



**Statement before the Senate Foreign Relations
Subcommittee on Western Hemisphere, Transnational Crime,
Civilian Security, Democracy, Human Rights, and
Global Women's Issues**

***“Vaccine Diplomacy in Latin America
and the Caribbean: The Importance of
U.S. Engagement.”***

A Testimony by:

Daniel F. Runde

Senior Vice President; William A. Schreyer Chair; and
Director, Project on Prosperity and Development, CSIS

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419 Dirksen Senate Office Building

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](#) by the pandemic in terms of fatality rates and negative economic impacts. Latin America and the Caribbean [represent](#) 18.2% of Covid-19 cases contracted and 31% of fatalities globally, both far above the region's share of the world's population. [Countries](#) 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](#) 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](#), 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](#) 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](#) for vaccines. Similarly, China assured El Salvador of a higher level of vaccines, possibly related to its position on [Taiwan](#). Guatemala and [Honduras](#), 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](#) 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 two 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](#). COVAX planned to provide [2 billion doses](#) 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](#); 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%](#) of their populations, and Brazil, which has vaccinated close to 60% of its population. Meanwhile, Argentina, Ecuador, and Panama are not far behind with [50%](#) 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%](#) of their populations. However, Haiti is most

concerning in the region, having vaccinated less than [1%](#) 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%](#) 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%](#) 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](#) people in Latin America moved below the poverty line, and the poverty rate rose [3.2%](#) from levels recorded in 2019. In addition, losses in education will likely result in an economic loss of [16 percent of regional GDP](#) or \$1.7 trillion. Covid-19 also exacerbated existing [political unrest](#). 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](#) regarding Covid-19 vaccine donations to LAC and must continue this momentum. On June 21, 2021, the Biden administration [announced](#) 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](#) 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](#) 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](#), Colombia with [6 million](#), Guatemala with [4.5 million](#), and Argentina with [3.5 million](#). Other U.S. vaccine initiatives in LAC include President Biden's pledge in April 2021 of [60 million](#) vaccines to be donated through COVAX, [20 million](#) of which were designated for LAC. Furthermore, in June 2021, Biden expanded these efforts by pledging to purchase and donate [500 million](#) Pfizer doses for low- and lower-middle-income countries (such as Bolivia, El Salvador, Honduras, and Nicaragua). Over the next two years, these doses will be distributed via [COVAX](#).

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](#) in the region having signed agreements to receive vaccines via the facility.

World Bank

The World Bank has provided [\\$725 million](#) 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](#) 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](#).

Inter-American Development Bank

In December 2020, the IDB announced the allocation of [\\$1 billion](#) to countries in LAC to facilitate the acquisition and distribution of Covid-19 vaccines. IDB support will occur primarily in [three areas](#): 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](#) to facilitate LAC countries' access to Covid-19 vaccines, allowing them to better compete for vaccines. The instrument helps resolve [indemnity obligations](#)—a pivotal barrier to reaching consensus in many vaccine contract negotiations—and introduce [regulatory 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](#) and allow an opportunity for the U.S. to retake the vaccine diplomacy lead.

Russia

Russia initially approved the [Sputnik V vaccine](#), a two-dose viral vaccine, in August 2020. Currently, Russia has [overpromised, and underdelivered](#) 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](#) Mexican government.

China

China has pledged to deliver [2 billion vaccine doses](#) worldwide by the end of 2021 – China has currently [sold 1.4 billion doses, donated 99 million, and delivered 1.1 billion doses](#). 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](#) 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](#) 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](#), PMI, and other vaccination programs.

Third, the U.S. should move to a 50/50 strategy where 50% of vaccines are delivered bilaterally, and the other 50% 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% 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](#) 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](#) 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 \(PPPs\)](#) 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](#) 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](#) 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](#) through innovative [data collection mechanisms](#).

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.