



*Photo Credit: COVID-19 Ventilator Shipments. United States Agency for International Development, Flickr. May 21, 2020.*

## PANDEMIC HELP TO LATIN AMERICA AND THE CARIBBEAN: THE ROLES OF USAID AND THE DEPARTMENT OF STATE

BY ANNIE PFORZHEIMER

### *Introduction*

Facing considerable obstacles and constraints, the U.S. Agency for International Development (USAID) and the State Department made valuable pandemic-related equipment and technical donations in 2020 to the Western Hemisphere totaling well over \$110 million, on top of [U.S. assistance from the Department of Defense](#). This effort would have been significant under most circumstances, yet for a variety of reasons may have appeared underwhelming to the target populations. One reason was the very public U.S. withdrawal from the World Health Organization (WHO), its funding dispute with the Pan American Health Organization (PAHO), and its rejection of other forms of international cooperation. That posture gave the strong public impression that the United States was letting the rest of the world go it alone. Another counterweight to U.S. messaging was China’s active “mask diplomacy” campaign of protective supplies. However, given the devastating impact of the epidemic, Latin Americans arguably blamed both superpowers, along with their own governments, for their suffering, and neither the United States nor China gained or lost permanent public standing. Looking ahead, the United States would be well served by a return to long-term multilateral investments in health infrastructure in Latin America and a focus on lessons learned in pandemic prevention from our own failed public outreach.

U.S. mechanisms for supporting public health abroad, primarily through USAID and the State Department’s Population, Refugee, and Migration bureau (State/PRM), are somewhat siloed with respect to appropriations and some areas of expertise, but these separate work streams are robustly networked. In response to COVID-19, health funding for pandemic-related assistance fell mainly into four congressionally-appropriated funding streams, managed among multiple bureaus at USAID and one at State:

- Economic Support Funds (ESF) at USAID
- Global Health Programs (GHP) at USAID
- International Disaster Assistance (IDA) at USAID, and,
- Migration and Refugee Assistance (MRA) at State/PRM

According to a [December 2020 USAID Office of the Inspector General \(OIG\) report](#),<sup>1</sup> USAID’s COVID-19 response was managed from March-September 2020 through a task force. With the deactivation of the task force, USAID’s Global Health bureau now leads in coordinating and communicating agency health assistance efforts.

### *U.S. Response: Long on Ventilators*

Of over \$1 billion spent worldwide on COVID-19 relief, U.S. civilian agency assistance for Latin America [totaled](#) over \$110 million.<sup>2</sup> An important limitation was the April 2020 Federal Emergency Management Agency (FEMA) [export control order](#)<sup>3</sup> prohibiting the use of civilian assistance for pandemic-related materials in short domestic supply, particularly personal protective equipment (PPE).

USAID assistance has been the largest component, going to a wide variety of health-related requirements, both technical and equipment-focused. In testimony before a House Foreign Affairs subcommittee<sup>4</sup> in [July 2020](#), Senior Deputy Assistant Administrator Joshua Hodges noted that the United States had focused on “strengthening health care while providing expert technical assistance, training, capacity-building, and life-saving diagnostics and treatment.”

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<sup>1</sup> USAID, Office of the Inspector General, “Information Brief,” December 2020, 2, <https://oig.usaid.gov/sites/default/files/2020-12/COVID-19%20Information%20Brief%202.pdf>.

<sup>2</sup> U.S. Department of State, “Fact Sheet,” January 20, 2021, <https://www.state.gov/u-s-government-support-to-el-salvador-guatemala-honduras-and-mexico-during-the-covid-19-pandemic/>.

<sup>3</sup> Federal Emergency Management Agency, “Prioritization and Allocation of Certain Scarce and Critical Health and Medical Resources for Domestic Use,” Federal Register 44 CFR Part 328, updated December 31, 2020, <https://www.govinfo.gov/content/pkg/FR-2020-12-31/pdf/2020-29060.pdf>.

<sup>4</sup> U.S. Congress, House of Representatives, Committee on Foreign Affairs, “The Trump Administration’s Response to COVID-19 in Latin America and the Caribbean,” Hearing, July 1, 2020, <https://foreignaffairs.house.gov/2020/7/the-trump-administration-s-response-to-covid-19-in-latin-america-and-the-caribbea>.

