

VACCINE DIPLOMACY IN LATIN AMERICA AND
THE CARIBBEAN: THE IMPORTANCE OF U.S.
ENGAGEMENT

HEARING

BEFORE THE

SUBCOMMITTEE ON WESTERN
HEMISPHERE, TRANSNATIONAL
CRIME, CIVILIAN SECURITY,
DEMOCRACY, HUMAN RIGHTS,
AND GLOBAL WOMEN'S ISSUES

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VACCINE DIPLOMACY IN LATIN AMERICA AND THE CARIBBEAN: THE IMPORTANCE OF U.S. ENGAGEMENT

THURSDAY, NOVEMBER 18, 2021

U.S. SENATE,
SUBCOMMITTEE ON WESTERN HEMISPHERE,
TRANSNATIONAL CRIME, CIVILIAN SECURITY,
DEMOCRACY, HUMAN RIGHTS, AND
GLOBAL WOMEN'S ISSUES;
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:02 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Tim Kaine, chairman of the subcommittee, presiding.

Present: Senators Kaine [presiding], Menendez, and Rubio.

OPENING STATEMENT OF HON. TIM KAINE, U.S. SENATOR FROM VIRGINIA

Senator KAINE. I would like to call the hearing to order. This is a hearing of the Senate Foreign Relations Subcommittee on Western Hemisphere, Transnational Crime, Civilian Security, Democracy, Human Rights, and Global Women's Issues.

Senator Rubio, I think we have the honor of the subcommittee with the longest name of any in the Senate.

The hearing will come to order, and it is a pleasure to welcome two distinguished panels of witnesses for this hearing on vaccine diplomacy in Latin America and the Caribbean, and the importance of U.S. engagement in the region.

I want to thank Ranking Member Senator Rubio and his team for helping develop this hearing and for always advancing the important work of this subcommittee, and always having a passion for the region.

Americans have learned a lot of hard lessons since the COVID-19 pandemic first reached our shores in early 2020: the importance of a strong public health system, the vulnerability of and the valuable work performed by our essential health workers, disparities in our economic system that can be exacerbated by unforeseen crises, the effectiveness of vaccines, and the difficulties of achieving political consensus even when faced with a common threat.

Another lesson the pandemic has taught us is that we are inextricably linked to other nations, particularly our neighbors in the Americas. Disease does not stop at borders. Our health, to a de-

gree, depends on the health of our brothers and sisters in Latin America and the Caribbean.

Latin America and the Caribbean has suffered greatly during the pandemic. More than a million and a half dead, tens of millions of cases. Thirty percent of the deaths in the world attributed to the pandemic are in the Caribbean and the Americas with only 8 percent of the population. So this has been a region that has been hit particularly hard.

I saw some of the effects of the pandemic firsthand in the region this summer when I joined Senator Portman and four other Senate colleagues in a bipartisan CODEL to visit Mexico, Ecuador, Colombia, and Guatemala.

We talked in those nations about the effect of a pandemic, but we also heard the gratitude of these nations for U.S. vaccine diplomacy in the region, a common story, and we were arriving in capitals and talking to presidents at about the same time as significant American vaccines were arriving to be distributed in these countries.

A common story that we heard was that when it comes to vaccines, we think the American vaccines are the best and you are giving them to us. We are getting vaccines from China and Russia that we are purchasing, and sometimes the shipment gets delayed, and in the instance of China, if we happen to say something about Taiwan the contract will mysteriously disappear and we will never get vaccines.

So there was a real window that was opening, we viewed, in the Americas because there was gratitude for the U.S. role in delivering now, I believe, nearly 50 million vaccines into the Americas and the Caribbean.

There is much more to do. We have stepped up to provide support to our southern neighbors. It is a little belated because we wanted to take care, obviously, of our own needs first, but distribution of vaccines and other humanitarian aid, most notably through sharp increase in funding through the American Rescue Plan, has started to flow. More needs to be done.

While the U.S. initially focused on overcoming the public health crisis at home, outside actors like China and Russia have taken this opportunity to exert their influence—really, continue their influence in Latin America and the Caribbean, and that has potentially deleterious long-term effects on U.S. interests and values in the region.

So after almost 2 years now of living with COVID, this hearing is an opportunity to consider our successes and failures in responding to the pandemic in the Americas and what we can do to continue to improve our efforts in the region.

I am hopeful that testimony from our panels of witnesses both from the State Department and outside experts can help us better understand these vital issues and chart a path forward.

I now want to turn it over to my ranking member, Senator Rubio, for his remarks before I introduce our first panel.

**STATEMENT OF HON. MARCO RUBIO,
U.S. SENATOR FROM FLORIDA**

Senator RUBIO. Thank you for holding this hearing, and as the former chairman of this committee who had to read that long title, we could never come up with an acronym. So if you can, that would be great, but I appreciate you both being here today.

We are coming up on the 2-year anniversary of that day that patients in Wuhan, China, first publicly reported symptoms of a disease that we now know has swept and changed the world and no region has been hit harder, as the chairman said, than Latin America and the Caribbean, in particular. Not just in terms of the numbers of those that have been afflicted by the disease and, ultimately, killed by this virus, but also the effects that it has had on unemployment, on rising poverty, on political instability.

It has been pretty dramatic, and what that has done is it has made the region ripe and vulnerable to malign actors to come in and try to leverage them.

We have seen that, of course, from the Chinese Communist Party. We have seen it from Putin's Russia, and now even Cuba appears to be threatening to get into that game, basically, exploiting access to a vaccine in the absence of a better alternative to extract concessions from different countries in the region.

They have, very frankly, made no effort to hide the fact that these vaccines come with strings attached. One example is Paraguay.

In April of this year, Paraguay had its largest outbreak wave of COVID cases, and the Chinese Communist Party's diplomats made it very clear that they would only deliver vaccines to Paraguay if they severed ties with Taiwan.

In Brazil, there seems to have been some success in convincing Brazilian officials to allow Huawei to compete to develop the 5G network. Strong evidence of that is the fact that 2 weeks after Brazil's communication minister went to Beijing to ask for vaccines, it reversed its decision to ban Huawei from competing.

Then, of course, Putin's Russia has gotten into this as well, providing, really, millions of dubious Sputnik vaccines to countries around the region, and I say dubious because there has been cases now where what is in that little vial is actually not any vaccine, much less an effective one.

After delivering vaccines to Bolivia, the President of Bolivia agreed to reactivate a Russian nuclear power plant project and to allow Russia access to Bolivia's lithium reserves and their natural gas.

Now on top of all this, we face the Cuban regime with its fake Abdala vaccine, which we know nothing about in terms of its effectiveness or what long-term consequences it might have, and they are now talking about potentially exporting it to other countries, I imagine, in return for their silence and their support in the face of really brutal tactics to repress protests.

The bottom line is that the lives of people across this region have become bargaining chips and exchanged in return for higher profits for Chinese tech companies and lucrative business deals for Russian oligarchs.

So what I hope to learn from our witnesses today is why the U.S. has allowed for this to go on for so long in Latin America. Russia delivered its first vaccines in February of 2021. China made its first delivery in March of '21.

President Biden's administration did not deliver vaccines until June, a full month after Senator Kaine and Menendez, who chairs the full committee, and myself sent a letter highlighting the urgent need for vaccines in Latin America.

Even now, more than 109 million Chinese vaccines have been delivered, far more than the 89 million American vaccines that so far have been delivered to the region.

So I was glad to see the U.S. announce the donation of approximately 500 million vaccines to 92 countries, but only 10 of those countries were in Latin America and the Caribbean.

So I am very interested in how we came up with the list of who gets these vaccines. I imagine some of it has to do with the capacity to store and deliver and some of it—I am curious to see how we picked who got it and how much and so forth.

So I appreciate you being here today because I think it will be insightful as we look forward to how we move forward on this issue.

Thank you.

Senator KAINE. Thank you, Senator Rubio. I am going to introduce our witnesses now.

Kevin O'Reilly is the Deputy Assistant Secretary for Western Hemisphere Affairs at the Department of State. He became the Deputy Assistant Secretary after having served as the Director of the Office of Brazil and Southern Cone Affairs.

He previously served as DCM at the U.S. Embassy in Panama City, Panama. He is a career member of the U.S. Foreign Service. He has held many other senior level positions, including the Director of the Office of Mexican Affairs.

He has served as the White House National Security Council Director for North American Affairs from 2009 to 2011, served as a foreign policy fellow in Senator Durbin's office, and he is a native of Illinois with a Master's degree from the U.S. Naval War College and Johns Hopkins SAIS. Received his Bachelor of Arts degree from Loyola University.

Peter Natiello serves as the Acting Assistant Administrator in the U.S. Agency for International Development's Latin American and Caribbean Bureau. Before that, he served as USAID's mission director in Kabul, Afghanistan.

He has extensive experience in Latin America with USAID serving as Missions Director in El Salvador and Colombia, and from 2003 to 2009 he was in Bolivia where he was Deputy Mission Director and Director of the Alternative Development Program at USAID.

He has also managed USAID's Democracy in Conflict Mitigation Portfolio in Ecuador where he served as a Peace Corps volunteer and subsequently as a research analyst with the Inter-American Development Bank.

Fluent in Spanish and proficient in Portuguese, he has a Bachelor of Arts degree from Colorado College and a Master's of International Affairs from Columbia University.

It is great to have both of you before us to discuss this important issue and I would like to have, first, Mr. O'Reilly and then Mr. Natiello do opening statements. Try to confine them to 5 minutes. Your full statements will be included in the record and then we will proceed to questions.

I will just let you know we are a little bit uncertain about the voting schedule today. I think you may see members coming and going based on votes, but I think we should have good attendance over the course of the hearing. This is an important topic. We are glad to have you with us.

Mr. O'Reilly.

STATEMENT OF KEVIN O'REILLY, DEPUTY ASSISTANT SECRETARY OF STATE FOR WESTERN HEMISPHERE AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Mr. O'REILLY. Chairman Kaine, Ranking Member Rubio, thank you for this opportunity to discuss the Biden-Harris administration's efforts to support Latin America and the Caribbean as they respond to and recover from the COVID-19 pandemic.

They make up an important part of our efforts across the globe to save lives, end this pandemic in 2022, and prepare for the next pandemic. COVID-19 has hit the hemisphere hard and it has worsened long-standing problems, challenges to public security, confidence in democratic institutions, corruption, and inequality.

Just 8.4 percent of humanity lives in Latin America and the Caribbean. Yet, as of the 1st of November, this region has had more than 46 million reported infections, 20 percent of cases worldwide, 31 percent of reported deaths, approximately 1.5 million souls lost.

The pandemic hit a continent weakened by anemic growth. The IMF estimated in October that the global economy contracted by 3.1 percent in 2020, but the economies of Latin America and the Caribbean contracted by 7. Caribbean nations suffered declines of more than 15 percent.

The IMF projects a return to growth of 5.8 percent this year, but the shock of the downturn remains. We have donated more vaccines globally than all other countries combined. That includes more than 49 million doses donated in partnership with COVAX or bilaterally to 29 countries in our hemisphere.

In September, President Biden announced that the United States would donate an additional half a billion Pfizer BioNTech doses through the COVAX facility to low and middle income countries, bringing the total commitment to those countries to 1.2 billion. Beneficiaries include countries in Latin America and the Caribbean.

We share these doses without political conditions or expectations with the purpose of saving lives. Beating back this pandemic requires full vaccination of 60 to 70 percent of each country's population.

Now, the Pan American Health Organization estimates that Latin America and the Caribbean need about 720 million additional doses administered to reach that goal.

Thirteen countries in the region now report over 60 percent partial vaccination with several others close behind, but 12 have yet to reach 40 percent partial vaccination with about half of those

below the 20 percent full vaccination rate, and we have to help close that gap and do more to ensure equitable vaccine distribution across the hemisphere.

We support the rapid rollout of vaccines that meet internationally accepted standards of efficacy and safety because protecting the vulnerable demands rigor and high standards. Vaccines without sufficient clinical data to demonstrate safety and compelling evidence of efficacy put people at risk and undermine trust.

At a time of global vaccine scarcity, some governments turned to suppliers from the People's Republic of China and the Russian Federation. We have seen PRC coercion ramping up or tapering off supplies based on a willingness to adopt policies favorable to Beijing, a less than admirable *wolf at the door* form of diplomacy.

The PRC has even offered to trade vaccines for changes in political recognition from Taipei to Beijing, a particularly cruel tactic. Russia has struggled to provide contracted amounts of Sputnik V in a timely fashion to countries from Argentina to even Mr. Maduro's regime in Venezuela, and the Russians have yet to provide adequate documentation to secure an emergency use listing from the World Health Organization.

Now, next year, when the United States hosts the ninth Summit of the Americas, the President intends to place health and the state of our health systems high on the agenda. We need to work together to do better on health security with transparency and accountability. As COVID has reminded us, people's lives depend on it.

Congressional support for these donations has saved lives, prevented and reduced the severity of human suffering, and helped our hemisphere begin the long and arduous process of recovering from the worst of this pandemic, building back better than before.

We look forward to working with you to promote health resilience, security, and equity in our hemisphere. I thank you for your time and I welcome your questions and comments.

[The prepared statement of Mr. O'Reilly follows:]

Prepared Statement of Kevin O'Reilly

Chairman Kaine, Ranking Member Rubio, Members of the Subcommittee, thank you for this opportunity to discuss the Biden-Harris administration's efforts to support Latin America and the Caribbean as they respond to, and recover from, the COVID-19 pandemic, and to work together with partners across the hemisphere to prepare for the future.

Our efforts here in our own hemisphere make up an important part of our efforts to work with people of goodwill from across the globe to save lives, end this pandemic in 2022, and do what we need to do to prepare for the next pandemic.

This pandemic has hit the Western Hemisphere hard, and the economic crisis that it has provoked worsened long-standing problems the region knows only too well—challenges to public security; confidence in democratic institutions; corruption; and inequality in all countries with economies deeply dependent on commodities exports for growth. The pandemic has spotlighted and exacerbated many real development challenges as well.

Just 8.4 percent of the world's population lives in Latin America and the Caribbean, yet as of November 1, this region had more than 46 million reported COVID-19 infections, an estimated 20 percent of cases worldwide; and 31 percent of reported deaths worldwide, approximately 1.5 million souls lost.

The region also suffered disproportionate economic losses, as the pandemic hit a continent already weakened by recession anemic growth. The International Monetary Fund estimated in its October World Economic Outlook that the global economy contracted by 3.1 percent in 2020, but the economies of Latin America and the Caribbean contracted by seven percent overall. Caribbean nations that depend heavily

on tourism suffered declines of more than 15 percent. The IMF projects a return to growth of 5.8 percent in 2021, but the shock of the downturn sharply increased poverty and exacerbated pervasive income inequality.

So, we see the scope of the challenge, we bring the same urgency to international response and recovery efforts that we have demonstrated at home, and we focus on spurring vaccinations worldwide and across our hemisphere, sharing pandemic response best practices, and countering vaccine disinformation and coercive diplomacy.

To that end, the United States has donated more vaccines globally than all other countries combined, and as of last week that includes more than 50 million vaccine doses donated, in partnership with COVAX or bilaterally, to 29 countries in the Western Hemisphere. These contributions represent a large portion of our broader global commitment, which by late October reached over 243 million doses donated worldwide.

The region will continue to benefit from our efforts to help vaccinate the world. At the Global COVID-19 Summit convened by President Biden on September 22, the President announced that the United States would donate an additional 500 million Pfizer-BioNTech vaccine doses through the COVAX facility to low- and middle-income countries and economies in need, bringing the total U.S. commitment to these countries to 1.2 billion doses. Beneficiaries include 10 countries in Latin America and the Caribbean. The U.S. Government shares these vaccine doses, whether bilaterally or through COVAX, without political conditions or expectations, with the sole purpose of saving lives.

Let's consider for a moment what we have helped achieve so far, and the work that remains. Beating back this pandemic, at least to the extent needed to allow people to resume everyday activities, requires full vaccination of 60 to 70 percent of each country's population. And we support the World Health Organization's global COVID-19 vaccination goal to reach that 70 percent target everywhere by September 2022. We can see our way to that objective now, far more clearly than we could a year ago, but we have work to do to get there. The Pan American Health Organization estimates that Latin America and the Caribbean need 720 million additional COVID-19 vaccine doses administered to reach 70 percent coverage. We must work closely with our counterparts across the region and the broader international community to support vaccine administration and uptake.

As global vaccine supply increases, many countries in the region have approached or reached the 70 percent goal. Thirteen countries in the region report over 60 percent partial vaccination, with several others close behind. Larger and relatively prosperous countries in the region have vaccination rates that rival, and in some cases, surpass our own.

Unfortunately, vaccination rates diverge greatly, with many lower-income and smaller countries lagging. As of November 15, 12 countries in the region had yet to reach 40 percent partial vaccination, with half of these below 20 percent full vaccination, nearly all located in the Caribbean and Central America—traditionally areas with strong ties to the United States. Haiti, racked by insecurity, a fuel shortage, and the lingering effects of the 7.2 magnitude earthquake in August, has administered approximately 138,330 doses of COVID vaccines so far, which adds up to about 0.6 percent of its population vaccinated with two doses. To increase that vaccination rate, the U.S. Government has provided vaccines to Haiti and is organizing additional shipments this year.

We must help close that gap and do more to ensure equitable vaccine distribution across the hemisphere to boost vaccination rates.

