

I Executive Summary

The Americas have been hit harder by the COVID-19 pandemic than any other region in the world, accounting for nearly half of the 2.6 million global deaths attributed to the disease as of early March 2021.³ The responses to the pandemic, including ongoing school closures and the shutdown of millions of businesses, have resulted in the largest global recession since the Great Depression. Latin American and Caribbean economies were hit hardest in 2020, with regional GDP contraction (-6.9 percent) more than three percentage points higher than the world average. Regional growth predictions for 2021 will be insufficient to return to the pre-COVID-19 levels of economic activity, lagging behind the rest of the world.⁴

Amid ongoing social and economic disruption, inequality in the world's most unequal region is on the rise. Millions are falling into poverty, corruption is rampant, and disinformation massively circulated. In the face of the pandemic's multidimensional impacts, greater international cooperation and public-private partnerships (PPPs) are critical to combat the global crisis. The United Nations, for example, long called for "vaccine multilateralism" to ensure fair and equitable vaccine distribution. By December 2020, more than fifty-seven vaccine candidates were in clinical research, with several front-runners resulting from international collaboration.⁵ The COVID-19 Vaccines Global Access (COVAX) Facility, established by the World Health Organization (WHO) in collaboration with the Coalition for Epidemic Preparedness Innovations (CEPI) and Gavi, the Vaccine Alliance, is another example of a global cooperative effort to end the pandemic. As of the time of writing, twenty countries in the Latin America and the Caribbean region had begun to administer a COVID-19 vaccine.⁶ While a critical step, vaccination, even if it were to be efficiently administered across the population, will not solve the problems brought on or magnified by the pandemic.

A Latin America and the Caribbean region that is secure, economically prosperous, and democratic provides stability and opportunities for the United States in its own hemisphere. This is all the more essential in today's chaotic and unpredictable world. Thus, it is in the United States' interest to be the partner of choice for the hemisphere in its COVID-19 recovery.

The question is: How can and should the United States partner with the region? To help Latin American and Caribbean countries—and the rest of the developing world—secure a vaccine, the United States, under US President Joseph R. Biden, Jr., has joined the COVAX Facility, re-entered the WHO, and can further promote PPPs between US companies and countries in the region. In addition to securing equitable vaccine access and distribution, however, Latin American and Caribbean countries face a multitude of issues that have been exacerbated by the pandemic: struggling healthcare systems, lagging supply chain integration, escalating social tensions, rising unemployment, increasing corruption, growing regional nonalignment, a changing climate, and rising public debt alongside weakened corporate and financial sectors. With COVID-19, tourism has plummeted as well. The United States and the Latin American and Caribbean countries can work together to address these issues through a strategy that relies on partnerships and helps to achieve inclusivity and resilience.

US strategic interests depend on a prosperous and democratic hemisphere. Likewise, much of Latin America's aspirations require a committed and open neighbor to the north. With Biden, the United States will prioritize greater regional cooperation, stronger partnerships, and a return to the principles of multilateralism. This strategy paper outlines the following concrete short- and long-term actions, or elements of the strategy, that can be taken by the Biden administration to foster prosperity in the region and ensure that the United States is the partner of choice in the pandemic recovery.

A Six-Point Plan to Help the Region Rebuild Stronger

STRATEGY ELEMENTS

TOP RECOMMENDATIONS

1 Investing in Health A Key to Regional Prosperity



Build on rejoining the WHO to increasingly take a leadership position in helping countries secure a vaccine and renew US-WHO scientific collaboration.

Contribute to countries' bilateral efforts to secure a vaccine by promoting PPPs between US companies and countries in the region.

Partner with governments—through the US Centers for Disease Control and Prevention (CDC)—to help strengthen the in-country logistics necessary for expedient, fair, and equitable vaccine distribution.



Expand the mandate of the still relatively new US International Development Finance Corporation (DFC) to direct increased investments to countries' health sectors.

Increase US Agency for International Development (USAID) assistance in areas such as research and development, disease surveillance, and rapid-response capacity and align its efforts with those of US allies' development agencies.

2 Economic Revitalization Addressing Corruption and Building Resilience



Heed and amplify calls from the World Bank for debt sustainability for select Latin American countries amid increased fiscal pressures resulting from the COVID-19 pandemic.

Encourage the reopening of international borders and coordinated testing and quarantine regimes, consistent with international recommendations outlined in the International Civil Aviation Organization's Council Aviation Recovery Taskforce (CART) report.⁷



Expand DFC financing and equity investments by increasing the overall share of financing directed toward the region.