These included improvements to clinical care that helped prevent and control infections within healthcare facilities, assistance to help health ministries provide reliable information to the public, and support for Guatemala for converting a specialty hospital into the national emergency response site. USAID also financed oxygen production and procurement in 11 countries, including six in Latin America and the Caribbean, and worked with private sector partners to mitigate economic effects of the pandemic by supporting job and credit protection, including through existing programs such as *America Crece* and the Caribbean Energy Initiative. Other assistance included food aid for Latin America and the Caribbean and development assistance in other categories, including civilian security and democratic governance.

To help Venezuelan and other refugees in the region, funding through the State Department’s Migration and Refugee Assistance (MRA) account helped international organizations and NGOs address the increased vulnerability created by the pandemic for refugees, host communities, and other vulnerable and conflict-affected people. This assistance included strengthening local health responses and providing emergency relief items to affected families. Key partners include the United Nations Refugee Agency and International Organization for Migration, as well as national authorities. In Mexico, for example, the United States provided over \$1.8 million for sanitation and personal hygiene supplies at shelters and migratory stations; hand-washing facilities; emergency humanitarian assistance to vulnerable populations; and technical assistance for the Mexican refugee agency to implement remote registration of new asylum claims and remote refugee status determination interviews, helping Mexico double the number of remote interviews.

Many countries received multiple types of assistance, which suited the complex emergency underway. For example, the United States helped UNICEF install more than 3,500 handwashing stations throughout Haiti, and helped Save the Children distribute water and sanitation kits in El Salvador. Peru received an especially wide range of U.S. government support, including test kits, nearly \$4 million for Venezuelan refugees, and over \$10 million for the health system to improve case management, hygiene, oxygen production, and risk reduction.

By far, however, the United States spent the most pandemic response funds in Latin America on ventilators and related training. In all, the United States provided ventilators to 42 countries plus NATO, a total of 8,671, and the Western Hemisphere was over-represented: as of November 2020, USAID had delivered 3,486 ventilators to 13 Latin American and Caribbean nations (Bolivia, Brazil, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Panama, Paraguay, Peru, and St. Kitts and Nevis.) Prioritizing Latin America made sense, given the pandemic’s devastating spread and the exceptionally high mortality rate in the region. Decisions on where to send ventilators, however, did not rest with USAID, but rather the

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National Security Council (NSC) at the White House, according to the USAID inspector general report. A U.S. official working in the NSC at the time said donations of ventilators followed an ad hoc process of “whoever the president had spoken to,” with nations such as Paraguay emphasizing their recognition of Taiwan over China as a selling point. That said, an employee of a Central American embassy noted that Washington decision-making about how ventilators would be provided – either subsidized by USAID or sold to the government – was similarly confusing, requiring the embassy to revise the information relayed to the regional capital.

USAID, State Department, and embassy public announcements were well-coordinated through Twitter, with the [#AmericaActs](#) hashtag, and touted “American-made” generators and U.S. generosity in the face of worldwide need.

### *PAHO Shortchanged*

A significant factor shaping USAID’s pandemic response was the Trump administration’s abandonment of the WHO and funding dispute with PAHO. In April, following President Trump’s announcement of the U.S. withdrawal from the WHO, USAID announced it was ceasing new financial support to the organization. The impacts of that decision were amplified by a political dispute with PAHO. At the pandemic surge point in June 2020, Secretary of State Mike Pompeo blasted PAHO for its role in “Mais Médicos,” a program supplying Cuban doctors to underserved communities in Brazil. The dispute led to a suspension of assessed U.S. contributions to PAHO. This came “after more than 18 months of U.S. engagement with PAHO’s leadership to understand how PAHO came to be the middleman in this arrangement,” Michael Kozak, the State Department’s acting assistant secretary for the Western Hemisphere, testified at the July 2020 House Foreign Affairs Committee (HFAC) hearing. As of October 2020, however, the United States had paid its PAHO assessment in full, even while the process of formal withdrawal from the WHO progressed. According to the OIG report, overall “funding to WHO and PAHO fell from \$226 million in FY2019 to \$74 million in FY20.”<sup>5</sup>

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### *Operational Challenges*

The challenges of facing this widescale disaster were unique. First, U.S. government officials had to respond to a crisis that was impacting the United States as well as its intended aid recipients, complicating the politics of foreign assistance. Even without the “America First” approach of the Trump administration, diverting resources needed in the United States to other

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<sup>5</sup> USAID OIG Report, 6.

countries might have invited public scrutiny and criticism. That said, Hodges testified in the July HFAC hearing that since pandemics do not respect borders, helping other nations in our hemisphere “is the right thing to do, and it is key to our own domestic national security and prosperity.”