Donations to five Caribbean Community (CARICOM) governments in early November provided needed support to governments that had exhausted their supplies of vaccine doses. These followed earlier donations to all CARICOM members, and of course our COVAX donations provide essential support to those who live in the region's eleven low and lower-middle-income countries, many of which still struggle with low vaccination rates.

The Western Hemisphere remains a region of largely middle and upper-middle income countries that are not Advanced Market Commitment (AMC)-eligible, however, and those countries participate in COVAX as self-financing partners. They have struggled to purchase vaccines directly from manufacturers, and—as in so many other places across the world—even those that have completed purchase agreements saw delivery delays.

This virus and its variants do not respect borders. This pandemic demands a global response to support worldwide efforts for effective and safe vaccine distribution, with no political strings attached. As part of global and national strategies to combat the pandemic, the U.S. Government supports the rapid rollout of vaccines that meet internationally accepted standards of efficacy and safety. We take no position

on nations accepting vaccines authorized by their respective regulators; we respect the authorization processes of other governments.

We support COVAX and the role it plays as a distributor for sharing vaccines authorized by the World Health Organization.

Protecting people, and protecting the vulnerable, demands rigor and high standards. Distributing vaccines without sufficient clinical data to demonstrate safety and compelling evidence of efficacy puts people at risk, does not serve the public interest, and undermines trust and the integrity of the scientific process.

We must also fight vaccine disinformation to build and sustain public trust in these lifesaving tools.

At a time of global vaccine scarcity, many of our hemisphere's governments initially turned to suppliers from the People's Republic of China and the Russian Federation. Products manufactured in the PRC still comprise a large percentage of the vaccine mix for many countries.

At times we have seen evidence of PRC coercion in making supplies available to governments in need—ramping up or tapering off supplies based on a government's willingness to adopt policies favorable to the Government in Beijing, a less-than-admirable wolf-at-the-door form of diplomacy. The PRC has even offered ready access to vaccines in exchange for changes in political recognition from Taipei to Beijing in those countries that recognize Taipei, a particularly harsh tactic in counties struggling to vaccinate their citizens.

Deliveries from Russia of the Gamaleya Research Institute's Sputnik V vaccine have faltered as Russia has failed to provide the contracted amounts of Sputnik V in a timely fashion to Latin American countries such as Argentina and even Mr. Maduro's regime in Venezuela. Russia's Direct Investment Fund commercializes Sputnik V, but the Russians have yet to provide adequate documentation to secure an Emergency Use Listing from the World Health Organization.

Beyond its direct impact, the COVID-19 pandemic revealed profound deficiencies in the world's ability to detect and appropriately respond to infectious diseases with pandemic potential. To do better in the future we need to improve regional cooperation and the effectiveness of the international institutions we all rely on. Next year, when the United States hosts the Ninth Summit of the Americas, the President intends to place health and the state of our health systems high on the agenda for leaders and for the multilateral organizations, civil society, academic institutions, and private sector players that participate in the Summit process. We need to work together to develop the region's health security capacity, and to do so with transparency and accountability. As COVID-19 has reminded us, people's lives depend on it.

I would like to briefly expand on an issue that has gained attention in recent months: The expansion of vaccine manufacturing in the region.

Latin America and the Caribbean trail other middle-income regions in COVID-19 vaccine production, and the pandemic has prompted some of the region's governments to look for ways to reduce their extreme dependence on vaccines, therapeutics, and other essential medical products produced outside of our hemisphere. Increasing vaccine manufacturing in Latin America would not take root in time to curb the current pandemic, but it remains a legitimate goal. Any government that able to invest adequately in education and professional development for its people and create an attractive regulatory framework that encourages intellectual property rights protections could help our hemisphere prepare for future health security threats, create good jobs, new technological capabilities, and new business opportunities, and promote scientific ties with the United States.

Several Latin American countries are already producing or could potentially produce COVID-19 vaccines, therapeutics, diagnostics, and other essential medical products, including Argentina, Brazil, Colombia, Mexico, Panama, and perhaps Chile and Uruguay. This would increase access to these life-saving commodities in those nations and the region. Successful production will depend on solving supply chain, financing, technical capacity, and regulatory climate issues that countries in the region are working to address.

Congressional generosity in support of these vaccine donations has saved lives, prevented and reduced the severity of human suffering, and helped the nations of our hemisphere begin the long and arduous process of recovering from the worst of this pandemic—building back, better than before. We look forward to working with you to promote resilience, health security, and health equity in the Western Hemisphere.

I thank you for your time, and I welcome your questions and comments.

Senator KAINE. Thank you.
Mr. Natiello.

STATEMENT OF PETER NATIELLO, ACTING ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Mr. NATIELLO. Chairman Kaine, Ranking Member Rubio, members of the subcommittee, thank you for the invitation to testify today. I am grateful for the committee's support for USAID's work particularly as we respond to COVID-19 in Latin America and the Caribbean.

The countries of Latin America and the Caribbean have been hit hard by the pandemic, as we have heard this morning. Although it is home only to 8 percent of the world's population, the region is seeing 20 percent of all cases and just over 30 percent of all global deaths.

The American people have demonstrated incredible generosity and solidarity with our neighbors, providing more than 500 million for USAID's COVID-19 response in Latin America and the Caribbean since March 2020.

Since the beginning of the pandemic, USAID has moved quickly to mobilize new health assistance, respond to emerging food and protection needs, adapt current programming, and plan for the long-term impacts that we know will plague the region for years to come.

I commend our staff and our partners and all those on the front lines who are working relentlessly to help those most in need.

On the health front, our efforts include working with health ministries to minimize the risk of transmission and prevent and control infections in health care facilities, training and equipping rapid response teams to better track and record cases, helping countries to provide the public with reliable verifiable information that keep citizens informed about how best to protect themselves and each other, and providing oxygen to treat patients in the most dire need.

Of course, the availability and wider distribution of vaccines has been key to the region's significant strides this year. In the last 5 months, the United States provided more than 50 million vaccines throughout the region. These vaccines are being provided safely, equitably, and with no political strings attached.

USAID is providing crucial assistance that has enabled countries to receive and distribute these life-saving vaccines. Our efforts to get shots in arms include support for cold chain management, training of vaccinators and establishment of vaccination sites, support for communications campaigns to help overcome vaccine hesitancy, and work with ministries of health to better track vaccination rates.

Just last month, I saw progress on the health front firsthand when I visited Medellin, Colombia. The Department of Antioquia, of which Medellin is the capital, was severely impacted by COVID-19, seeing daily cases in excess of 4,000 and a 98 percent ICU occupancy rate in June 2021.

Thanks to the Government of Colombia's concerted response, which included distribution of vaccines donated by the United States and others purchased by Colombia through COVAX, as well as USAID's support for vaccine distribution, Antioquia was able to significantly reduce infection prevalence and death rates, decreas-

ing from 4,000 in June to 301 recorded infections a day in mid-October.

Region wide, infection rates and death rates due to COVID-19 have decreased by 84 percent over the past 5 months. The region's economy, as has been noted, is also improving with the International Monetary Fund projecting an economic rebound of 6.3 percent in 2021, second only to emerging and developing economies in Asia. This is the kind of progress that USAID seeks to support throughout the region.

As we have addressed the critical health situation, we have been keenly aware of the secondary impacts of the pandemic including job losses and kids out of the classroom, growing food insecurity, increases in gender-based violence, and contraction of civil liberties and rights.

USAID continues to address long-term challenges in the region through programs that foster inclusive economic growth, address climate change, improve citizen security, promote respect for human rights, fight corruption and promote transparency, elevate the voices of civil society and other community leaders, and enable diversity and participation by historically marginalized groups.

Our efforts have not gone unnoticed. Partner nations regularly recognize and thank the United States for our steadfast support in the face of this unprecedented emergency.

The solidarity reminds us all that this pandemic affects the entire world. We must continue to be good neighbors, partners, and friends so that we can overcome this challenge together. We are safe when everyone is safe.

Even as we maintain our vigilance and continue to respond to the virus, we remain committed to helping countries adapt to new realities presented by the pandemic and shore up hard-won development gains.

Ultimately, we seek to help the people of the region live in peace and prosperity and realize a more healthy hopeful future.

Mr. Chairman, Senator Rubio, thanks again for the opportunity to testify. I welcome your questions.

[The prepared statement of Mr. Natiello follows:]

Prepared Statement of Peter Natiello

Chairman Kaine, Ranking Member Rubio, and members of the Subcommittee, thank you for the invitation to testify today about the Biden-Harris administration's response to COVID-19 in Latin America and the Caribbean. I am grateful for the Committee's support for the United States Agency for International Development's work, particularly as we work as part of a larger U.S. Government effort to address the impacts of the pandemic in the region.

CONTEXT

The countries of Latin America and the Caribbean have been hit hard by COVID-19. In the last 18 months, the virus has swept through the region, infecting more than 46 million people and killing more than 1.5 million; although it is home to only 8 percent of the world's population, the region has seen 20 percent of all cases, and just over 30 percent of all global deaths. We mourn with the families of those impacted both at home and abroad.

As is the case around the world, the pandemic has reverberated through all sectors of society and jeopardized important development gains made in recent decades. As countries went into a series of lockdowns and quarantines, many people worked significantly fewer hours or lost their sources of income entirely; in fact, the International Labor Organization estimates that the region lost 31 million jobs in 2020 due to the pandemic, and its economies contracted by seven percent in 2020, accord-

ing to International Monetary Fund estimates. Gender-based violence, an issue that I know is of particular concern to this subcommittee, also has increased during the pandemic; in Argentina, Mexico, and Colombia, for example, calls to domestic violence hotlines rose by 40, 80, and more than 100 percent, respectively, in the first months after mandatory stay-at-home orders were issued. Children were unable to go to school, and many who do not have access to technology or reliable internet to continue their education at home are in danger of being left behind. Authoritarian leaders used COVID-19 as an excuse to consolidate power, take further anti-democratic actions, and imperil human rights and fundamental freedoms.

That said, the region is in a much different position than it was even 6 months ago, and United States assistance has been pivotal to the progress that has been made. As we address the pandemic at home, the American people have demonstrated incredible generosity and solidarity with our neighbors around the world, providing more than \$9 billion for USAID's global COVID-19 response, including more than \$500 million in Latin America and the Caribbean since March 2020, in addition to support from other U.S. departments and agencies. Infection and death rates due to COVID-19 have decreased by 84 percent over the past 5 months. The region's economy is also improving, with the International Monetary Fund projecting an economic rebound of 6.3 percent in 2021, second only to emerging and developing economies in Asia; the United States' support to the region has undoubtedly played a part in this encouraging progress.

USAID RESPONSE

USAID is supporting COVID-19 efforts in 29 countries in the region. We are working in close partnership with local governments, international organizations, the private sector both in the region and the United States, faith-based organizations, and other non-governmental organizations to deliver urgent assistance to those most in need. Since the beginning of the pandemic, USAID personnel in Washington and our field missions have moved quickly to mobilize new health assistance, respond to emerging food and protection needs, adapt current programming, and plan for the long-term impacts that we know will plague the region for years to come. I commend our staff, partners, and all those on the front lines, who are working relentlessly to help those most in need.

USAID mobilized from the earliest days of the pandemic to respond to the urgent health situation in Latin America and the Caribbean. As COVID-19 emerged, we began the work we continue to this day: partnering with countries to treat those affected and stop the virus from spreading. We are working with health ministries to minimize the risk of transmission and prevent and control infections in healthcare facilities, including through the donation of personal protective equipment for health care workers. We train and equip rapid-response teams to better track and record cases. We support the rehabilitation and repair of water systems to ensure that there is access to clean water at health facilities, promote healthy hand-washing behaviors, and partner with utilities and other service providers to maintain water and sanitation services so that businesses and markets can operate safely. We help countries to provide the public with reliable, verifiable information that keeps citizens informed about how best to protect themselves and each other. Along with training health professionals to ensure they are able and equipped to manage COVID-19 cases, we have also provided both oxygen and ventilator support throughout the region to treat patients in the most dire need.

For example, as part of our region-wide communications efforts, USAID funded a COVID-19 campaign in Santo Domingo, Dominican Republic to promote public awareness on preventive practices and counter misinformation, and targeted areas of the border with Haiti to raise awareness of the dangers of the disease. As with other countries in the region and the world, in Honduras, USAID provided training to help more than 2,600 health workers care for COVID-19 patients, including patients with severe COVID-19, improving the quality of care offered in hospitals, triage centers, and other health centers across the country. In Haiti, USAID donated oxygen supplies, including 50 oxygen concentrators in June and 250 oxygen-filled cylinders this month, to help ensure the uninterrupted availability of oxygen for critical COVID-19 patients receiving treatment.

Of course, the availability and wider distribution of vaccines has been key to the region's significant strides this year. In the last 5 months, the United States—bilaterally or in partnership with COVAX—has provided more than 50 million vaccines to countries throughout the region, enabling millions of people to be fully vaccinated against the deadly virus. These vaccines are being provided safely, equitably, and with no political strings attached.

USAID is providing crucial assistance that has enabled countries to receive and distribute these life-saving vaccines. Our efforts to get shots in arms include support for cold chain management to ensure that vaccines remain viable and effective, training of vaccinators and establishment of vaccination sites, support for communications campaigns to provide accurate information and help overcome vaccine hesitancy, and work with ministries of health to better track vaccination rates.

For example, in Guatemala, we have supported the establishment and quality improvement of more than 690 vaccination sites across the country, including walk-up, drive-up, and hybrid walk-up/drive-up sites in public and private sector venues. In Peru, USAID is supporting the implementation of the Government of Peru's national COVID-19 vaccination plan, including by training more than 1,750 (56 percent of whom are women) health workers in planning, conservation of vaccines in the cold chain, vaccination process, and handling and application of vaccines. And in Barbados, USAID supported public service announcements that reached more than 50,000 parents with messaging on COVID-19 vaccination for children aged 12-18.

Just last month, I saw this progress firsthand when I visited Medellin, Colombia. The Department of Antioquia, of which Medellin is the capital, was severely impacted by COVID-19, seeing daily cases in excess of 4,000 and a 98 percent ICU occupancy rate in June 2021. Thanks to the Government of Colombia's concerted response, which included distribution of vaccines donated by the United States and purchased by Colombia through COVAX, as well as USAID support for vaccine distribution planning, communications, and service delivery, Antioquia was able to significantly reduce infection prevalence and death rates, decreasing to 301 recorded infections a day in mid-October 2021. This is the kind of progress that USAID seeks to replicate throughout the region.

As a result of these concerted efforts by the United States and the people of the region, over the past 5 months, the region's death and infection rates have both dropped by 84 percent. USAID's widespread programs in support of our partner nations' COVID-19 response have been key to making that good news possible, and we remain committed to supporting our neighbors in their ongoing efforts.

As we have addressed the critical health situation, we have been keenly aware of the secondary impacts of the pandemic, including job losses and kids out of the classroom, growing food insecurity, increases in gender-based violence, and contraction of civil liberties and rights. When the pandemic tore through the region, and even as our own staff was affected by infection and lockdowns, our field missions quickly pivoted programs to adapt, addressing both these emerging issues while also ensuring that the important work of development can advance. USAID continues to address long-term challenges in the region through programs that foster inclusive economic growth, address climate change, improve citizen security, promote respect for human rights (including freedom of expression, including for members of the press), fight corruption and promote transparency, elevate the voices of civil society and other community leaders, and enable diversity and participation by historically marginalized groups.

For example, in Colombia, where COVID-19 disrupted traditional supply chains and markets nationwide, USAID worked with the U.S. Development Finance Corporation and seven local microfinance institutions to guarantee an additional \$35 million in productive loans to micro businesses affected by COVID lockdowns. With USAID assistance, state and municipal authorities in Mexico developed new interventions during the initial phase of the pandemic to stop domestic violence against women before it potentially progressed to femicide; in the unique COVID context, new protection and victim response models tailor services to victims' needs while supporting state authorities to better prosecute these crimes. In the Dominican Republic, USAID's programs with the private sector are providing food assistance to more than 270,000 people to supplement government relief efforts and reach targeted vulnerable populations affected by the pandemic. In Paraguay, USAID is helping 6,500 micro and small businesses overcome the economic consequences of the pandemic by improving housing structures and providing support such as training in entrepreneurship and business plan development so that vulnerable people can set up micro-businesses in their homes. In Jamaica, USAID provided laptops and tablets to keep children connected to school in the absence of face-to-face classes, in support of the Government of Jamaica's one tablet or laptop per child initiative. In Ecuador, where economic exclusion of vulnerable populations has been exacerbated by the pandemic, USAID programs enabled nearly 22,000 Ecuadorians and Venezuelans to access formal financial services by opening a savings account and/or obtaining a credit product or facility from a bank or other financial institution. And in El Salvador, USAID helped 4,370 small and medium-sized enterprises in fis-

cal year 2021, including more than 780 micro, small, and medium businesses that received direct support for economic recovery due to COVID-19.

Our efforts have not gone unnoticed. Partner nations regularly recognize and thank the United States for our steadfast support in the face of this unprecedented emergency. We have seen expressions of gratitude on social media from everyday people in countries like Paraguay, where one recipient of U.S.-donated vaccines posted, "Hope is what keeps us connected to life. Thank you, U.S.!" Honduran officials have stated that their vaccination campaigns, which have raised the number of Hondurans who are fully vaccinated from less than one percent in July to 43 percent in early November, "would not be possible" without COVID-19 vaccine donations from the United States and USAID's assistance for vaccine distribution and administration to the people. The Government of Peru has repeatedly thanked the U.S. for life-saving COVID-19 support, including donation of 2 million doses of vaccine, eight mobile military hospitals, personal protective equipment, and other technical assistance. This kind of solidarity reminds us all that this pandemic affects the entire world and we must continue to be good neighbors, partners, and friends so that we can overcome this challenge together. We're safe when everyone is safe.