Provide training and technical assistance regarding the adaptation of country-relevant components of the Foreign Corrupt Practices Act and the establishment or improvement of PPP frameworks.

Expand current anti-corruption efforts by directing new funding toward initiatives to strengthen judicial systems and improve public service regulation and control mechanisms.

Allow DFC to issue paper in local currency and to finance local currency projects.

Work closely with the State Department's Bureau of Educational and Cultural Affairs to restart student exchange programs that provide a vital source of peer-to-peer learning and understanding, and also facilitate in-country tourism.

Work with interested national governments to prioritize the expansion of US Customs and Border Protection (CBP) preclearance points to airports in the region that support critical tourism operations, with the Caribbean as a potential starting point.

3

The Future of Hemispheric Commerce

Integration, Infrastructure, and Technology



Harness the financing of the Inter-American Development Bank (IDB) and the World Bank to leverage private and public investment in physical and digital infrastructure that reduces transport costs and improves connectivity.

Work with the IDB and the World Bank to promote public-based loans to countries in exchange for the implementation of institutional reforms to improve the investment climate and spur inclusive growth.

Extend Section 232 tariff exclusions to more countries in the region.



Advance a new, updated twenty-first-century version of the Free Trade Area of the Americas agreement (FTAA) at the Ninth Summit of the Americas, offering a new vision for the future of the Americas.

Prioritize the updating of the North American Plan for Animal and Pandemic Influenza (NAPAPI), launched by then-US President Barack Obama.

Extend traveler preclearance to spur business travel to commercial centers across the region.

Help to convene and structure multicountry regional projects that would be attractive to private sector investment.

Expand CBP Authorized Economic Operator (AEO) programs across the region.

4

Climate Action

Implementing Commitments and Integrating Policies



Work with multilateral banks to reform standards on new credits for development projects, making projects with high carbon impact higher-risk and more costly for countries.

Strengthen regional collaboration on policies related to food, water, energy, and preparedness for extreme events.



With rejoining the Paris Agreement, bring back the Tropical Forest Conservation Act and condition trade agreements on countries' commitments to meet their Paris climate targets.

Provide pathways for countries to increase contributions to global funds (i.e., Green Climate Fund), which, in turn, could help expand credit facilities and guarantees for investments on climate-resilience interventions.

Support governments in the design and implementation of innovative solutions, such as climate smart agriculture, anti-hunger grants, safety net programs for small farm holders, and aid and insurance to farmers, especially in the face of crop failures.

Provide technical assistance, facilitated by the State Department, to help countries minimize inefficiencies in resource management, such as through water reuse and energy efficiency.

Provide financial and technical support to subnational entities, particularly to cities, to access capital and resources to address urban communities' climate resilience in urbanized areas and slums.

5 **Education**
A Pillar for Growth and Social Inclusion



6 MONTHS Promote a new wave of partnerships between US universities and higher-learning institutions in the region.

Advance discussions on establishing a regional educational cooperation agreement between the Americas so academic degrees and certificates are mutually recognized across borders.



1 YEAR Provide economic incentives to US companies seeking to invest in Latin American and Caribbean education sectors.

Promote public-private alliances to accelerate the development of digital platforms that enhance teaching and learning processes by applying lessons learned during the pandemic.

6 **Democracy and Governance**
Working Together to Strengthen Institutions



6 MONTHS Work through the State Department to prioritize anti-corruption trainings that provide technical assistance to help judges, lawyers, and prosecutors both better combat financial crimes, and, in the long run, strengthen countries' judicial branches.

Build bipartisan consensus in the US Congress in favor of sustainable long-term assistance to support prosperity and development in the critical Northern Triangle region with clear metrics of success.

Ensure that Venezuela and Nicaragua sanctions are designed to achieve an ultimate end goal of a restoration of democratic institutions and a return to free and fair elections while not resulting in additional suffering of the Venezuelan and Nicaraguan people.

Support host country policies to aid Venezuelan migrants living across Latin America and the Caribbean.



1 YEAR Provide renewed support to nonpartisan election observation in the region, including through missions organized by the Organization of American States (OAS).

Prioritize better alignment and greater coordination with European countries and other allies to counter the influence of adversaries in the region.

Foster a broader and more important role for civil society to help advance government accountability, not only through aid and technical capacity building, but also the political work of recognition and credit of civil society organizations, especially those of traditionally discriminated minorities (i.e., Afro-descendant and indigenous groups).