Relatedly, the April 2020 FEMA order was a key operational restriction on USAID and other U.S. government assistance providers. This order was modified later in 2020 to allow some humanitarian exceptions and has been extended through June 2021. It prohibits the export of N95 and other types of masks; gloves; air-purifying respirators and particulate filters; and syringes used for vaccine administration. It has been applied directly, to prohibit the donation of equipment, and indirectly, to restrict recipients of U.S. foreign assistance from buying PPE using U.S. government funds. It also impacted requests by countries to purchase equipment using their own funds, leading to bad publicity for the United States. For example, in Belize, normally a friendly media environment for the United States, one embassy official recalled being “hammered” by inaccurate stories that medical supplies bought by Belize were being confiscated by U.S. authorities. (They were slowed by over-compliance with regulations.) In one case, the false allegations were repeated by the prime minister himself.

A second unprecedented challenge was managing a worldwide crisis while drawing down personnel from overseas or confining them to their homes during a pandemic. On March 14, 2020, the State Department issued authorized departure guidance, which led to over 800 USAID staff leaving their posts. This order was amended on September 25, 2020, and terminated December 9, 2020. These precautions hampered coordination at embassies and consulates. Finally, the State Department prioritized a worldwide effort to repatriate stranded U.S. citizens, an operation that consumed the energies of the skeleton workforce at many embassies. In all, as of July the United States had arranged the return of over 100,000 U.S. nationals, including 64,000 from Latin America and the Caribbean.<sup>6</sup>

### *Who’s Eating Whose Lunch?*

China’s “medical diplomacy,” especially PPE donations, also helps explain aspects of the U.S. response. According to some observers, the State Department closely tracked China’s contributions in Latin America, including assistance to provincial governments in countries with a strong relationship with the United States. In his July 2020 congressional testimony, Hodges criticized China’s “malign influence” in Latin America and the Caribbean, where he said China’s “technoauthoritarian” system was influencing “discourse and behavior.”

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<sup>6</sup> Statement by Acting Assistant Secretary Mike Kozak “The Trump Administration’s Response to COVID-19,” 2, <https://docs.house.gov/meetings/FA/FA07/20200701/110847/HHRG-116-FA07-Wstate-KozakM-20200701.pdf>.



Photo Credit: USAID delivered 160 more ventilators to Honduras to support their fight against COVID19. USAID, Twitter. July 31, 2020.

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One close observer of this dynamic, at a Central American embassy, said the early U.S. focus on repatriations, and the domestic COVID-19 challenges, prevented significant immediate action to help foreign governments at a time when China was especially active. SOUTHCOM’s ability to mobilize resources was crucial to answer this challenge, given the slower start of civilian assistance. As local needs became well-defined and more acute, U.S. diplomats began privately highlighting news of China’s “flashy” equipment donations to mobilize a more robust and speedy U.S. government response.

Did China’s position in Latin America gain lasting ascendancy as a result of out-performing the United States during the beginning of the pandemic? One embassy observer noted that the reaction from host nations was appreciation of the Chinese charity but wariness of what obligations it might entail, with some Latin Americans likening it to an outreach campaign to establish a better relationship with local import-export authorities. Moreover, [according](#) to Jorge Guajardo, a former Mexican ambassador to China, given Chinese missteps in its initial handling of the pandemic at home, its coronavirus response abroad was seen by some as “an apology tour.” Lately, the vaccine race has taken on even greater importance. China’s engagement on vaccines has been less successful than its earlier pandemic support, and the announcement February 19, 2021, by President Biden of a new U.S. commitment to work with countries on vaccine access and distribution, including through the World Health Organization, is a step to counter the poor first impression.