We must remain vigilant to ensure that this kind of progress can continue. While conditions in the region have improved, and we are in a better place than we were only a few months ago, the pandemic has taught us that we cannot become complacent and must guard against future variants and surges. USAID programming continues, including with American Rescue Plan Act (ARPA) funding generously appropriated by this Congress. As part of our commitment to localization, a portion of USAID's programming in the region under ARPA will be managed by local partners. We will continue to work with countries to increase vaccination rates, including for marginalized or underserved populations, so that people can be better protected against severe illness. We will continue to support surveillance of and testing for COVID-19 so that we can stop the spread of the virus. We will continue to provide crucial training and medical supplies, including oxygen, so that the most critical patients can be treated and healed. And we will continue our support for longer-term development programs to help the region recover and emerge from the pandemic with as little disruption as possible.

CONCLUSION

As it is around the world, the COVID-19 situation in Latin America and the Caribbean remains dangerous. However, thanks to the generosity of the American people and the support of Congress, USAID has been able to help the countries of the region make real progress despite the unprecedented health and economic impacts of the pandemic. Even as we maintain our vigilance and continue to respond to the virus, we remain committed to helping countries adapt to new realities presented by the pandemic and shore up hard-won development gains.

Ultimately, we seek to help the people of the region live in peace and prosperity and realize a more healthy, hopeful future.

Senator KAINE. We will have a 5-minute round of questions for the witnesses and I would just like to begin by asking you both this question.

The U.S. total delivery of vaccines to the region is about 49 million and that is significantly behind Chinese vaccine delivery to the region. The three of us did join together in a letter to the Administration many months ago saying there are a lot of reasons to prioritize the Americas, one, because of family and other ties between the United States and folks in the Americas, a disease that knows no borders. If we prioritize the region, it will keep us healthier.

Second, the follow-on consequences of this health pandemic in the region produce economic and other instabilities that can be a push factor for migration.

We are dealing with tough migration issues. It would help us deal with those issues if we were more forward leaning in helping nations in the region access vaccines.

Third, we pointed out and have been very aware of the efforts of China and Russia to use vaccines in the region and why would we want to be on our back foot while they are racing ahead.

Even though we are the single biggest donor of vaccines in the world, what explains why our vaccine donations to the Americas, which has suffered so disproportionately, still are lagging behind China?

Mr. O'REILLY. Mr. Chairman, one of the factors is the—as you mentioned in your own opening remarks was the priority that we had to give to domestic requirements.

Secondly, that we went through rigorous procedures to make sure that anything that we donated was safe and reliable, and encompassed some of the sorts of the broader support elements that Mr. Natiello was just referring to.

When you add these along with—there are also commercial deals that companies have and some of those are also American providers, we have tried to focus our donations on the areas most in need and we are taking a look at the hard numbers, at the facts—the case rates, the death rates, the current vaccination rates in particular countries—and to respond to surges in the most agile way that we can to make sure that the vaccines that we donate are safe, reliable, and are turned from vaccines into vaccinations because a vaccine is not any good to anyone until it gets into somebody's shoulder and gets into someone's arm.

Senator Kaine. Let me push a little bit farther on that. I actually understand why we might have been slow out of the blocks to do deliveries in June when other nations were faster, because we were putting a priority, first, on making sure folks in the United States were vaccinated, and we also have quality standards about vaccines that are superior to what China and Russia have and that encompasses some delay that I understand.

If I just look at the amount of vaccines delivered by the United States into the region, you would think one of the factors might be, well, if this is a region that is experiencing 30 percent of the deaths in the world then why would not 30 percent of American vaccines be going into the region?

I have not done the math on it, but it seems to me that vastly less than 30 percent of American vaccines going abroad have gone into the region. So I sort of wonder about the—and Senator Rubio mentioned this in his opening comments—what are the allocation factors that the Administration is using and might we expect to see, particularly in the run-up to the Summit for the Americas, might we expect to see even a more aggressive approach from the United States in terms of delivering vaccines to the region?

Mr. O'REILLY. I can say that as we prepare for the summit, as we look through 2022, the President has made a commitment to try to beat back this pandemic worldwide by the time the world next convenes at the U.N. General Assembly, and that we want to push through to the summit as well.

Senator Kaine. My time is about up. I am going to yield to Senator Rubio.

Senator Rubio. Again, I just want to continue to touch upon when we determine who gets what, when we make this big purchase of vaccines and we start sending them, what is the criteria

we use to determine this country is going to get it, this country is not, this country is going to get X amount, this country is going to get that amount?

Is there a criteria that is being used to determine how this is being distributed globally and, in particular, how that impacts this region?

Mr. O'REILLY. I think that the goal is looking at capacity, how we can maximize the number of vaccine doses available in a country and do so equitably for the greatest number of countries and the greatest number of people at risk within those societies.

Take a look at the data in terms of surges and how to mitigate potential surges, how to cut off surges when they have already appeared, and giving priority to protecting people in the healthcare sectors who need to care for those who are ill.

So we try to base it on the best and most reliable public health data that we have available and we do try to give priority as well to areas at risk.

Mr. NATIELLO. If I could just add to that, Senator.

We look at a variety of factors including case rates, death rates, and hospitalizations, current vaccination rates in a country, again, responding to surges and a country's ability to receive vaccines and put shots into arms as well as U.S. national and economic security.

Senator RUBIO. So when you say—obviously, the case numbers are what they are. Everyone has had a surge, some bigger than others. Depends on how much they are testing, how much they are monitoring. The hospitalization rates are often dependent on whether there are hospitals or hospital availability.

What I am hearing, though, potentially, is that part of it is if a country does not have, for example, a health care system that can actually organize people and get people vaccinated, if a country does not have the ability to store vaccines and get them to people fast enough before they expire, that, I would imagine, is a big factor in how we are determining this.

Donating 10 million vaccines to a country that does not have health care infrastructure to distribute them and, therefore, they are going to go bad, they are going to expire, they are not going to get to people—is that a major factor in how this is being decided?

Mr. NATIELLO. So those are important criteria, and that is precisely why USAID is focused on strengthening health systems in our partner nations, because we want them to be able to not only receive the vaccine but, clearly, to get shots in arms, which is why we do things like support the cold chain, support training of vaccinators, support communications campaigns to overcome vaccine hesitancy.

In some countries, the level of readiness far exceeds that in other countries. So the challenge, for instance, in a country like Haiti is very, very different than a country like Brazil or Honduras.

So these are the kind of things that we look at. These are the kind of things that we apply U.S. technical assistance to, to help get those vaccines in arms.

Senator RUBIO. Now, the other thing I wanted to ask is both the Kremlin and the Communist Party in China are engaged globally in a large-scale disinformation campaign trying to discredit the

American-origin vaccines, particularly Moderna and Pfizer, and promote their own.

So what are we doing in the region, in particular? I think there is a broader communication issue. We have seen the RT, Spanish version, has grown in audience, unfortunately, and it is a big challenge in the region that we have to confront as well.

What are we doing to counter that, in particular, this sort of disinformation campaign about vaccines, specifically, in Latin America?

Mr. O'REILLY. First off, sir, bringing light to exactly what you spoke about, you cannot play whack-a-mole on every bit of disinformation. What you have to do is make sure that you bring true facts, accurate information. You have to do it repetitively and you have to make sure that you work to get those messages out to communities. I think Peter could probably speak a little bit more on the details of how we do that, but the fundamental principle is you have to beat bad information, which is rife, and disinformation, which is rife and has been motivated from Russia, in particular, but also from China.

You have to flood the zone with better, more reliable information and make sure that people who are trusted in the communities all over this hemisphere where their governments are having uptake problems bring that information to their publics so that they overcome this challenge.

Senator Kaine. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman, you and the ranking member. I appreciate you holding this hearing on a very important topic.

Deputy Assistant Secretary O'Reilly, the pandemic exposed many of the region's weaknesses, including widening social inequalities, widespread informality, growing environmental risks, a gender-based violence epidemic, and weak healthcare and education institutions.

When you pair that with massive population displacement and efforts by certain leaders to systematically dismantle democratic institutions, I am concerned that the next decade in the hemisphere will be a turbulent one unless the United States, the international communities, and our partners in the region are strategic in addressing these increasingly complex challenges.

Now, from my own perspective, the Administration's vaccine diplomacy and policy in the Western Hemisphere has been a failure. Let me give you an example.

I was talking to a president in the hemisphere and he said to me, I am pro-America, but in the midst of the pandemic I wanted to buy—I was not even looking for donations of vaccines—I wanted to buy vaccines for my people.

I could not get anywhere with the U.S. Government. China sold them the vaccines. They may be less efficient, but if you have got nothing then you will take something, at the end of the day.

I am privatizing, for the first time, our energy infrastructure. Tried to get America interested in the possibilities. China comes along and says, we will buy the bonds.

We are having challenges with the IMF, which is a problem that is beyond this country that I am referring to. It is hemispheric. Be-

cause look at what we did as a government to, ultimately, deal with the economic challenges of the pandemic, how much money we pumped into the economy and to help families, but not every country has that wherewithal.

Yet, the IMF is creating a series of conditions that they insist without creating a smoothing period so that these countries can get through this difficult time and the economic consequences of the COVID pandemic.

So the Chinese come to this president and say, okay, we will lend to you at 1 percent. Now, we missed the boat on vaccines in the Western Hemisphere and all of us wrote to you—to you, meaning the Administration—urging you to take a much different course.

You can have all the calculuses you want. I can create the little boxes and checks to say that we systematically did it this way, but the reality is in our own hemisphere, in our own front yard, with all of the nexus of family and trade and migration, in our own interests—forget about being a good neighbor—in our own interests, it made eminent sense to significantly deploy the vaccine in the hemisphere.

We failed. China was in there. They got the goodwill, and we failed. So now the question is how do we deal with the aftermath of that failure in the context of the economic challenges that are facing these countries?

So can you tell us how you are working with the Treasury Department to ensure that the United States uses its voice and its vote at the IMF and the World Bank to ensure greater flexibility and increase access to resources for these developing countries as they pursue their post-COVID-19 recovery?

Mr. O'REILLY. Well, thank you. Thank you, Senator, for the question.

I mean, one of the things that the Administration is doing is working with other members of the International Monetary Fund to develop the resilience and sustainability trust over at the IMF, and seeking also authorization to lend \$21 billion to poor and low income countries and putting a focus, particularly, on areas which have been really walloped by this first year and a half to 2 years of the pandemic, small islands' economies, and there is a particular focus in doing so on the Caribbean, and I think that is going to be one significant process underway.

We also work very closely with the Inter-American Development Bank and I also have responsibilities for preparing for the Summit of the Americas next year and we have a process underway of reviewing, I know, keen interest that you and other members of this committee have in the future of our—

Senator MENENDEZ. Mr. Chairman, if I may, just—so I appreciate all that, but here is the point. If we do not use our voice and our vote at the IMF and the World Bank, you will see more of what you saw in Colombia.

Colombia is being squeezed by the IMF. The Duque administration responded by doing a series of fiscal issues that the IMF wanted to see and there was social unrest.

I am not talking about people walking away from their obligations. I am talking about creating a smoothing period so that they can get through what we are getting through as a country, but they

do not have the wherewithal to get through as a country, so that, in fact, they can then meet their obligations.

If we do not do that, we are going to see enormous social unrest and we might as well turn the hemisphere over to authoritarian figures because they will say the way to solve your problems is not through this democratic process but through authoritarianism, which is, unfortunately, rampant.

I am glad you raised the IDB. It is the last point I will make. All of us here have been advocating for a capital increase for the Inter-American Development Bank as part of the U.S. effort to support the region's economic recovery, and I thought this Administration would embrace our bipartisan effort to do exactly that because if you want to deal with China in terms of its pervasive presence in the hemisphere, you create the wherewithal to meet the challenge of what they are doing in the hemisphere by an institution like the IDB and by the DFC and others.

At the end of the day, why is it that the Administration has not embraced a 10th capital increase?

Mr. O'REILLY. My understanding, Senator, is that the issue remains under review, and we certainly have had discussions about this with our colleagues over at the Treasury Department, and we do recognize the absolutely essential role that the Inter-American Development Bank plays in this hemisphere and that it needs to be able to act in the most robust way possible within its authority.

Senator MENENDEZ. Well, while we are navel gazing about this issue, it seems to me it is rather straightforward. China is displacing our influence in the region and we have no tools to effectively deal with that.

So maybe we can stop looking at our navel, figure out how we are going to support an increase and under what conditions, and then get the IDB with the U.S. representative there to start engaging in the hemisphere in a way that can turn the dynamics around.

Because I am telling you, as someone who has spent 30 years not only in foreign affairs but most specifically focused on the hemisphere, we are losing and losing fast.

This is not just this Administration, but nonetheless, it is this Administration that has the power to change it and it should.

Thank you for your indulgence, Mr. Chair.

Senator KAINE. Second round of questions. I have two topics that I would like to raise.

Help the committee understand the decision makers on allocation of American vaccines. So there is criteria and there is factors, but we are the most generous in the world totally, but who is making the decisions about allocations to countries and regions?

Ultimately, the decisions are the President's, but is this a State Department function? Is it a multi-agency roundtable? Help us understand this.

Mr. NATIELLO. Thank you for the question, Mr. Chair. So the process to determine vaccine provision internationally is led by the National Security Council and the White House COVID-19 teams. It does include inputs from USAID, from the State Department, HHS, and the CDC. That is my understanding of that process.

Senator KAINE. Do you know who the leader at the NSC of this allocation decision-making process is?

Mr. NATIELLO. Well, it is the NSC COVID team, but I cannot tell you exactly who the person is. I do not know if my colleague, Ambassador O'Reilly, has—

Senator KAINE. Mr. O'Reilly, do you know who at the NSC has this billet?

Mr. O'REILLY. I will confess that it is somewhere on the tip of the tongue. I cannot pull it up at this moment.

Senator KAINE. I will ask it for the record, but if you think of it in the next couple of minutes, please let us know.

[EDITOR'S NOTE.—Senator Kaine chose not to submit the question for the record.]

Mr. O'REILLY. Absolutely.

Senator KAINE. Because, again, I mean, there are many factors that you would use, but if you just look at the critical nature of the Americas, the connection between the Americas and the United States and the death toll in the Americas as a percentage of the global death toll, it just still seems like the allocation of vaccines is pretty out of whack with what the threat in the region and the threat to the United States is.

Second question. One of the things that we can do to really help any region is inspire local production of vaccines. So the Pan American Health Organization in September announced that it had selected two biomedical centers in Argentina and Brazil to develop and produce COVID vaccines and China's Sinovac biotech also announced in August that they would open a manufacturing facility in Chile in the first half of 2022. What is the U.S. doing, if anything, to support local development of vaccines in the Americas?

Mr. O'REILLY. I have certainly seen and I have heard directly from colleagues, counterparts, in governments from Argentina to Colombia, I know also expressions of interest in Mexico and elsewhere that they have taken a look at the circumstances in which our hemisphere has found itself, and these long and sometimes politically unreliable supply chains concern them deeply.

So we have, certainly, entered into discussions. Just recently we sent down—actually, the Administration sent down a team led by our colleagues from HHS and CDC to dive deep into the topic in Colombia, for example, and take a look at the kinds of regulatory frameworks, the types of protections of intellectual property, the types of technical training, the standards that they would need.

We have had similar discussions with—perhaps not at the same depth, but we have had similar discussions over the course of this pandemic, elsewhere in South America, I know, and to try to figure out or help people figure out how they need to adapt their policies and their investment environments to attract those kinds of investments, and it is a priority, also, because it is a good way to create good reliable jobs and strengthen connections and ties with the U.S. and the United States industry.

Senator KAINE. Senator Rubio.

Senator RUBIO. Mr. O'Reilly, just while we have you here today. I want to take this opportunity to talk about the Summit of Democracies that is coming up in December.

The Government of interim President Juan Guaido, we recognize that. The official U.S. policy remains that that is the legitimate government in Venezuela. Is that correct?

Mr. O'REILLY. That is correct.

Senator RUBIO. Why is not Venezuela on the list and his government on the list of countries that are being invited to the Summit of Democracies? Or has that changed?

Mr. O'REILLY. The White House makes the final calls as to how to organize this White House scheduled and structured event. I am not aware that the final list of participants and speakers has been completed. We, certainly, have not invited every government in the hemisphere around the globe to this event.

It will be a representative group of government and nongovernmental officials and representatives, and it is the first phase of a two-set phase summit process, which will end in an in-person event next year. Its principles are a fundamental through-line as well for our Summit of the Americas preparations.

Senator RUBIO. No. No. I understand all that. My point is if the U.S. policy is that the interim Government of President Guaido is a legitimate government and we are trying to strengthen both the leverage and credibility of the pro-democracy movement in Venezuela, not inviting them even in the initial list to a Summit of Democracies is, certainly, not helpful to that and, I would argue, is quite damaging.

So I guess my point is, I get that the White House makes the final decision, but I am curious, what is the State Department's position on it or what—if you could share with us—is the State Department against them being included in the list?

