREA staff will determine if future activities under this initiative apply to the new model of implementation.
- [SJO059]: The grant was supposed to end on December 31st but OTI/CREA staff decided to reduce the scope of work in order to adjust it the new implementation model. Final determinations of what areas will be part of the new scope of work are being discussed with the grantee.
- **Grant Cluster 3.1-** *In previous activities under this initiative, a team was formed and a first product was created. The CCSSP will evaluate the development of a second product and seek to replicate the civic intervention with other groups.*
 - [SJO061] A consultant traveled to the island to contact the group and evaluate the possibility of scheduling future activities. The results were very positive and the group is already working on the next deliverable. The consultant is working with the group of local beneficiaries to determine the best distribution mechanisms that will allow them to reach a wider audience and improve product contents.
- **Grant Cluster 3.2-** *With three grants so far and significant resources allocated, this cluster has exponentially exceeded expectations, demonstrated a true desire for freedom of expression and a felt need for increased networking capacity on the island. The implementation team has successfully identified a way to channel this success and make the most of this wide ranging initiative.*
 - [SJO058]: Activities concluded successfully and final reporting is underway. A new grant is expected next month to complete the transition and expand current project capacity. CREA staff traveled to meet with the grantee to provide them with training in administrative procedures and to help them design a new phase for this initiative.
- **Grant Cluster 3.3-** *This innovative cluster seeks to counter apathy and stimulate civic engagement by supporting media projects that communicate positive messages through aspects of everyday life and humor.*
 - [SJO053]: The grantee was able to deliver a fourth edition of the product plus a video. These products were sent and distributed in the island and we are awaiting feedback on their distribution and local reception. OTI/CREA staff is determining next steps for this initiative.
- **M&E Grant**
 - [SJO048]: Due to travel restrictions still in place at the time of expiration of the agreement OTI/CREA staff has determined to close out this grant. Once the travel to the island is reinstated

and final program restructuring is complete, a new grant will be considered to perform evaluation and monitoring tasks.

Program Operations

- Grants cleared to date: **60** (13 in process, 15 completed, 24 closed, 3 cancelled, 5 rejected after clearance)
- Staff is currently working on closing out activities to de-obligate remaining grant funds and prioritize new activities based on the new implementation strategy. Approximately 80 percent of the grants currently categorized as cleared are in the process of close out and set for completion in the following months.

Status Count				
Pending	Cleared	Completed	Closed	Cancelled / Rejected
2	26	3	24	2 / 9* *5 had been cleared

CLEARED		
1	SJO029	\$ 96,257
2	SJO038	\$ 134,666
3	SJO040	\$ 134,710
4	SJO048	\$ 25,985
5	SJO050	\$ 128,906
6	SJO052	\$ 56,841
7	SJO053	\$ 29,076
8	SJO055	\$ 49,290
9	SJO056	\$ 81,935
10	SJO058	\$ 200,000
11	SJO059	\$ 44,149
12	SJO061	\$ 41,489
13	SJO062	\$ 70,315
Subtotal:		\$1,093,619.00

COMPLETED		
13	SJO049	\$ 89,708
14	SJO054	\$ 34,726
15	SJO057	\$ 7,931
Subtotal:		\$1,008,540.00

CLOSED		
23	SJO041	\$ 4,947.00
24	SJO042	\$ 21,551.00
Subtotal:		\$770,290.00

PENDING		
1	ijcSJO050	
2	SJO060	\$ 35,026.00
Subtotal:		\$35,026.00

CANCELLED		
1	SJO013	\$ 9,857
2	SJO043	\$ 5,972
3	SJO045	\$ 69,156
Subtotal:		\$84,985.00

COMPLETED		
1	SJO022	\$ 93,180
2	SJO025	\$ 91,620
3	SJO028	\$ 85,092
4	SJO032	\$ 111,579
5	SJO033	\$ 77,484
6	SJO034	\$ 105,047
7	SJO035	\$ 18,801
8	SJO037	\$ 53,918
9	SJO039	\$ 65,797
10	SJO044	\$ 87,182
11	SJO046	\$ 42,527
12	SJO047	\$ 43,948

CLOSED		
1	SJO001	\$ 95,420.00
2	SJO003	\$ 17,157.00
3	SJO006	\$ 81,421.00
4	SJO007	\$ 123,098.00
5	SJO008	\$ 34,332.00
6	SJO009	\$ 24,256.00
7	SJO010	\$ 30,434.00
8	SJO011	\$ 19,551.00
9	SJO012	\$ 14,204.00
10	SJO014	\$ 47,453.00
11	SJO015	\$ 7,308.00
12	SJO016	\$ 72,709.00
13	SJO017	\$ 2,345.00
14	SJO018	\$ 12,759.00
15	SJO019	\$ 89,534.00
16	SJO020	\$ 11,430.00
17	SJO024	\$ 12,784.00
18	SJO026	\$ 4,655.00
19	SJO027	\$ 4,743.00
20	SJO030	\$ 17,830.00
21	SJO031	\$ 5,844.00
22	SJO036	\$ 14,525.00

REJECTED		
1	iSJO001	
2	iSJO010	
3	iSJO011	
4	SJO002	Rejected After Clearance
5	SJO004	
6	SJO005	
7	SJO021	
8	SJO023	
9	SJO051	

Administration and Operations

- **Activity Database (ADa):** Changes to the database based on the new M&E plan are underway and all outputs are being verified. New reporting mechanisms were developed based on this data.
- **Procurement:** The procurement manager is undergoing an inventory review to finalize grant close out and will proceed with the disposition procedures of field office equipment.
- **Finance:** The finance department is finalizing payments to grantees and all grant expenses to update disbursements for close out. Contract Modification #2 was fully executed just prior to completing this

monthly report. Modification #2 obligates \$2 million and inserts a special travel liability clause into the contract. OTI/CREA can now resume scheduling travel to the island.

- **Human Resources:** Field staff was officially notified on August 16, 2010 that the field office will be closed due to a program restructuring effective October 31st, 2010.

3. Budget Information

CLIN	Description	Total	Obligated	Disbursed June 2010	Cumulative Amount Disbursed
001	Operations	\$ 4,887,599		\$ 136,975.02	\$ 3,076,490.11
002	Fixed Fee Operations	\$ 244,380		\$ 6,848.75	\$ 153,824.51
003	Grants	\$ 10,200,000		\$ 261,062.31	\$ 1,934,450.39
004	Fixed Fee on Grants	\$ 204,000		\$ 5,221.25	\$ 38,689.00
	TOTAL	\$ 15,535,979	\$ 7,170,671	\$ 410,107.33	\$ 5,203,454.02

4. Problems Encountered: Issues and Proposed Actions

- Due to continued travel restrictions related to travel to Cuba, OTI and CREA have decided to restructure the program strategy. Staff is currently determining which initiatives may continue under the new implementation scheme.

5. Upcoming Activities

- CREA/Costa Rica has the following activities planned for September 2010:
 - A planning meeting with a potential new partner in the communications sector
 - Finalize close out process for finalized and completed grants
 - Prepare the Annual Report
 - Finalize and implement field office close out plan
 - Implement operational restructuring plan
 - Launch implementation of new programmatic work plan