### *America’s Scorecard*

In 2020, the U.S. global response strategy for COVID-19, led by State and USAID, had four pillars:

- Protect Americans overseas

- Prevent, prepare for, respond to, and bolster health institutions to address the pandemic and future public health challenges
- Prevent, prepare for, and respond to COVID-19 within emergency settings, and
- Prepare for, mitigate, and address second-order impacts, such as economic challenges.

Arguably, U.S. operational support met the first goal, and foreign assistance has partially met the other three. On a practical level, American assistance successfully reached many of the stressed national health authorities, and the ventilators – when properly deployed and maintained – increased country capacities to treat patients suffering from serious respiratory distress. The generous allocation of funding for refugee-burdened countries also helped meet complex emergency and humanitarian needs.

One of USAID’s most important innovations was to begin, even at the height of the emergency response to the pandemic, fulfilling its goal to look “over the horizon.”<sup>7</sup> That involved designing assistance that addressed not only emergency humanitarian needs, but also the pandemic’s economic and political consequences, including increasing joblessness and threats to democratic norms. In June 2020, USAID created an “Over the Horizon” post-pandemic strategic plan, which identified trends such as rising pressure on governments, democracy, and stability as well as shocks to mobility and the economy. In the plan, USAID committed to “continue to deliver life-saving humanitarian assistance, protect hard-won development gains, and counter the negative impact of malign actors in areas of significant USAID investment and partnership,” a reference to China.

With the crisis now in the vaccine phase, public perceptions of the U.S. role are in flux. But some judgements are in, and they are unforgiving. One critic, former USAID Administrator Raj Shah, told *The New York Times* that, “during COVID, the act of turning the other way – of asking other nations to support America with protective equipment, with diagnostic supplies, with key necessary tools, and then of pulling out of the World Health Organization – has ... dramatically undermined America’s role as the global health leader in the world.”<sup>8</sup> News stories in April 2020 underscored this sense of American abandonment, especially compared to China’s early offers of help, with one [BBC report](#) noting the “decline of the United States and Europe” in the region and an article in [DialogoChino](#) contrasting the wide range of donations by China’s government and private sector with U.S. pressure on the International Monetary Fund to reject a \$5 billion loan for Venezuela.

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<sup>7</sup> USAID OIG Report, 3-4.

<sup>8</sup> David Gelles, “When Disaster Hits Home for a Global Aid Organization,” *New York Times*, January 8, 2021, <https://www.nytimes.com/2021/01/08/business/raj-shah-rockefeller-foundation-corner-office.html>.

However, in many cases, U.S. efforts were well received and helped counter early missteps that ceded ground to China. By August in Ecuador, for example, the U.S. Embassy was ready to announce a “comprehensive and supportive response of the American people” in the form of a wide range of assistance projects and programs worth \$24 million. This included PPE donated through the Defense Department, technical assistance for emergency response, help for refugee communities, food aid, and testing kits.

That said, other actions by the United States undermined the public relations benefits from its assistance. In Central America, the United States continued deporting individuals without properly testing them for COVID-19. Another black eye for the United States was President Trump’s support for misguided pandemic policies by his Brazilian counterpart, Jair Bolsonaro, who adopted a cavalier attitude toward the coronavirus, denigrated scientific advice, and arranged a delivery of hydrochloroquine from the United States, despite doubts about its usefulness as a COVID-19 treatment.

### *Where Do We Go from Here?*

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The best response to another pandemic would be to avoid it in the first place, through robust early-warning systems and better international cooperation. But should another pandemic occur, the U.S. government should learn the lesson that there is no substitute for showing up, on time and at scale, even when there is understandable resistance to sending supplies overseas that are needed at home. In addition, the Biden administration should double down on its commitment to facilitating vaccine access for Latin America. It should also fund and empower (as well as closely oversee) PAHO and WHO to deliver long-term health aid and technical assistance in the region, thereby strengthening the multilateral linkages key to predicting, avoiding, or more effectively managing future pandemics.

*Annie Pforzheimer is a retired Senior Foreign Service Officer who served in Mexico, El Salvador, and Colombia, as the Director of Andean Affairs at the State Department, and on detail to the National Security Council as the Director for the Central America Engagement Strategy. She is a Woodrow Wilson Center Global Fellow, and a foreign policy consultant and media commentator.*