Are you involved in the formation of the list? I would imagine that they are talking to you as the Deputy Assistant Secretary of State for the Western Hemisphere about who should be on that list.

Mr. O'REILLY. Yes. We have been in consultations with the organizers within the Administration of the event pretty much from the get-go, Senator. And, first, to the fundamental question, look, we recognize the National Assembly, and the National Assembly decided to elect Juan Guaido as its President, given that Nicolas Maduro stole the presidential election, manipulated the prior election for—election, we could call it, last year for the National Assembly, and has skewed the table so rawly that Sunday's event will in no way represent anything that is free and fair.

We understand where democratic principles rest in terms of our relationship with Venezuela and we understand who is blunting the democratic aspirations of the Venezuelan people.

Senator RUBIO. So then why are not they on the—that is all great. Why is that not reflected? I would imagine in the first iteration of the list that has been put out there you would think that it would be at the top of the list, not an afterthought, or we will wait and see what we are going to do.

My question—I mean, do you favor them being on the list? Is there anybody in the State Department that is against them being on the list? That is what I am trying to get at.

Why are not they on there? I mean, I do not—I cannot imagine, given everything you have just said, that we have forgotten about how important this would be for them to be included.

Mr. O'REILLY. Senator, I must say in terms of the regional focus of my portfolio, it is my highest priority to work to support the democratic aspirations of the Venezuelan people.

It is, I think, exceptionally important that Mr. Maduro accept the reality of what he has done to his country and to come back to the table to negotiate a fairer, a more democratic, and a more open system.

Senator RUBIO. No, I understand, but that does not explain why Guaido is not—or whoever they choose as their—whether it is him or somebody else to be the speaker of the National Assembly, why they are not on the list, given everything you have just said.

Mr. O'REILLY. I understand the concern, and I will bring it back with me, Senator.

Senator RUBIO. Okay. I think my time is up on this.

Senator Kaine. I want to thank both witnesses on this first panel for your questions. We may have questions for the record to submit as well. I will make an announcement about that at the end of the hearing.

Should there be questions for the record we would encourage you to be prompt in responses. Thank you so much for your service and for appearing today.

With that, let us get the witnesses from the second panel to come out and we will proceed with them. Thank you very much.

Mr. O'REILLY. Thank you.

[Pause.]

Senator Kaine. We want to welcome the witnesses on Panel II. Very important hearing. Let me now introduce you. I am going to begin with Mr. Runde.

Daniel Runde is the Senior Vice President of the Project on Prosperity and Development in Americas program and holds the William Schreyer Chair on Global Analysis at the Center for Strategic and International Studies.

Previously, he held senior leadership roles at the International Finance Corporation and from 2005 to 2007 he was the director of the Office of Global Development Alliances at USAID. Lifetime member of the Council on Foreign Relations and a graduate of both Dartmouth College and Harvard University's Kennedy School of Government. Mr. Runde, welcome. Glad to have you with us today.

Dan Restrepo, senior fellow at the Center for American Progress for nearly 6 years and through two presidential campaigns served as the Principal Advisor to President Obama on issues related to Latin America, the Caribbean, and Canada, and then served as Special Assistant to the President and senior director for Western Hemisphere Affairs at the National Security Council.

Previously, he created and directed the Americas Project, which focused on Latin America and the role of Hispanics in the United States at the Center for American Progress.

He served as a judicial clerk on the U.S. Court of Appeals for the Third Circuit and worked for former Representative Lee Hamilton on the staff of the House Foreign Affairs Committee. He is a grad-

uate of the University of Virginia and University of Pennsylvania School of Law.

Finally, Dr. Arachu Castro, who is the Samuel Z. Stone Chair of Public Health in Latin America and director of the Collaborative Group for Health Equity in Latin America at Tulane School of Public Health and Tropical Medicine.

Prior to joining Tulane in 2013, she was the Associate Professor of global health and social medicine at Harvard Medical School. She is a member of the World Health Organization's Strategic and Technical Advisory Group of Experts for maternal, newborn, child, adolescent health and nutrition, and has also worked as a consultant for numerous intergovernmental public health organizations including Pan American Health Organization, the WHO, and UNICEF.

Dr. Castro has a Ph.D. from the School for Advanced Studies in Social Sciences in Paris, a Ph.D. in Social Sciences from the University of Barcelona, and a Master of Public Health from the Harvard School of Public Health.

I want to thank all the witnesses. Beginning in the order that I introduced you, if you would each testify. Confine your comments to about 5 minutes. Your full comments will be included in the record, and then we will look forward to engaging in dialogue with you.

Mr. Runde.

**STATEMENT OF DANIEL F. RUNDE, SENIOR VICE PRESIDENT,
CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES**

Mr. RUNDE. Thank you, Senator Kaine. Thank you, Senator Rubio. It is a privilege to be here before this committee.

In addition to being a moral and the right thing to do from a public health standpoint, whichever country is seen as solving the COVID-19 vaccine challenge is going to reap enormous public diplomacy benefits.

The United States must play a more prominent, more decisive role in leading distribution of safe and effective vaccines, particularly in the Western Hemisphere. Vaccine delays in the Americas will mean economic stagnation in the region, likely resulting in more migration to our southern border.

The Chinese and Russian governments took advantage of a 9-month window when the United States and the West could not provide vaccines to the developing world because of a mix of vaccine nationalism, lack of coordination, and disagreement over how to distribute the vaccines.

China has used its global vaccine campaign to advance long-term foreign policy objectives. The following examples are anecdotal but highly believable, and the committee should remain vigilant.

China has allegedly tied its vaccine manufacturing capacity and distribution to pushing Huawei-driven ICT solutions in countries like Brazil and the Dominican Republic, two allies of the United States.

On the issue of Taiwan, China is accused of pressuring Paraguay to recognize the mainland in return for vaccines. Similarly, China assured El Salvador of a higher level of vaccines, highly likely related to its non-recognition of Taiwan.

The other two countries that comprise the Northern Triangle, Guatemala and Honduras, recognize Taiwan and have not received the same levels of vaccines from China and, as a result, there are credible reports in Honduras and Guatemala that if we had only recognized the mainland we would get more vaccines and there also seems to be, for some reason, a series of vaccine campaigns on border towns bordering El Salvador and Guatemala with El Salvador. They seem to be awash in Chinese vaccines.

The good news is that the U.S. has made substantial but incomplete progress in reversing the narrative by aggressively ramping up its distribution of COVID-19 vaccines globally. We have an opportunity because the Chinese- and Russian-funded vaccines are just not as good as Western vaccines, so we have a chance to close the gap.

We need to do several things. The first is we need to strengthen a coherent interagency response to addressing the COVID-19 pandemic in the region. This response should include a comprehensive vaccination plan with clear strategies regarding vaccine supply logistics, communication, monitoring, and evaluation impact.

Second, the U.S. should move to a 50/50 strategy, where 50 percent of vaccines are delivered bilaterally and the other 50 percent of vaccines are delivered multilaterally. Currently, the Biden-Harris administration has said we are going to deliver 75 percent multilaterally and 25 percent bilaterally. I would suggest 50/50, not 75/25.

Also, the Biden-Harris administration should prioritize countries in Latin America and the Caribbean that have not yet reached 70 percent national vaccination rates. We still have a long way to go in a number of countries.

Third, the U.S. should directly assist governments in the region that still require preparing for national level vaccination campaigns.

Fourth, we need to develop for the future capable regional manufacturing platforms so that other countries can help us answer the mail on vaccine production in the future.

Any democratic government is going to prioritize Pennsylvania over Paraguay—no offense to Paraguay—just because of the political realities and so we are going to just need to have more production capacity to respond to this. The iron laws of vaccine nationalism are going to be really hard to break.

So, ultimately, we need to find partners. It could be Uruguay, it could be Costa Rica—countries that have strong rule of law, a respect for democracy, a capable workforce. We need additional surge capacity to make vaccines because that is, ultimately, the long-term answer to this.

We need, fifth, public-private partnerships to assist on things like pandemic early warning systems. We have a number of ways of dealing with early warning, but frankly, we could do more. There are new technologies and we should be leveraging the private sector.

Finally, we should be thinking about how we are working with partners. That could include Taiwan. That can include Canada. That can include Brazil, and we should absolutely be leveraging the multilateral institutions that are part of how we respond.

Finally, the U.S. has an opportunity to finish strong on solving the COVID-19 pandemic. If countries do not receive vaccines from America or our allies they will seek vaccines from our strategic competitors.

Great power competition has come to global health. We should commit to achieving widespread immunity in the region and prepare for future pandemics. Thank you.

[The prepared statement of Mr. Runde follows:]

Prepared Statement of Daniel F. Runde

Chairman Kaine, Ranking Member Rubio, and distinguished members of the Senate Subcommittee on Western Hemisphere, Transnational Crime, Civilian Security, Democracy, Human Rights, and Global Women's Issues, thank you for the opportunity to appear before you today to discuss the importance of U.S.-led vaccine diplomacy in Latin America and the Caribbean.

BRIEF OVERVIEW OF THE IMPACT OF COVID-19 ON LATIN AMERICA AND THE CARIBBEAN

The Covid-19 pandemic is arguably the most significant economic and social disruption since World War II. In addition to being the moral and right thing to do from a public health standpoint, whichever country is seen as "solving" the Covid-19 vaccine challenge will reap enormous public diplomacy benefits. The United States should play a more prominent, more decisive role in leading distribution of safe and effective vaccines, particularly in Latin America and the Caribbean. Given the rise of strategic competitors—China and Russia—the United States needs to address global health challenges more effectively. Latin America and the Caribbean (LAC) is the most devastated region (<https://news.harvard.edu/gazette/story/2021/07/how-the-pandemic-has-affected-latin-america/>) by the pandemic in terms of fatality rates and negative economic impacts. Latin America and the Caribbean represent (<https://crsreports.congress.gov/product/pdf/R/R46336>) 18.2 percent of Covid-19 cases contracted and 31 percent of fatalities globally, both far above the region's share of the world's population. Countries (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) with the highest number of deaths in the region include Brazil, Mexico, Peru, Colombia, and Argentina. Covid-19 has impacted politics (e.g., Argentina, Brazil, and Haiti), drastically set back education, and put pressure on democratic governance in the region. Critically, vaccine delays in the Americas will mean economic stagnation in the region, which very likely means more migration to our Southern border.

The Chinese and Russian governments took advantage (<https://www.economist.com/graphic-detail/2021/04/29/vaccine-diplomacy-boosts-russias-and-chinas-global-standing>) of a 9-month window when the United States and the West could not provide vaccines for the developing world because of a mix of vaccine nationalism, a lack of coordination, and disagreement over how to distribute the vaccines. China sought and achieved significant geopolitical benefits from this vacuum. If Russia and China can fill a void, they will.

China, in particular, has used its global vaccine campaigns to advance long-term foreign policy objectives, including pushing Huawei-driven information and communications technology (ICT), coercing countries to reduce recognition of Taiwan, and tamping down criticism of Uighurs in Xinjiang. The following examples are "anecdotal but highly believable," nonetheless this committee should remain vigilant of them.

China has allegedly pressured various governments in Latin America and the Caribbean including in Brazil, the Dominican Republic, and Paraguay. In the Western Hemisphere, where eight countries still recognize Taiwan, China only offers vaccines to those governments that recognize the mainland.

In Brazil, China allegedly tied its vaccine manufacturing capacity to the allowance of Huawei to participate in Brazil's 5G network (<https://www.nytimes.com/2021/03/15/world/americas/brazil-vaccine-china.html>), something that the pro-U.S. Bolsonaro Government had assured the Trump administration would not happen. Likewise, after initial plans to exclude Huawei from its telecom system, and after receiving 20 million doses from China, the Dominican Republic (<https://wng.org/roundups/china-peddles-influence-with-vaccines-1630687161>) suddenly reversed its position allowed Huawei to participate in its telecommunications market.

On the issue of Taiwan, China is accused of pressuring Paraguay in return (<https://www.nytimes.com/2021/04/16/world/americas/paraguay-china-vaccine-diplomacy.html>) for vaccines. Similarly, China assured El Salvador of a higher level

of vaccines, possibly related to its position on Taiwan (<https://www.as-coa.org/articles/vaccines-reignite-china-vs-taiwan-debate-latin-america>). Guatemala and Honduras (<https://www.ft.com/content/c0717932-0d88-4cea-b55c-ff561ed1f70e>), the other countries that compose the Northern Triangle, which do recognize Taiwan, have not received vaccines from China and do not have the same levels of vaccination as El Salvador. Honduras has requested (<https://apnews.com/article/latin-america-honduras-el-salvador-coronavirus-pandemic-health-ed1e04523bc501a847e8de700d141bdd>) that El Salvador share surplus Chinese-funded vaccines. It seems that Salvadoran border towns are flush with Chinese vaccines sending the signal that “if Guatemala or Honduras would only recognize Mainland China, then Guatemala and Honduras would not have such low vaccination rates.” Taiwan, it should be noted, is supporting the development of a new vaccine, Medigen, and hopes to share it with the world soon.

Ensuring the delivery and administration of safe and effective vaccines across Latin America and the Caribbean will help solve a global pandemic and pay diplomatic dividends for the United States. Increasing vaccine efforts in our Hemisphere is a necessary demonstration of U.S. leadership and is both a moral and foreign policy imperative essential to global health security.

Over the last 2 years, the United States has made substantial but incomplete progress in reversing the narrative by aggressively ramping up its distribution of Covid-19 vaccines in partner countries. Chinese-funded vaccines are seen as less desirable and perceived as less effective than Western vaccines, including in the Americas. In addition, the World Health Organization has not accepted the Sputnik V vaccine due to the Russian Government’s refusal to provide data across trials and reported side effects.

However, The U.S. cannot take its foot off the gas and must accelerate its efforts to help respond to the pandemic swiftly and effectively. This likely means moving from “75/25” “COVAX/bilateral distribution” to “50/50 “COVAX/bilateral distribution.” COVAX’s efforts to supply and distribute vaccines to the developing world are essential but have faced various obstacles (<https://www.pmi.org/learning/publications/pm-network/digital-exclusives/vaccine-rollout>). COVAX planned to provide 2 billion doses (<https://www.gavi.org/vaccineswork/covax-explained>) the end of 2021, but as of November 14, it had only delivered 435 million doses. Challenges include supply bottlenecks distribution and transportation, infrastructure, and meeting timetables and needs of cold chains. The United States should ensure that it remains at the forefront of Covid-19 assistance and vaccine delivery and that it gets proper “credit,” including and especially when COVAX delivers U.S. donated vaccines in a country.

To effectively deliver vaccines, the United States will need to work closely with partners such as the private sector, regional partners such as Canada and Brazil, allies operating in the region such as Taiwan, and multilateral partners (e.g., the Pan-American Health Organization (PAHO), the regional office of the WHO, the Inter-American Development Bank (IADB), and the World Bank). Covid-19 will require multilateral and bilateral actions and significant public-private partnerships that respond to the current crisis and endeavor to improve global preparedness for future pandemics. The current Covid-19 pandemic will likely require routine booster vaccines and continued support in delivery efforts, manufacturing, and local healthcare to administer vaccines.

COVID-19 PANDEMIC IMPACT AND VACCINE DIPLOMACY IN THE WESTERN HEMISPHERE

Despite significant rates of Covid-19 deaths and cases, the region is making positive strides. As of November 13, PAHO reports that 44 percent of the population of Latin America and the Caribbean is vaccinated. Vaccination rates are steadily increasing (<https://www.as-coa.org/articles/timeline-tracking-latin-americas-road-vaccination>); however, distribution is much higher in some countries compared to others. Those who are unvaccinated or have only received one dose of a vaccine remain increasingly vulnerable to variants and new waves of the virus.

Countries leading in vaccinations include Chile and Uruguay, which have vaccinated 75 percent (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) of their populations, and Brazil, which has vaccinated close to 60 percent of its population. Meanwhile, Argentina, Ecuador, and Panama are not far behind with 50 percent (<https://www.cnbc.com/2021/10/06/latin-america-and-caribbean-islands-have-vaccinated-just-37percent-of-populations-against-covid-who-officials-say.html>) vaccination rates. However, there is a significant disparity between countries, as Guatemala, Haiti, Jamaica, Nicaragua, and St. Vincent and the Grenadines have fully vaccinated less than 20 percent (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) of their populations. However, Haiti is most concerning in the region,

having vaccinated less than 1 percent (<https://www.cnn.com/2021/10/06/latin-america-and-caribbean-islands-have-vaccinated-just-37percent-of-populations-against-covid-who-officials-say.html>) of its population. We will not have widespread vaccination, particularly in some Central American countries and small Caribbean Island states, such as Jamaica and Haiti, until 2022 or even 2023. The U.S. needs to help close this gap.

