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Acting Deputy Assistant Secretary Laura Lochman's
Written Testimony for HFAC Subcommittee on the Caribbean
June 23, 2021, 3:00 p.m., 5 minutes

Chairman Sires, Ranking Member Green, and Members of the Subcommittee. Thank you for inviting me to testify before you today on this important issue.

For decades, the United States has partnered with the Caribbean people to advance economic development, prosperity, education, health, and security to promote stronger and more vibrant communities. Today, the Caribbean region is experiencing a sharp economic downturn caused by the COVID-19 pandemic. The IMF estimates that GDP for the tourism-dependent Caribbean economies contracted by 9.8 percent in 2020. This has devastated government revenues and caused rising unemployment, which could bring more crime, irregular migration, and malign activity by state and non-state actors unless we continue our support.

Through the U.S.-Caribbean 2020 strategy, we have sought to increase and deepen U.S. engagement with Caribbean nations. We are now building on that strategy to guide interagency activities in diplomacy, security, prosperity, energy, education, health, and resilience.

On April 21, Secretary Blinken met with CARICOM foreign ministers to highlight our commitment to working with all countries in the region to advance bilateral and regional interests. National Security Advisor Sullivan met with the same group on May 7. Other high-level bilateral discussions continue to take place across the region.

We also actively engage Caribbean nations multilaterally to confront some of the region's most pressing challenges, including the growing threat to democracy and human rights in Nicaragua, Venezuela, and Haiti.

In response to the COVID-19 pandemic, on June 3 the Administration announced plans for the global distribution of 25 million U.S. vaccine doses, of which approximately 6 million doses are designated for Latin America and the Caribbean, including Haiti, the Dominican Republic and CARICOM countries. Moreover, the United States is purchasing an additional 500 million doses of Pfizer vaccines and donating them to 92 low- and lower-middle-income countries and economies as defined by Gavi's COVAX Advance Market Commitment (AMC) and the African Union. Our approach is to ensure vaccines are delivered in a way that is efficient, equitable, and follows the latest science and public health data.

The United States is an important commercial and trade partner of the Caribbean region. In 2020, U.S. exports to CARIFORUM countries (CARICOM plus the Dominican Republic) totaled \$19.1 billion.

The Caribbean Basin Initiative (CBI) continues to have a positive impact on a number of Caribbean Basin economies. By one measure, Haiti has been the largest beneficiary of CBI trade preferences in recent years. In 2018, CBI beneficiary countries supplied \$6 billion of U.S. imports, ranking 44th among U.S. import suppliers, and U.S. imports under the Caribbean Basin Economic Recovery Act (CBERA) accounted for 27.8 percent of all imports from CBERA

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beneficiaries. In 2020, over \$1 billion worth of goods were imported into the United States under CBI.

Understanding that Caribbean nations faced significant challenges due to COVID-19, the United States used its leadership at the IMF to support a total of \$1.7 billion in new emergency financing specifically for Caribbean countries.

On March 22, the White House launched the Small and Less Populous Island Economies (SALPIE) Initiative, an economic cooperation framework designed to strengthen U.S. collaboration with island countries and territories in the Caribbean, North Atlantic, and Pacific regions. This initiative signals the U.S. government's prioritization of cooperation with these economies to counter COVID-19 economic challenges, promote economic recovery, respond to the climate crisis, and advance longer-term shared interests.

We will continue to explore the use of bilateral tools, such as U.S. Export-Import Bank trade financing, U.S. International Development Finance Corporation financing, and assistance through USAID, to provide needed economic and technical support.

Collectively, these efforts strengthen our ability to work with likeminded partners and allies to offer higher-standard, transparently governed investment alternatives that uphold environmental and social standards, in part to help counter the People's Republic of China's (PRC) attempts to gain recognition and influence in the Caribbean through malign actions.

We also seek to help deepen cooperation between constructive actors who share our values, like Taiwan and its Caribbean diplomatic partners.

On Energy, USAID's Caribbean Energy Initiative marks a planned five year, \$25M investment in a more sustainable, reliable and resilient energy future for the Caribbean. We have also identified the need for diversification of energy supplies and promotion of U.S. exports to address challenges and promote Caribbean energy security. Energy sector development can stabilize or reduce electricity prices, increase economic growth, and create opportunities for the private sector, including U.S. companies.

The U.S.-Caribbean Resilience Partnership (USCRP), is the State Department-led U.S. interagency effort to strengthen Caribbean partner-country resilience to the impacts of climate change and severe weather-related events. Through USCRP we are advancing and coordinating complementary U.S. and partner-country resilience efforts around the objectives of Supporting Effective Regional Adaptation to Climate Change; Enhancing Regional Disaster Preparedness; Providing Geological Hazards Monitoring and Disaster Mapping; and Developing Resilient Infrastructure.

The participation of Caribbean nations at the Leaders' Summit on Climate, follow-on engagements with Special Envoy Kerry, and programs like the State Department-funded Local 2030 Island Network are testaments to the work that continues.

On Education, we seek to build human capital in the region through increased educational activities by coordinating region-wide engagements through academic and professional exchange

programs, and Massive Online Open Courses, as well as increasing opportunities with diaspora and education stakeholders to build networks between the United States and Caribbean.

The Caribbean Basin Security Initiative (CBSI), a regional security partnership with 13 Caribbean countries co-led by the U.S. government, CARICOM, and the Government of the Dominican Republic, remains the centerpiece of our security efforts. CBSI programs advance three overarching, complementary goals: reduce illicit trafficking, improve public safety and security, and prevent youth crime and violence.

Thank you and I look forward to your questions.