Covid-19 has markedly impacted economic and political conditions in the region. For example, the IMF reported that 2020 saw a 7 percent (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) economic contraction in LAC, the region's largest recorded economic contraction in history. This contraction impacted the financial resources available to regional countries' governments and, thus, their ability to purchase/distribute vaccines and respond to pressing social needs aggravated by Covid-19. Economic declines were even more severe for Caribbean countries heavily dependent on tourism, some of which saw more than 15 percent (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) economic declines in 2020. A report from March 2021 by the U.N. Economic Commission for Latin America and the Caribbean found that in 2020: approximately 22 million (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) people in Latin America moved below the poverty line, and the poverty rate rose 3.2 percent (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) from levels recorded in 2019. In addition, losses in education will likely result in an economic loss of 16 percent of regional GDP (<https://blogs.worldbank.org/education/covid-19-and-learning-crisis-latin-america-and-caribbean-how-can-we-prevent-tragedy>) or \$1.7 trillion. Covid-19 also exacerbated existing political unrest (<https://crsreports.congress.gov/product/pdf/IF/IF11581>). Any vaccination strategy should complement economic initiatives that will help the region to recover from the pandemic. This economic plan must include the digitalization of the region's countries to help reduce the digital divide that Covid-19 accelerated. The U.S. should ensure that it helps close the digital divide before others close that divide.

VACCINE INITIATIVES: UNITED STATES

The U.S. is currently outpacing China (<https://www.atlanticcouncil.org/content-series/aviso-latam-covid-19/aviso-latam-covid-19-october-29-2021/>) regarding Covid-19 vaccine donations to LAC and must continue this momentum. On June 21, 2021, the Biden administration announced (<https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/21/fact-sheet-biden-harris-administration-announces-allocation-plan-for-55-million-doses-to-be-shared-globally/>) the distribution of 80 million vaccine doses to developing countries, 75 percent via COVAX, co-led by the Coalition for Epidemic Preparedness Innovations (CEPI), the Global Vaccine Alliance (GAVI), WHO, and United Nations Children's Fund (UNICEF), and 25 percent to be distributed bilaterally from the U.S. Government to partner countries.

As of October 2021, the U.S. Agency for International Development has distributed over \$482 million (https://www.usaid.gov/sites/default/files/documents/USAID_COVID-19_LAC_Response_Fact_Sheet_2_FINAL.pdf) of total funding for Covid-19 response in Latin America and the Caribbean. This is part of a larger \$9.3 billion in FY 2021 used in over 120 countries to fight against Covid-19.

The State Department reports that since mid-October 2021, the U.S. has delivered more than 44 million (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) doses of Covid-19 vaccines to countries in the Western Hemisphere (Canada included). Countries that have received the most doses include Mexico with 7.5 million (<https://crsreports.congress.gov/product/pdf/IF/IF11581>), Colombia with 6 million (<https://crsreports.congress.gov/product/pdf/IF/IF11581>), Guatemala with 4.5 million (<https://crsreports.congress.gov/product/pdf/IF/IF11581>), and Argentina with 3.5 million (<https://crsreports.congress.gov/product/pdf/IF/IF11581>). Other U.S. vaccine initiatives in LAC include President Biden's pledge in April 2021 of 60 million (<https://www.as-coa.org/articles/tracker-us-vaccine-donations-latin-america>) vaccines to be donated through COVAX, 20 million (<https://www.as-coa.org/articles/tracker-us-vaccine-donations-latin-america>) of which were designated for LAC. Furthermore, in June 2021, Biden expanded these efforts by pledging to purchase and donate 500 million (<https://www.as-coa.org/articles/tracker-us-vaccine-donations-latin-america>) Pfizer doses for low- and lower-middle-income countries (such as Bolivia, El Salvador, Honduras, and Nicaragua). Over the next 2 years, these doses will be distributed via COVAX (<https://www.as-coa.org/articles/tracker-us-vaccine-donations-latin-america>).

VACCINE INITIATIVES: MULTILATERAL ORGANIZATIONS (NON-COVAX)

PAHO

PAHO has helped countries in LAC gain access to Covid-19 vaccines through the COVAX Facility, with 22 countries (<https://crsreports.congress.gov/product/pdf/IF/IF11581>) in the region having signed agreements to receive vaccines via the facility.

World Bank

The World Bank has provided \$725 million (<https://www.worldbank.org/en/who-we-are/news/coronavirus-covid19/world-bank-support-for-country-access-to-covid-19-vaccines>) in operations to support the rollout of Covid-19 vaccines in Latin America and the Caribbean. Since April 2021, the World Bank has provided \$4.6 billion (<https://www.worldbank.org/en/news/factsheet/2020/04/02/world-bank-response-to-covid-19-coronavirus-latin-america-and-caribbean>) in Covid-related IBRD/IDA operations. These funds will be crucial in helping resolve problems that inhibit or complicate access to and distribution of vaccines, such as supply chain and delivery issues (<https://www.worldbank.org/en/news/factsheet/2020/04/02/world-bank-response-to-covid-19-coronavirus-latin-america-and-caribbean>).

Inter-American Development Bank

In December 2020, the IDB announced the allocation of \$1 billion (<https://www.iadb.org/en/news/idb-mobilizes-1-billion-covid-19-vaccine-financing-latin-america-and-caribbean>) to countries in LAC to facilitate the acquisition and distribution of Covid-19 vaccines. IDB support will occur primarily in three areas (<https://www.iadb.org/en/news/idb-mobilizes-1-billion-covid-19-vaccine-financing-latin-america-and-caribbean>): acquisition of vaccines via multilateral collaboration or singular country efforts; strengthening of institutions to bolster the development of vaccine deployment mechanisms; investment to build capacity for immunization/fund operational costs. In March 2021, the IDB introduced an instrument (<https://www.iadb.org/en/news/idb-support-latin-america-and-caribbean-negotiate-faster-access-vaccines>) to facilitate LAC countries' access to Covid-19 vaccines, allowing them to better compete for vaccines. The instrument helps resolve indemnity obligations (<https://www.iadb.org/en/news/idb-support-latin-america-and-caribbean-negotiate-faster-access-vaccines>)—a pivotal barrier to reaching consensus in many vaccine contract negotiations—and introduce regulatory (<https://www.iadb.org/en/news/idb-support-latin-america-and-caribbean-negotiate-faster-access-vaccines>) reforms to simplify the purchase and delivery of vaccines.

VACCINE INITIATIVES: RUSSIA AND CHINA

China and Russia developed vaccines that were available earlier internationally and advertised as “cheaper” and easier to transport and store than Western mRNA vaccines that require ultra-cold storage. Although first to launch global vaccine campaigns, China and Russia vaccine diplomacy efforts have not been entirely successful (<https://time.com/6086028/chinese-russian-covid-19-vaccines-geopolitics/>) and allow an opportunity for the U.S. to retake the vaccine diplomacy lead.

Russia

Russia initially approved the Sputnik V vaccine (<https://www.nature.com/articles/d41586-021-01813-2>), a two-dose viral vaccine, in August 2020. Currently, Russia has overpromised, and underdelivered (<https://www.as-coa.org/articles/vaccine-manufacturing-race-russia-trips>) Sputnik V contracted to Latin America. For example, due to production delays, Russia is not completing contracts, notably in Argentina, Mexico, and Peru, which together are waiting on approximately 20 million doses. Additionally, many of the shipments of the Russian vaccines delivered have only been able to provide one of the two doses required, leaving people with limited immunity. Nonetheless, Russia is still moving its vaccination campaign forward—on October 14, the Russian Direct Investment Fund signed an agreement with the (<https://www.elfinanciero.com.mx/nacional/2021/10/14/cerrado-la-vacuna-sputnik-v-se-entasara-en-mexico/>) Mexican Government.

China

China has pledged to deliver 2 billion vaccine doses (<https://apnews.com/article/2020-tokyo-olympics-joe-biden-health-coronavirus-pandemic-coronavirus-vaccine-c2712b56c0464ec0b95c41cd18cc38dd>) worldwide by the end of 2021—China has currently sold 1.4 billion doses, donated 99 million, and delivered 1.1 billion doses (<https://bridgebeijing.com/our-publications/our-publications-1/china-covid-19-vaccines-tracker/>). With moderate success, China has reworked its image from being the origin of the pandemic to helping other countries respond and recover with a

significant effort in Latin America and the Caribbean. For example, Brazil has contracted 160 million vaccines from China. However, Chinese-funded vaccines have much lower efficacy rates than western vaccines like Moderna and Pfizer. Chinese-funded vaccines ranged from 51 to 79 percent effective (<https://www.nature.com/articles/d41586-021-02796-w>) compared to 90 percent and higher efficacy ratings of Moderna and Pfizer. However, when there is no other option, countries will accept Chinese-funded vaccines to ensure that people have some immunity rather than none. Chinese-funded vaccines are stored at standard refrigeration, which is much easier for developing countries to manage in supply chain infrastructure. China is leading vaccination campaigns in Chile, the Dominican Republic, and Ecuador and boasts a significant presence in Argentina.

RECOMMENDATIONS FOR CONTINUED AND INCREASED
U.S. ENGAGEMENT IN LAC VACCINE DIPLOMACY

The United States has an opportunity to “finish” strong on “solving” Covid-19. The U.S. should create partnerships to fix longer-term systemic problems in the region related to global pandemics. Even countries that accept non-U.S. vaccines will need continued funding and technical assistance (<https://www.nytimes.com/2021/03/16/world/brazil-needs-vaccines-and-china-is-benefiting.html>) in delivering and administering vaccines and booster shots to populations.

First, the U.S. should increase donations to Latin America and the Caribbean. The U.S. should also make arrangements for the hundreds of thousands of private U.S. citizens abroad to access vaccines.

Second, the United States should strengthen a coherent interagency response to address the Covid-19 pandemic. This response should include a comprehensive vaccination plan, with clear strategies regarding vaccine supply logistics, communication, monitoring and evaluation, and impact. All distribution, progress, and impact data should be defined, transparent and available. USAID would be in charge in partnership with the Department of State and HHS. The U.S. can build on existing strategies and supply chain operations associated with existing U.S. global health programs such as PEPFAR (<https://www.state.gov/pepfar/>), PMI, and other vaccination programs.

Third, the U.S. should move to a 50/50 strategy where 50 percent of vaccines are delivered bilaterally, and the other 50 percent of vaccines are delivered multilaterally. Multilateral initiatives like COVAX are a necessary component of the Covid-19 response, but it is not the most efficient mechanism available. Within the bilateral allocation, the Biden administration and Congress should prioritize countries in Latin America and the Caribbean that have not reached 70 percent national vaccination rates, provide more funding towards the region, and monitor and make sure doses are procured, delivered, and administered on the promised timelines. There could also be an opportunity to offer U.S. mRNA booster shots to bolster less effective Sputnik V and Chinese government-funded vaccines. We should take full advantage of Russia’s supply chain challenges.

Fourth, the U.S. should directly assist those LAC governments that still require it with preparing for national-level vaccination campaigns. This includes:

- Helping determine what steps each government can take to expand access to personal protective equipment (PPE), treatment protocols, contact tracing, access to vaccines, and public health measure to reduce further transmission;
- Identifying the requirements of each country to execute necessary cold chains, and if possible, enable manufacturing capacity. This includes following vaccines through the “last mile” and avoiding scenarios where doses may expire. For example, preventing situations such as what happened in Haiti, where the Haitian Government announced they would return thousands of Moderna vaccine doses to the United States (<https://www.bloomberg.com/news/articles/2021-10-13/haiti-to-send-back-expiring-u-s-donated-moderna-vaccines?ref=VEVHJ4cS>) that were close to expiring; and
- Working with civil society actors (community organizations, health focused organizations) to engage with local perspectives that are essential to understand in-county health systems and optimize vaccine distribution campaigns.

Fifth, the United States needs to help create regional manufacturing platforms for future pandemics in LAC countries with a strong rule of law, a commitment to democracy, and an educated workforce, such as Costa Rica and Uruguay. Any democratically elected leader in the United States will prioritize vaccine distribution to Pennsylvania over Paraguay. Therefore, we need small, capable countries who can quickly “answer the mail” on meeting their vaccine requirements and then export

to the region and burden share. We need a broader “culture of immunization” in the region for such manufacturing platforms to work.

Sixth, the United States should leverage existing multilateral architecture, namely COVAX and PAHO, to reinforce vaccine supply chains. While not sufficient on their own, the efforts of COVAX, the World Bank, the IDB, and PAHO are necessary aspects of the global vaccination effort. The U.S. should play a decisive leadership role in these multilateral organizations. It ought to strengthen coordination amongst multilateral actors and help facilitate an implementation plan to coordinate both the USG and the multilateral system.

The United States should leverage PAHO’s technical support and the PAHO Revolving Fund for vaccines and Strategic Fund. The U.S. should provide \$100 million to cover the costs of implementing those measures. It should also use PAHO and COVAX vaccine facilities (<https://www.reuters.com/business/healthcare-pharmaceuticals/brazil-argentina-tapped-make-mrna-vaccines-latin-america-2021-09-21/>) to ensure the fastest possible acquisition of vaccines.

Seventh, as part of an expanded bilateral effort, the United States must engage more robustly with the private sector, universities, city governments (especially mayors) and people to people networks (e.g. networks of trained emergency personnel throughout the region) through public-private partnerships (PPPs) (<https://www.csis.org/analysis/beyond-covax-importance-public-private-partnerships-covid-19-vaccine-delivery-developing>) to amplify reach and execution, complement multilateral efforts, and demonstrate additional U.S. leadership in vaccine distribution and administration in Latin America and the Caribbean. Organizations such as the Pan-American Development Foundation are well positioned to broker such partnerships across the hemisphere. Operation Warp Speed (<https://www.gao.gov/products/gao-21-319>) proved what can be accomplished to create and manufacture safe and effective vaccines. We need an “Operation Warp Speed” focused on the distribution of vaccines in developing countries. U.S. agencies, specifically, USAID should identify priority local gaps for vaccination and build in-country and local vaccination public-private partnerships.

More immediately, the Administration should partner with U.S. companies with significant workforces throughout Latin America to protect their employees as a safeguard against more economic devastation. The U.S. should also work with Pfizer and Moderna to increase procurement for Latin America and the Caribbean. For example, facilitate partnerships such as Pfizer’s recent commitment (<https://www.mclatchydc.com/news/coronavirus/article253746158.html>) to partner with a Brazilian biopharmaceutical company, Eurofarma Laboratórios SA, to mass-produce doses in the region.

In the long-term, public-private partnerships can assist with the supply and equitable distribution of vaccinations. The United States should also encourage and implement private-sector innovations to update outdated systems regarding the supply and distribution of vaccines. For example, applying better cold chain and storage technologies to strengthen transport and storage capacity in places that lack adequate infrastructure. PPP’s are needed to bolster existing early-warning systems (<https://www.foreignaffairs.com/articles/united-states/2020-07-14/predicting-next-pandemic>) through innovative data collection mechanisms (<https://www.medicalnewstoday.com/articles/how-google-search-data-can-predict-covid-19-outbreaks>).

To conclude, we cannot fight something with nothing. If countries do not have vaccines from the U.S. or our allies, they will seek vaccines from our strategic competitors. Great power competition has come to global health, and we should commit to achieving widespread immunity in the region and prepare for future pandemics.

Senator Kaine. Thank you very much.
Mr. Restrepo.

STATEMENT OF DAN RESTREPO, SENIOR FELLOW, CENTER FOR AMERICAN PROGRESS, WASHINGTON, DC

Mr. RESTREPO. Chairman Kaine, Senator Rubio, thank you very much for this opportunity.

As has been well established so far in this hearing, it is difficult to overstate the importance of U.S. vaccine diplomacy in Latin America and the Caribbean. In fact, one can argue that through its vaccine diplomacy the Biden administration has engaged in the most important U.S. strategic initiative in the Americas in decades.

To understand why, it is critical to step back and examine the cascading crises that faced Latin America and the Caribbean before COVID-19, how the pandemic exacerbated them, and what it all means for U.S. interests.

In early 2020, the countries of Latin America and the Caribbean were amidst a historic dislocation of vulnerable populations, home to some of the highest levels of citizen insecurity in the world, awash in mis- and disinformation, both homegrown and state actor generated, undermining the region's basic social fabric, buffeted by the intensifying effects of the climate crisis, plagued by multiple governance failures and, worse, characterized by corruption, populism, and authoritarianism.

Perhaps most fundamentally concerning, the region was suffering a profound crisis in confidence in democracies' ability to deliver at scale for the people of the Americas. In 2018, fewer than half of all Latin Americans viewed democracy as the preferred form of government and only 24 percent reported being satisfied with their democracy, and then COVID-19 hit.

To date, the pandemic has claimed at least a million and a half lives across the region, representing more than 30 percent of all worldwide reported deaths in a region with 8 percent of the world's population, triggered the most severe regional economic contraction in the world and the slowest economic recovery.

It plunged 22 million people into poverty and 8 million into extreme poverty, and that was only in the last 9 months of 2020. It exacerbated the irregular movement of people throughout the hemisphere.

So the nearly 50 million doses of U.S.-manufactured COVID-19 vaccines distributed to date by the United States is sound policy on numerous levels. It is a vital component of any effective strategy to mitigate the unprecedented movement of people that I just mentioned.

It is an investment in the U.S. economy and, particularly, our export sector, given that fully a third of U.S. exports are to countries in the Western Hemisphere.

It is also pretty sound basic public health policy, given that most foreign visitors to the United States, particularly relevant as we open up international travel, are from our closest neighbors.

Above all else, it is better application of U.S. power for geopolitical benefit. It is the best possible demonstration project that democracy can deliver for the people of the Americas.

It draws a stark contrast with China's attempts, which we have been discussing this morning, to use vaccine diplomacy for its own ends, particularly because the superior efficacy of U.S.-manufactured vaccines has made the U.S. the increasingly sought after partner of choice, including by countries that were high-profile recipients of initial Chinese and, to a lesser extent, Russian largesse.

Because they are delivered without strings, U.S.-manufactured vaccines also underscore a steady confidence in the power of innovation and collaboration, two characteristics that made those vaccines possible, but also they draw a critical distinction between what is great about the United States and what fuels China's rise.

In short, helping end the COVID-19 pandemic, making economic recovery more possible, and instilling greater faith in the promise

of democracy across the Americas amounts to an essential historic demonstration of U.S. leadership in the face of a region and regional tumult likely to continue for years to come.

Thank you very much. I look forward to your questions.
[The prepared statement of Mr. Restrepo follows:]

Prepared Statement of Daniel A. Restrepo¹

It is difficult to overstate the importance of U.S. vaccine diplomacy across Latin America and the Caribbean. To understand why this is true, it is important to take a step back and understand the broader context of the cascading set of crises affecting the region.

Front of mind among these, of course, is the unprecedented COVID-19 pandemic. Since it arrived in Latin America and the Caribbean, the pandemic has claimed at least 1.5 million lives, representing more than 30 percent of all reported deaths world-wide for a region with 8 percent of the world's population.² At various points in the past 20 months, multiple countries throughout the region have laid claim to the dubious distinction of leading the world in infection and mortality rates. We will not soon forget scenes of bodies piling up on the streets of Guayaquil, Ecuador nor forget stories of entire cities in Brazil running out of bottled oxygen.

The pandemic's economic fallout has, in many ways, been even more severe. In 2020, Latin America and the Caribbean endured, according to the World Bank, the most significant economic contraction of any region in the world, with regional GDP contracting by 7 percent.³ The first 9 months of the pandemic saw 22 million people fall into poverty, including 8 million into extreme poverty—whipping out, respectively, 12 and 20 years of progress, on these fronts.⁴ Latin America and the Caribbean has also been among the slowest regions of the world to bounce back for its COVID-onset economic contraction. Economic growth in 2021 is expected to be 6.3 percent but regional GDP is not expected to be above pre-pandemic levels until 2023 at the earliest.⁵ Given the pandemic's persistence, the economic wreckage continues to pile up and millions more will have slipped into poverty and extreme poverty during this calendar year.

Although the region's overall COVID profile has begun to improve markedly, the region is also being buffeted by the accelerating effects of the climate crisis and by multiple governance failures—and worse—fueled by a plague of corruption, populism, and authoritarianism. The region is also seeing an historic displacement of vulnerable populations both within and across international borders, including:

- 100,000s of Haitians dislocated by the 2010 earthquake;⁶
- More than 5.9 million Venezuelans driven from their country since 2015;⁷
- Nicaraguans fleeing an authoritarian regime;⁸
- Haitians dislocated by 2021 earthquake and post-Moise assassination political tumult;⁹
- Central Americans uprooted by Ida and Iota that befell them on top of COVID and the historically predatory conditions under which they live;¹⁰ and
- Mexicans subject to spiraling violence and loss of economic opportunity.¹¹

COVID's impact, however, is perhaps most troubling for U.S. interests in the Western hemisphere because it hit at a time when democracy was under its most significant strain since the region's post-Cold War democratic transformation and its 2001 embrace, through the Inter-American Democratic Charter, of a shared responsibility to protect it.

In 2020, less than half of all Latin Americans, 49 percent, according to *Latinobarometro*, the region's leading public opinion survey, viewed democracy as the preferred form of government and only 25 percent report being satisfied with their democracy.¹² Although some take solace in the fact that those levels were virtually unchanged from 2018, which saw 48 percent preference for democracy and 24 percent satisfaction with democracy, such "stability" should be cold comfort.¹³ A steady downward trend has perhaps temporarily been arrested, but a fundamental crisis of confidence in democracy still prevails, opening up ample space for populists—of the Left and the Right—to fill with divisive rhetoric, empty promises, and nostalgia for oftentimes illusory, by-gone, golden eras.

The reasons behind this loss of faith are multi-factor, but a clear thread is a belief that democracy is incapable of addressing people's basic needs with pronounced majorities believing basics like education (58 percent), healthcare (64 percent) and justice (77 percent) are not equitably available.¹⁴ Only majorities in the curious trio

of Costa Rica, Uruguay, and Nicaragua view these three basic services as being equitably available.¹⁵

It is in the context of this complex backdrop that, in my estimation, it is no exaggeration to say that for the past several months, away from the glare of camera lights, the Biden administration through its vaccine diplomacy has been executing the most important U.S. geostrategic initiative in the Americas in decades with lasting implications for democracy in the region—and for U.S. democracy here at home.

Since President Biden first prioritized our closest neighbors for distribution of U.S.-manufactured COVID-19 vaccines, the United States has distributed nearly 50 million vaccine doses throughout the Americas,¹⁶ including more than 10 million via COVAX.¹⁷

This clear prioritization of the Western hemisphere is sound policy on numerous levels. It is a vital component of any effective strategy to mitigate the unprecedented irregular movement of people throughout the region triggered, in no small measure, by the impacts of COVID-19. It is good for our economy and for export-supported sectors, in particular, given that one-third of all U.S. exports go to countries in the Western hemisphere.¹⁸ It has been an excellent, basic public health policy given that most foreign visitors to the United States originate in our closest neighbors.

It has, however, been an even better application of U.S. power with clear geopolitical benefits.

It demonstrates the U.S. competitive advantages compared to China and unquestionably advances U.S. interests, as helping governments put vaccines in arms, turn the tide on COVID-19, and bolster economic recovery is the best possible demonstration project that democracy can deliver for the people of the Americas.

The efficacy of U.S.-manufactured vaccines—made possible by international and public-private collaboration—also provides a stark contrast with China’s much-touted vaccine diplomacy. Although China—and to a lesser extent Russia—enjoyed “first-mover” advantages distributing vaccines across the region before the United States and doing so with more emphasis on making headlines than delivering impact, Chinese and Russian vaccines have proven far less effective than their U.S.-manufactured counterparts.¹⁹ As a result, they have been increasingly less sought-after with countries that were high-profile recipients of Chinese and/or Russian largesse earlier this year turning to the United States as the partner of choice.

That U.S. vaccines are delivered with no strings also sends a powerful, albeit indirect, message. It underscores a confidence in the power of innovation and openness to collaboration, two characteristics that not only made the highly effective, U.S.-manufactured vaccines possible, but which also draw perhaps the most critical distinction between the power of the American experiment writ large and that which fuels China’s rise.

Finally, shoring up faith in democracy in the Americas is not just good for the above stated reasons. Nor does it simply advance abstract U.S. interests abroad. It is also important for what it portends for the interplay between a crisis of faith in democracy across the Americas and its effects on U.S. democracy considering the deep interconnection that binds the United States to the rest of the countries of the Americas.

As it has done with so many other pre-existing conditions, COVID-19 has laid bare a dark underside of interconnection in the Americas. Over the course of the past 9 months lies and distortions—communicated in Spanish and emanating from Latin America—have fueled vaccine hesitancy among U.S. Latinos.²⁰ A similar, robust, negative feedback loop exists around mis- and disinformation campaigns in and from the region fueling skepticism in democracy—there and here—via platforms like WhatsApp²¹ and YouTube.²² Platforms on which U.S. Latinos over-index and which are falling short in countering Spanish-language propaganda.²³ As a result, the more the United States can do to shore up democracy across Latin America and the Caribbean, the more it will do to shore up democracy at home as well.

Aligning the United States with the democratic aspirations of the approximately 600 million individuals with whom we share the Americas, of course, does not end with vaccines. It requires using the full range of U.S. policy tools to support peaceful, prosperous, and resilient communities throughout the Americas. But helping end the COVID-19 pandemic, making economic recovery more possible, and instilling greater faith in the promise of democracy across the Americas nonetheless amounts to an essential, historic step forward in the face of regional tumult likely to continue for years to come.

Notes

¹The views reflected in this testimony are my personal views and do not represent the views of any institution with which I am or have been affiliated.

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⁵U.N. Economic Commission for Latin America and the Caribbean, “The recovery paradox in Latin America and the Caribbean. Growth amid persisting structural problems: inequality, poverty and low investment and productivity,” July 8, 2021 available at Growth in Latin America and the Caribbean in 2021 Will Not Manage to Reverse the Adverse Effects of the Pandemic—Press Release—Economic Commission for Latin America and the Caribbean (cepal.org) (<https://www.cepal.org/en/pressreleases/growth-latin-america-and-caribbean-2021-will-not-manage-reverse-adverse-effects>).

⁶Jacqueline Charles, “In aftermath of Haiti’s 2010 earthquake, many still face immigration uncertainty,” Miami Herald, January 13, 2021 available at Haitian immigrants who fled 2010 earthquake face uncertainty—Miami Herald (<https://www.miamiherald.com/news/nation-world/world/americas/haiti/article248450275.html>).

⁷Inter-Agency Coordination Platform for Refugees and Migrants from Venezuela available at Home—R4V (<https://www.r4v.info/en>).

⁸Alvaro Murillo, “Soaring numbers of Nicaraguans seek refuge in Costa Rica amid domestic crackdown,” Reuters, August 10, 2021 available at Soaring number of Nicaraguans seek refuge in Costa Rica amid domestic crackdown—Reuters (<https://www.reuters.com/world/americas/soaring-number-nicaraguans-seek-refuge-costa-rica-amid-domestic-crackdown-2021-08-11/>).

⁹Lisa Deaderick, “A perfect storm of crises and instability leading Haitian migrants to seek U.S. asylum,” San Diego Tribune, September 26, 2021 available at A perfect storm of crises and instability leading Haitian migrants to seek U.S. asylum—The San Diego Union-Tribune (sandiegouniontribune.com) (<https://www.sandiegouniontribune.com/columnists/story/2021-09-26/a-perfect-storm-of-crises-and-instability-leading-haitian-migrants-to-seek-u-s-asylum>).

¹⁰Dan Restrepo, “Central Americans Are Fleeing Bad Governments,” Foreign Affairs, March 5, 2021 available at Central Americans Are Fleeing Bad Governments—Foreign Affairs (<https://www.foreignaffairs.com/articles/central-america-caribbean/2021-03-05/central-americans-are-fleeing-bad-governments>).

¹¹Kirk Semple, “Violence Drives Swell in Mexican Migration,” New York Times, December 7, 2019 available at Violence Drives a Swell in Mexican Migration—The New York Times (nytimes.com) (<https://www.nytimes.com/2019/12/07/world/americas/mexico-border-migration-asylum.html>).

¹²Latinobarometro, Latinobarometro Report 2021, available at Latinobarometro (<https://www.latinobarometro.org/lat.jsp>).

¹³Latinobarometro, Latinobarometro Report 2021, available at Latinobarometro (<https://www.latinobarometro.org/lat.jsp>).

¹⁴Latinobarometro, Latinobarometro Report 2021, available at Latinobarometro (<https://www.latinobarometro.org/lat.jsp>).

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¹⁶Chase Harrison, “Tracker: U.S. Vaccine Donations to Latin America,” AS/COA, November 3, 2021 available at Tracker: U.S. Vaccine Donations to Latin America—AS/COA (as-coa.org) (<https://www.as-coa.org/articles/tracker-us-vaccine-donations-latin-america>).

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¹⁸Office of the United States Trade Representative, Countries & Regions, available at Countries & Regions—United States Trade Representative (ustr.gov) (<https://ustr.gov/countries-regions>).

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²⁰Nada Hassanein, “You can’t trust the government: Spanish-speaking social media spreads COVID-19 vaccine disinformation, adds to hesitancy,” USA Today, March 29, 2021 available at COVID-19 ‘infodemic’: Social media in Spanish spreads myths, hoaxes (usatoday.com) (<https://www.usatoday.com/story/news/health/2021/03/29/covid-19-vaccine-infodemic-social-media-spanish-disinformation-coronavirus/4592379001/>).

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²²“2021 Hispanic Digital Fact Pact,” H Code available at DocSend (<https://hcode.docsend.com/view/nl6ftqnh4uwtbwkj/d/azgd6a593i9nkqca>).

²³Stephanie Valencia, “Misinformation online is bad in English. But it’s far worse in Spanish,” *Washington Post*, October 28, 2021 available at Social media misinformation is bad in English. But it’s far worse in Spanish.—The Washington Post (<https://www.washingtonpost.com/outlook/2021/10/28/misinformation-spanish-facebook-social-media/>).

Senator KAINE. Thank you so much.
Dr. Castro.

STATEMENT OF DR. ARACHU CASTRO, DIRECTOR OF THE COLLABORATIVE GROUP FOR HEALTH EQUITY IN LATIN AMERICA [CHELA], TULANE UNIVERSITY, NEW ORLEANS, LA

Dr. CASTRO. Thank you, Mr. Chairman, Tim Kaine, and Ranking Member Marco Rubio for inviting me to testify today. My comments complement the written statement that I submitted yesterday.

The pandemic continues to create great human suffering in Latin America and the Caribbean, where an estimated 2.2 million people have died of COVID–19. This includes both reported and an estimate of under reported deaths.

Although more men than women have died of COVID, not included in these mortality statistics are the thousands who have died due to the disruption of essential health services such as women of reproductive age, children, and adolescents.

Additionally, last year the pandemic caused the worst economic contraction in more than a century, deepening social and economic inequalities and increasing poverty. The underfunding of scientific and technological research and development in most countries in the region is at the root of the limited capacity to develop novel vaccines and the uneven rollout of vaccines.

Despite a regional vaccine procurement mechanism since 1979, the Pan American Health Organization’s Revolving Fund for Vaccine Procurement, most countries negotiated access to COVID–19 vaccines last year through bilateral agreements with vaccine developers from the United States, Europe, Russia, and China.

At the same time, most also participated in the COVAX mechanism whose procurement agent in the Americas is the Revolving Fund. Although half of the population is fully vaccinated, significant differences exist between countries.

The inequity behind the distribution of vaccines is primarily explained by the type of participation in the COVAX mechanism, which has been severely affected by the concentration of doses in high income countries and the interruption of vaccine export from the largest manufacturer of vaccines in the world, located in India.

As of last Friday, among the 10 countries that participate in COVAX as donor dependent, only 26 percent of the population is fully vaccinated. Coverage ranges from less than 1 percent in Haiti to 61 percent in El Salvador.

On the other hand, among the self-financing participants in COVAX, twice as many—51 percent—of the population is fully vaccinated. Coverage ranges from 16 percent in Jamaica to 81 percent in Chile.

Cuba, which did not participate in COVAX and is the only country in the region that has developed its own COVID vaccines, has fully vaccinated 70 percent of its population.

The divide reflected by these data can undermine all efforts to bring the pandemic to an end in the Americas, where it continues to have a devastating impact due to the uneven deployment of vaccines, the lack of a regional systematic vaccination strategy, the limited capacity to develop novel vaccines, and the reliance on imported vaccines.

Consequently, 2 months ago, the Community of Latin American and Caribbean States approved the plan for self-sufficiency in health matters in Latin America and the Caribbean, prepared by the Economic Commission for Latin America and the Caribbean, ECLAC.

The United States has the opportunity to help support this regional plan by: number one, facilitating technology transfer and the development of manufacturing capacity for mRNA vaccines; two, training and qualifying specialized human resources; three, equipping national and regional laboratories; and four, leveraging regional supply chains to help increase production capacity in a region of 660 million and insufficient vaccine development.

Latin America and the Caribbean has, however, research capacity, scientific development, and technological innovation centers that are underfunded and that should be strengthened to discover and manufacture vaccines.

Thank you for your attention.

[The prepared statement of Dr. Castro follows:]

Prepared Statement of Dr. Arachu Castro

In Latin America and the Caribbean, a region inhabited by 8.5 percent of the world's population, 46.7 million people have been diagnosed with COVID-19 (18 percent of world cases), and more than 1.5 million deaths have been reported (30 percent of world deaths) as of November 15, 2021.¹ Including underreported deaths, it is estimated that the actual figure as of this date is 2.2 million deaths.² *Figure 1* shows the reported and underreported deaths per 100,000 population in 27 countries and the Commonwealth of Puerto Rico, as well as the projected additional deaths in the next three and a half months. According to these estimates, Bolivia, Peru, and Venezuela will surpass 500 deaths per 100,000 population by March 1, 2022, followed closely by Ecuador and Mexico.² Nicaragua, Venezuela, and Haiti have the greatest underreporting of deaths.² *Table 1* provides the number of reported cases and deaths and the projected deaths per country or territory.

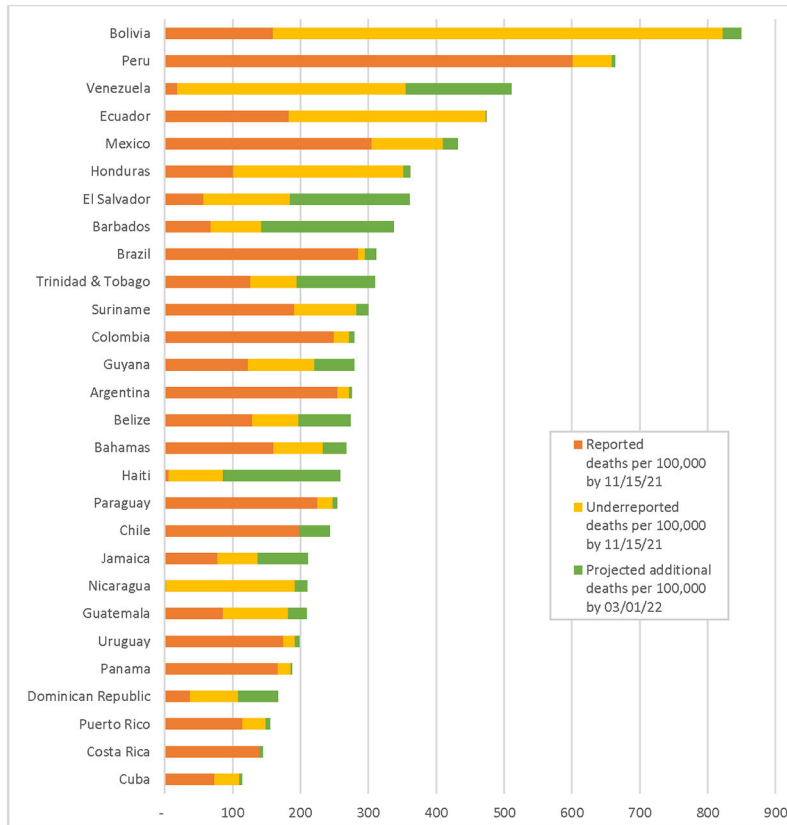
Mortality among males has been greater than among females.³ However, not included in these statistics are the thousands—including women of reproductive age, adolescents, and children—who are estimated to have died due to the disruption of essential health services, the decrease in the use of these services for fear of acquiring COVID-19, and other indirect effects of lockdown-related measures that affect women disproportionately.^{4,5,6} Several studies have found a higher prevalence of COVID-19 infection among indigenous, Afrodescendant, and migrant populations compared to other groups and among those in the lower socioeconomic positions, further increasing health equity gaps in the region.^{7,8,9}

In Latin America and the Caribbean, in 2020, the pandemic caused the worse economic contraction in more than a century.⁹ The sharp increase in unemployment and loss of income has particularly affected informal workers, deepening social and economic inequalities and increasing poverty.^{10,11}

Governments have allocated resources to strengthen the capacity of the health sector to face the pandemic.¹² Still, the response has been insufficient in most of the region due to the chronic underfunding and pre-existing weaknesses of public health systems. In most countries, segmentation between public services, social security services, and private medicine, the concentration of human resources and medical technology in some urban hospitals, the under-financing of primary health

care (PHC) and epidemiological surveillance, and the lack of articulation between the different levels of care have weakened the coordinated actions of the national response.^{5 10}

Figure 1: Reported, underreported, and projected additional deaths per 100,000 population in Latin American and Caribbean countries and the Commonwealth of Puerto Rico, November 15, 2021–March 1, 2022



Source: Institute for Health Metrics and Evaluation, COVID-19 Projections (<https://covid19.healthdata.org/global?view=cumulative-deaths&tab=trend>), 2021.²

Table 1: COVID-19 reported cases and deaths and projected deaths, in total population and per 100,000, November 15, 2021

Subregion and country or territory	Population 2021	COVID-19 cases	COVID-19 cases per 100,000 population	COVID-19 reported deaths	COVID-19 reported deaths per 100,000	COVID-19 projected deaths	COVID-19 projected deaths per 100,000
Mexico and Central America							
Belize	404,915	28,899	7,137	534	132	801	198
Costa Rica	5,139,053	564,159	10,978	7,197	140	7,198	140
El Salvador	6,518,500	117,884	1,808	3,728	57	12,050	185
Guatemala	18,249,868	610,004	3,343	15,714	86	33,249	182
Honduras	10,062,994	376,967	3,746	10,353	103	35,444	352
Mexico	130,262,220	3,844,791	2,952	291,089	223	535,528	411
Nicaragua	6,702,379	13,150	196	210	3	12,925	193
Panama	4,381,583	474,453	10,828	7,341	168	8,134	186
Subtotal	181,721,512	6,030,307	3,318	336,166	185	645,329	355
South America							
Argentina	45,605,823	5,305,742	11,634	116,232	255	124,287	273
Bolivia	11,832,936	522,530	4,416	19,004	161	97,410	823
Brazil	213,993,441	21,953,838	10,259	611,222	286	631,901	295
Chile	19,212,362	1,726,481	8,986	37,975	198	38,108	198
Colombia	51,265,841	5,029,335	9,810	127,766	249	139,194	272
Ecuador	17,888,474	519,560	2,904	32,989	184	84,624	473
French Guiana	306,450	45,366	14,804	322	105	n/a	n/a
Guyana	790,329	36,741	4,649	957	121	1,744	221
Paraguay	7,219,641	461,912	6,398	16,335	226	17,907	248
Peru	33,359,416	2,213,548	6,635	200,605	601	219,899	659
Suriname	591,798	50,046	8,457	1,136	192	1,673	283
Uruguay	3,485,152	396,402	11,374	6,101	175	6,717	193
Venezuela	28,704,947	418,900	1,459	5,019	17	102,221	356
Subtotal	434,256,610	38,680,401	8,907	1,175,663	271	1,465,685	338
Caribbean (>200K population)							
Bahamas	396,914	22,572	5,687	665	168	929	268
Barbados	287,708	22,093	7,679	193	67	412	338
Cuba	11,326,616	958,738	8,464	8,282	73	12,569	114
Dominican Republic	10,953,714	395,856	3,614	4,170	38	11,884	167
Guadeloupe	400,013	54,854	13,713	822	205	n/a	n/a
Haiti	11,402,528	24,485	215	708	6	9,903	258
Jamaica	2,973,462	90,209	3,034	2,327	78	4,099	211
Martinique	374,743	43,962	11,731	700	187	n/a	n/a
Puerto Rico	2,828,246	186,543	6,596	3,257	115	4,227	155
Trinidad & Tobago	1,403,374	61,922	4,412	1,850	132	2,739	310
Other (<200K population)	1,384,587	105,225	7,600	1,449	105	n/a	n/a
Subtotal	43,731,905	1,966,459	4,497	24,423	56	46,762	187
TOTAL	659,710,027	46,677,167	7,075	1,536,252	233	2,157,776	327

Source: World Health Organization, Coronavirus Dashboard (<https://covid19.who.int/>), 2021;¹ Institute for Health Metrics and Evaluation, COVID-19 Projections (<https://covid19.healthdata.org/global?view=cumulative-deaths&tab=trend>), 2021.²

Note: n/a = not available.

The underfunding of scientific and technological research and development in most Latin American and Caribbean countries is at the root of the limited capacity to develop novel vaccines in the region. Despite the existence of a regional vaccine procurement mechanism since 1979—the Pan American Health Organization’s Revolving Fund for Vaccine Procurement¹³—most countries negotiated access to COVID-19 vaccines in 2020 through bilateral agreements with vaccine developers from the United States, Europe, Russia, and China.¹⁴ At the same time, most also participated in the COVID-19 Vaccines Global Access (COVAX) facility, whose procurement agent in the Americas is the Revolving Fund.¹⁵ As a result, the roll-out of vaccines in the region has been highly uneven. *Table 2* shows the COVID-19 vaccination coverage as of November 12, 2021. Although half of the population in the region is fully vaccinated, large differences exist between countries.

Table 2: COVID-19 vaccination coverage, in total population and percentage, November 12, 2021

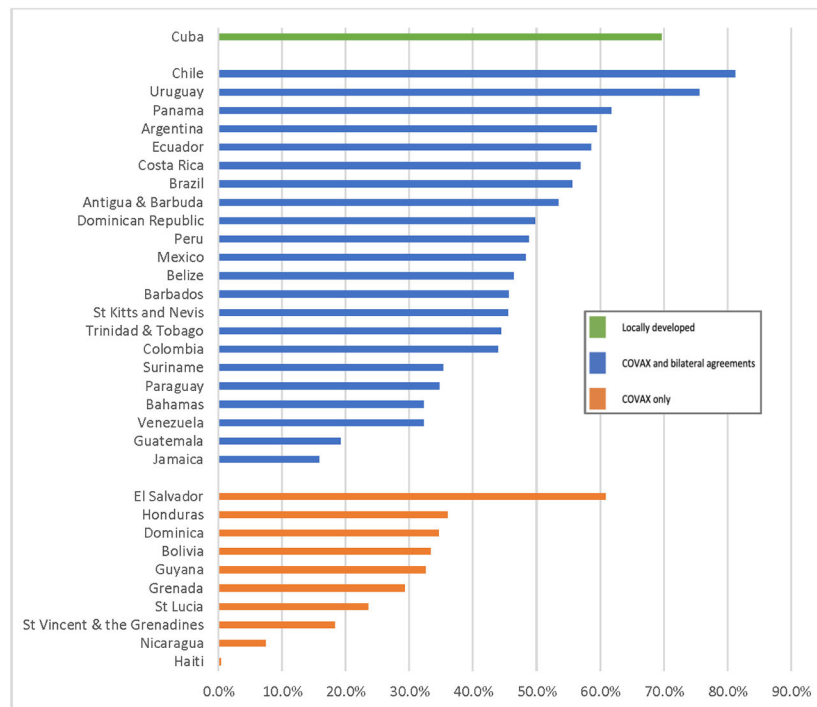
Subregion and country or territory	Population 2021	Fully vaccinated (number)	Fully vaccinated (%)	Non or partially vaccinated (number)	Non or partially vaccinated (%)
Mexico and Central America					
Belize	404,915	187,697	46.4%	217,218	53.6%
Costa Rica	5,139,053	2,922,621	56.9%	2,216,432	43.1%
El Salvador	6,518,500	3,964,646	60.8%	2,553,854	39.2%
Guatemala	18,249,868	3,503,181	19.2%	14,746,687	80.8%
Honduras	10,062,994	3,622,891	36.0%	6,440,103	64.0%
Mexico	130,262,220	62,881,897	48.3%	67,380,323	51.7%
Nicaragua	6,702,379	494,411	7.4%	6,207,968	92.6%
Panama	4,381,583	2,701,735	61.7%	1,679,848	38.3%
Subtotal	181,721,512	80,279,079	44.2%	101,442,433	55.8%
South America					
Argentina	45,605,823	27,090,784	59.4%	18,515,039	40.6%
Bolivia	11,832,936	3,948,595	33.4%	7,884,341	66.6%
Brazil	213,993,441	119,078,546	55.6%	94,914,895	44.4%
Chile	19,212,362	15,604,640	81.2%	3,607,722	18.8%
Colombia	51,265,841	22,501,438	43.9%	28,764,403	56.1%
Ecuador	17,888,474	10,467,328	58.5%	7,421,146	41.5%
French Guiana	306,450	74,658	24.4%	231,792	75.6%
Guyana	790,329	257,196	32.5%	533,133	67.5%
Paraguay	7,219,641	2,508,250	34.7%	4,711,391	65.3%
Peru	33,359,416	16,261,705	48.7%	17,097,711	51.3%
Suriname	591,798	209,025	35.3%	382,773	64.7%
Uruguay	3,485,152	2,632,463	75.5%	852,689	24.5%
Venezuela	28,704,947	9,271,857	32.3%	19,433,090	0.0%
Subtotal	434,256,610	229,906,485	52.9%	204,350,125	47.1%
Caribbean					
Anguilla	18,424	9,158	49.7%	9,266	50.3%
Antigua & Barbuda	98,728	52,689	53.4%	46,039	46.6%
Aruba	107,195	77,277	72.1%	29,918	27.9%
Bahamas	396,914	128,242	32.3%	268,672	67.7%
Barbados	287,708	131,187	45.6%	156,521	54.4%
Bermuda	72,009	47,365	65.8%	24,644	34.2%
Bonaire	20,104	14,787	73.6%	5,317	26.4%
British Virgin Islands	38,172	16,471	43.1%	21,701	56.9%
Cayman Islands	63,103	55,157	87.4%	7,946	12.6%
Cuba	11,326,616	7,883,145	69.6%	3,443,471	30.4%
Curaçao	164,796	93,334	56.6%	71,462	43.4%
Dominica	74,321	25,748	34.6%	48,573	65.4%
Dominican Republic	10,953,714	5,448,530	49.7%	5,505,184	50.3%
Grenada	113,015	33,028	29.2%	79,987	70.8%
Guadeloupe	400,013	123,412	30.9%	276,601	69.1%
Haiti	11,402,528	48,603	0.4%	11,353,925	99.6%
Jamaica	2,973,462	468,894	15.8%	2,504,568	84.2%
Martinique	374,743	123,201	32.9%	251,542	67.1%
Montserrat	5,404	1,417	26.2%	3,987	73.8%
Puerto Rico	2,828,246	2,364,802	83.6%	463,444	16.4%
Saba	1,933	1,557	80.5%	376	19.5%
St Eustatius	3,138	1,454	46.3%	1,684	53.7%
St Kitts and Nevis	54,166	24,657	45.5%	29,509	54.5%
St Lucia	184,401	43,368	23.5%	141,033	76.5%
St Maarten	44,418	24,515	55.2%	19,903	44.8%
St Vincent & the Grenadines	111,269	20,298	18.2%	90,971	81.8%
Trinidad & Tobago	1,403,374	623,206	44.4%	780,168	55.6%
Turks & Caicos Islands	57,022	27,133	47.6%	29,889	52.4%
Subtotal	43,578,936	17,912,635	41.1%	25,666,301	58.9%
TOTAL	659,557,058	328,098,199	49.7%	331,458,859	50.3%

Source: Pan American Health Organization, COVID-19 Vaccination in the Americas (https://ais.paho.org/imm/IM_DosisAdmin-Vacunacion.asp), 2021.¹⁶

The inequity behind the distribution of COVID vaccines in Latin American and the Caribbean is primarily explained by the type of participation in the COVAX mechanism, which has been severely affected by the concentration of doses in high-income countries and the interruption of vaccine exports from the largest manufacturer of vaccines, located in India.⁹ As of November 12, 2021, among the 10 countries that participate as donor-dependant—Bolivia, Dominica, El Salvador, Guyana, Grenada, Haiti, Honduras, Nicaragua, Saint Lucia, and Saint Vincent and the Grenadines—, 26.1 percent of the population is fully vaccinated. Coverage ranges from less than 1 percent in Haiti to 60.8 percent in El Salvador, shown in *Figure 2*.¹⁶ On the other hand, among the self-financing participants in COVAX—Antigua and

Barbuda, Argentina, Bahamas, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru, Saint Kitts and Nevis, Suriname, Trinidad and Tobago, Uruguay, and Venezuela—, 51.1 percent of the population is fully vaccinated. Coverage ranges from 15.8 percent in Jamaica to 81.2 percent in Chile.¹⁶ Cuba, which did not participate in COVAX and is the only country in the region that has developed its own vaccines, has fully vaccinated 69.6 percent of its population.¹⁶

Figure 2: COVID-19 vaccination coverage per country according to their vaccine procurement mechanism, November 12, 2021



Source: Pan American Health Organization, COVID-19 Vaccination in the Americas (https://ais.paho.org/imm/IM_DosisAdmin-Vacunacion.asp), 2021.¹⁶

The divide reflected by these data can undermine all efforts to bring the pandemic to an end in the Americas, where the COVID-19 pandemic continues to have a devastating impact in part due to the uneven deployment of vaccines, the lack of a regional systematic vaccination strategy, the limited capacity to develop novel vaccines, and the reliance on imported vaccines. Consequently, in September 2021, the Community of Latin American and Caribbean States (CELAC) approved the *Plan for self-sufficiency in health matters in Latin America and the Caribbean*,¹⁷ which includes seven priorities:

1. Strengthen mechanisms for pooled international procurement of vaccines and essential medicines.
2. Use public procurement mechanisms for medicines to develop regional markets.
3. Create consortiums for the development and production of vaccines.
4. Implement a regional clinical trials platform.
5. Take advantage of regulatory flexibilities to gain access to intellectual property.
6. Strengthen regulatory convergence and recognition mechanisms.

7. Strengthen primary health systems for equitable distribution of vaccines and universal access to them.

The United States has the opportunity to help support this regional plan by facilitating technology transfer and the development of manufacturing capacity for mRNA vaccines, training and qualification of specialized human resources, the equipment of national and regional laboratories, and leveraging regional supply chains to help increase production capacity in a region with a population of 660 million and insufficient vaccine development.¹⁸ Latin America and the Caribbean is a region with research capacity, scientific development, and technological innovation centers that should be strengthened to discover and manufacture vaccines.

Notes

¹WHO. Coronavirus Dashboard. Available at: <https://covid19.who.int>. Geneva: World Health Organization; 2021.

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³PAHO. COVID-19 Health Outcomes by Sex in the Americas. From January 2020 to January 2021, <https://iris.paho.org/handle/10665.2/53372>. Washington, DC: Pan American Health Organization; 2021.

⁴Castro A. Maternal and child mortality worsens in Latin America and the Caribbean. *Lancet* 2020;396:e85.

⁵Castro A. Challenges posed by the COVID-19 pandemic in the health of women, children, and adolescents in Latin America and the Caribbean. UNDP Latin American and the Caribbean, COVID-19 Policy Documents Series Number 19, September 2020. Available at: https://www.latinamerica.undp.org/content/rblac/en/home/library/crisis_prevention_and_recovery/desafios-de-la-pandemia-de-covid-19-en-la-salud-de-la-mujer-de.html. New York: United Nations Development Programme; 2020.

⁶Villalobos Dintrans P, Maddaleno M, Granizo Román Y, et al. Interrupción de servicios de salud para embarazadas, recién nacidos, niños y niñas, adolescentes y mujeres durante la pandemia de COVID-19: proyecto ISLAC 2020 [Disruption of health services for pregnant women, newborns, children, adolescents, and women during the COVID-19 pandemic: ISLAC 2020 Project]. *Rev Panam Salud Publica* 2021;45:e140.

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⁸Castro MC, Gurzenda S, Macario EM, Franca GVA. Characteristics, outcomes and risk factors for mortality of 522 167 patients hospitalised with COVID-19 in Brazil: a retrospective cohort study. *BMJ Open* 2021;11:e049089.

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¹¹ECLAC. Employment Situation in Latin America and the Caribbean. Employment trends in an unprecedented crisis: policy challenges. Available at: <https://www.cepal.org/en/publications/46309-employment-situation-latin-america-and-caribbean-employment-trends-unprecedented>. Santiago, Chile: Economic Commission for Latin America and the Caribbean; 2020.

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¹³PAHO. PAHO Revolving Fund, <https://www.paho.org/en/revolvingfund>. Washington, DC: Pan American Health Organization.

¹⁴Castro A. A Race Against Time: Deploying Vaccines and Addressing the Disproportionate Impacts of COVID-19 in Latin America and the Caribbean. Available at Hearing before the Subcommittee on the Western Hemisphere, Civilian Security, Migration, and International Economic Policy, May 13. Washington DC: United States Congress; 2021.

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¹⁷ECLAC. Plan for self-sufficiency in health matters in Latin America and the Caribbean: Lines of action and proposals. Available at https://repositorio.cepal.org/bitstream/handle/11362/47253/1/S2100556_en.pdf. Santiago, Chile: Economic Commission for Latin America and the Caribbean; 2021.

¹⁸Sáenz R, Castro A. Can Latin America Develop New Ways to Procure Vaccines? *Latin America Advisor* 2021;August 11:pp. 4-5.

Senator Kaine. We will move to questions now.

Just to let you know, there is a voting schedule that is a little bit up in the air. There is no vote called now. That is great. If there is a vote, you could see us coming and going, but we will jump right in.

I think we are all on the same page in terms of realizing the importance of American vaccine diplomacy in the Americas. They are our neighbors. Travel and family connections and connections of commerce are intense.

The pandemic has hurt neighboring countries in such a way that it creates migration pressures that we feel here and our chief strategic adversary, China, is very engaged in trying to grab the mantle of leadership in the Americas from the United States.

All those things are true and, yet, I am puzzled about the American deployment of vaccines to the region because it does not seem to match up with the things that I have just stated, which I think are kind of consensus positions.

We have donated about 49 million vaccines to the region. I traveled to the region in July. They like the quality of the American vaccines. They like that there is no strings attached. They like that they are donated rather than sold, but if I look overall at what the United States is doing, and I believe we are the most generous donor of vaccines in the world, but the percentage of our vaccines that are going into the Americas, which is disproportionately suffering and disproportionately connected to us, seems very, very small.

Those decisions are made by a process and, ultimately, made at the National Security Council, but let me put the proposition on the table, and I would love to hear you respond to it, that we should be allocating a percentage of the American vaccines into the Americas that is more equivalent to the suffering level in the Americas.

If it is 30 percent of deaths with 8 percent of the population, I do not think we should be giving 8 percent of vaccines to the Americas. I think we should be giving significantly more, both because of the extent of suffering and because of the direct connection between conditions in the Americas and conditions here.

What do any of you think of that proposition I put on the table?

Mr. Runde. Senator, if I may.

We have been very generous, but we could be doing more. I would propose that we might consider thinking about our health border going all the way to Panama and prioritizing at least North America plus Central America in a special way in the future in terms of future pandemics.

I know that the world is crying out for vaccines, but in some ways, as I said earlier, in a democracy we are always going to prioritize Pennsylvania over Paraguay, but if we consider the entire Western Hemisphere our health border because microbes do not respect walls, then we would, perhaps, think differently about how we are allocating vaccines in that construct. There have been suggestions by serious public health professionals to do something like that.

So I do think that is something for us to consider. It is good news that we produce far higher quality vaccines and they are in de-

mand. I have spoken to a number of embassies in preparation for this hearing, and a number of countries that have taken Sinovac, the Chinese vaccines, are adding Pfizer as boosters because they know what China is offering is not very good. I could use other words, but I will go with not very good, Senator.

So I would just say that we have an opportunity to finish strong. It has been unfortunate that they took advantage of a tactical window and they have pressed other geostrategic priorities—Huawei, Taiwan recognition.

A friend of mine who is a prominent political consultant in the region is friends with the President of Paraguay and he said, tell your friends in America I am not going to flip to the mainland, but tell them the Americans are offering me nothing.

Now, this was at one point. I think we need to think about we cannot fight something with nothing. So I do think, ultimately, we are going to have other funny name diseases happen like clockwork for a whole series of reasons.

So I do not want to sit in my basement again for 18 months and I do not think anyone else in the Western Hemisphere does, and so I think we need to prepare differently and one of the things is we need to have surge capacity to manufacture not just in the United States but in places.

It could be Uruguay. It could be because Costa Rica. We could partner with Argentina. We could partner with Brazil, but in the meantime, we have a job to do. We need to finish the job strong.

Senator Kaine. Mr. Restrepo.

Yes, finish strong. I got that from your testimony. I like that idea.

Mr. Restrepo.

Then I have a second question for you, Dr. Castro.

Mr. Restrepo. Certainly. Senator, if I may.

I think two things are important here. One is COVID-19 exposed preexisting conditions of all shapes and sizes, one of which is a lack of strategic attention to the Americas that has been long-standing by the United States in terms of our geostrategic balance in the world, and I think this is a result of kind of hardwired structural biases towards time and attention to the national security space to other parts of the world ahead of the Americas.

I think your recommendation is a very solid one, that given the deep interconnection and the deep strategic interests the United States does have in the Americas and given the level of devastation wrought by this pandemic in this region, our response should be proportionate to that and not proportionate to our preexisting lack of attention, and, again, over decades. This is not a preexisting just with this Administration or even the Administration under which I served.

Senator Kaine. Dr. Castro, you mentioned something in your testimony that I think is really important and that is U.S. participation in local manufacturing of vaccines and trying to play a leadership role there.

The Caribbean and Latin American nations are exploring that, and I think there is a lot of good that we can do. Even better than donating would be the U.S. playing a significant role in the devel-

opment of local capacity and I am, certainly, going to urge that on the Administration.

We asked the panel before what the U.S. is doing, and there was a nice answer, but it was, basically, well, we are thinking about it. We are kind of talking to them and seeing what we might be able to do.

We need to be doing better than that because Sinovac is committed to doing vaccine production in Chile. There is other local vaccine production initiatives. The U.S. should be using our innovation and our technical expertise to try to help those initiatives, and I really appreciate you putting that on the table.

I have gone over my time and I want to yield now to Senator Rubio.

Senator RUBIO. Thank you. I could probably ask this of the entire panel. I will start with you, Mr. Runde.

One of the things I am fascinated by, in general, is supply chains, right, and the fact that our supply chains in this country are deeply dependent on locations in the Asia Pacific region for a lot of different reasons.

It strikes me that if we had some of these supply chains, obviously, in the United States, preferably, but if not in the U.S. in the Western Hemisphere, it would have a dual purpose.

First, it would create some diversity and, therefore, we would not see some of the container backlogs and there would be other ports that would be available to take some of this, and second, it would solve a lot of the socioeconomic issues in some of these countries.

In essence, I am not—I know the answer, okay, but I am not sure—but I imagine a world in which Guatemala, Honduras, El Salvador, Haiti, were countries that had vibrant manufacturing sectors, downscale on the production, but that created stable employment for young people so they would not have to leave their countries.

I get rule of law and other things of that nature become a problem in many of these places. In particular, as I look at Pfizer designating factories in China as the main manufacturer of vaccines for the greater region that includes Taiwan, you can only imagine how that would be used, and third, because I think we are entering an era that I think there is going to be—the best way to say it is biomedical nationalism.

There are plenty of countries around the world that have gone through this and said, never again will we not have the inability to make oxygen, the inability to make PPE, the inability to make medicine, the inability to manufacture vaccine and our basic goods because pandemics disrupt supply chains but so, potentially, can geopolitical conflict.

So in specific and then in general, in specific, why have we not seen and what can we do to make it more so that places like Pfizer, Moderna, and other pharmaceutical companies return or enter the Western Hemisphere as a place to manufacture?

Obviously, it is a U.S. territory, but Puerto Rico is a logical place and it is one that I deeply believe that we should reinstate and everything we can in tax policy. What more can we do to encourage that, specifically when it comes to the pandemic and then, more broadly, in general in the region on other topics?

I know these countries have to do a lot, but what can we do to make the region more attractive in both the short and long term for this?

I will start with you, Mr. Runde, but I open it up to the whole panel.

Mr. RUNDE. Thank you, Senator. This is one of the key questions of the COVID pandemic. I have done 1,500 Zoom calls since March 12, 2020, and so have you, Senator, and one of my deep thoughts is that we are going to get a partial economic divorce from China.

Maybe they can visit with their spouse and come—they can bring their new spouse to Thanksgiving and maybe we can sit together at graduation for the kids, but we are going to have a very different kind of relationship with mainland China, going forward. So I think that is—I will not call it the silver lining, but perhaps it is a—

Senator RUBIO. By the way, that is not just us.

Mr. RUNDE. Yes. Oh, everybody.

Senator RUBIO. Everyone in the world.

Mr. RUNDE. I think everyone is going to get a partial economic divorce from China.

Senator RUBIO. China plus one. Yes, they are going to look for some—

Mr. RUNDE. Yes. China—right. They can bring—right, to the blended family a holiday picture. You get the idea, Senator.

I think—the point is, is I think that there are a number of steps at—we are going to move from a just in time supply chain world to a just in case supply chain world.

I do not think anybody in this room ever wants to depend on mainland China ever again for PPEs, pills, ventilators. When they started making threats about we are going to cut you off, those are fighting words. So I think that was a wakeup call.

So I think there are several things we could do specifically and you, the senators, could do. Ecuador wants a free trade agreement. We ought to do it.

Uruguay wants a free trade agreement. We ought to do it. Brazil would like a free trade agreement. We ought to do it. We ought to also fulfill the promise of CAFTA–DR. We have not fully seen that happen.

I think we have an opportunity to some of the Americas to put some concrete things on the table. So I think one of the opportunities will be to ask the Biden-Harris administration what are you doing in the aspects of trade to enable some of these things.

I also think we ought to be using our foreign aid to grease the skids of some of these shifts in global supply chains. Japan is doing this. They are providing a billion dollars to have Japanese companies move their factories from mainland China to, say, Southeast Asia.

In theory, Mexico and Central America and the Caribbean could be—and Colombia and Brazil could be net winners of sort of these global shifts in supply chains.

So some of it are trade agreements. Some of it is about foreign aid. I think we ought to continue to have a constructive dialogue with the Government of Mexico. I think, in theory, Mexico ought to be a net winner of some of these shifts in global supply chains.

Then finally, on Puerto Rico, I absolutely agree with you, Senator. We ought to revisit some of those tax agreements that, I guess, went away in the 1990s. We ought to look at that. I know Governor Fortuno is someone who is very knowledgeable about these issues and would be someone who I would be consulting about the details of that.

I think you put your finger on something very important, Senator. Thank you.

Dr. CASTRO. Senator Rubio, helping Latin American and Caribbean countries strengthen their manufacturing capacity and helping transfer mRNA technology, which definitely the mRNA vaccines are the superior vaccines, and those are U.S.—the U.S. Government can do so much to facilitate that technology transfer from Pfizer and Moderna.

Those—strengthening also local laboratories could have a great impact for the current pandemic and also for preparedness for future pandemics, and definitely would answer a lot of your concerns regarding the lack of employment opportunities and all the factors that trigger migration to the United States.

So, definitely, strengthening the local production, strengthening public health systems, and because what has happened throughout the region in most countries, not in all, is that essential health services have been disrupted because of the covidization, as they say in Latin America, la covidización, and of the health systems.

So everything else—for example, people give birth every day and a lot of women have been unable to give birth in a good quality setting because of the way that COVID has overtaken a lot of their health services.

So definitely strengthening local capacity to be able to respond better now and in the future is the best thing that the United States Government can do. Thank you.

Senator KAINE. I have one additional question that I would like to just put on the table. Senator Rubio, thank you. This is an important hearing and I think you have given us a lot we want to follow up on.

Here is my last question. Without repeating anything you have already said, for example, in your opening testimony, if the White House were to call you tomorrow and say, hey, the Summit for the Americas, the primary focus of it is going to be public health—and that is in fact the case—so what should the United States be putting on the table at that summit in terms of a commitment in the public health space to deal with this covidización and the next chapter? What would your advice to the White House in prepping for the Summit for the Americas be?

Dr. CASTRO. Well, certainly, getting prepared—thank you—getting prepared for the next epidemic. Hopefully, we do not have another pandemic, but there will be—

Senator KAINE. Yes.

Dr. CASTRO. —and we need to look into the future because the present has been so dire with the crisis that COVID has created throughout the entire—all of the Americas and strengthening health systems and looking at the future and improve the ties between the United States and the region could be what I would, certainly, hope that is discussed at the Summit.

Thank you.

Senator Kaine. Mr. Restrepo.

Mr. RESTREPO. Senator, along those lines, the—we have an antiquated set of inter-American institutions, right. The inter-American institutions were built primarily in the forties, they were revamped in the sixties, and they correspond to issues of the forties and the sixties much more than they do to the dawn or—not even the dawn of the 21st century, and one of these areas is public health and pandemic response.

There is an interesting model to build off in terms of pandemic response mechanisms in North America that can be—through the North American Leaders Summit several summits ago that is being held again today here in Washington, to build off of that platform to be ready for the next one and to be—and to deepen public health cooperation in the region.

PAHO is an organization with its challenges and it needs to be modernized and brought so it is a more effective mechanism within the inter-American system to deal with very much 21st century challenges.

Unfortunately, none of us want to be relegated to our basements. I think all of us are going to be facing future pandemics and we need the international infrastructure in place now, and the Summit of the Americas provides a very good opportunity to begin the work of building that architecture.

Senator Kaine. Thank you.

Mr. Runde, finally.

Mr. RUNDE. Thank you. There has been more digital payments, digital commerce, and distance learning in the last 80 weeks than in the last 80 years. So one of the things is thinking about how—and it has not just been in Fairfax County, but it has been all over the Western Hemisphere.

So the digital pipes of the future should not be Huawei and ZTE. It ought to be somebody other than that. So one of the things we ought to have at the Summit of the Americas is digitize the hemisphere and make sure that it is the good stuff and it is not mainland Chinese digital.

Second, I think we need to get real about a capital increase for the Inter-American Development Bank. I understand what the issues are and there is some hesitancy in the Administration and some folks in the Congress about this.

Frankly, the main solution—collective action vehicle for the Americas is the Inter-American Development Bank. I believe it is going to be very difficult for those who dislike the current president of the Inter-American Development Bank to dislodge him. So we should work with him.

So my view is we should announce at the Summit of the Americas a capital increase and as part of it we should say we are going to make Taiwan a member, we are going to add Australia and the Quad as members of the Inter-American Development Bank and as part of the ask we are going to say we want to use some of that money to help set up new manufacturing capacities for vaccines in places like Costa Rica and Uruguay and put that on steroids.

I would also use some of that money for things like early warning systems. So that would be another thing I would be asking for.

So digital—a capital increase for the IDB. I have said, finish the job on vaccines, early warning systems.

On PAHO and the WHO, the WHO was born in the mid-1940s and in some ways born in sin because we had set up PAHO 50 years before and was sort of the—it is a very well regarded organization in the hemisphere, PAHO. It has got some understandable criticisms here in the Senate and the Congress about some of its relations with Cuba, but overall, it is a very good organization. However, we get to pick the head of PAHO and we did not want to stop picking the head of PAHO. So when we set up the WHO, the WHO head is sort of like the Holy Roman Emperor.

It is neither holy nor Roman nor an emperor, and so they do not get to pick the head of PAHO. So we said, well, we will set up a whole bunch of PAHOs in Asia and Africa and the Middle East.

So it is the same model. The regional folks get to pick. So the one employee of PAHO who is an employee of WHO is the head of PAHO. So it creates all sorts of weird distortions, and I think one of the problems with this pandemic and perhaps in Ebola as well in Africa was that the regional heads are very responsive and sometimes, perhaps, too responsive to regional folks.

So I think one of the problems with the WHO is they took too darn long to go to, you know, DEFCON 5 in terms of this pandemic. I would disagree with the Administration's decision to re-up the head of WHO. I thought we ought to find—and there are plenty of other excellent candidates in Africa. We could have gone to the African Union and said we could find somebody else.

So, anyway, so I think one of the things at the Summit of the Americas would be to look at this issue of the PAHO and the WHO relationship because I think anyone who has looked at it seriously will say it is a screwy arrangement that has been—that ought to be looked at.

Senator KAINE. Well, I want to thank the witnesses for your work and for being here today and your testimony. I am going to ask colleagues if they would like to submit questions for the record to try to do that by—let us see, today is Thursday, so we will say by the close of business tomorrow, Friday, November 19, and I would ask that members submit those questions and if there are questions that are directed to any of you we would appreciate prompt and thorough responses.

Again, we thank you for your willingness to appear today, your public service. You have given us a lot to think about and a lot to follow up on.

With that, the hearing is adjourned.

[Whereupon, at 11:22 a.m., the hearing was adjourned.]