

# Reimagining the U.S. Strategy in the Caribbean

By Daniel F. Runde, Linnea Sandin, and Amy Doring

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## *Background*

Since the Caribbean Basin Initiative (CBI)—a cornerstone of U.S.-Caribbean economic engagement—was launched almost four decades ago, the United States has provided considerable foreign assistance to the region, which remains a source of reliable allies with security and economic ties. However, the United States often undervalues its relationship with the Caribbean. The [United States–Caribbean Strategic Engagement Act of 2016](#) sought to address this, increasing engagement with the governments, private sector, and civil society of the region. Yet it is necessary to further reimagine the U.S. approach to the Caribbean in order to emphasize its promising opportunities and identify diverse focal points for engagement.

Launched in 1983, the CBI consists of two trade programs for Caribbean and Central American countries and territories: the [Caribbean Basin Economic Recovery Act](#) (CBERA) and the [U.S.–Caribbean Basin Trade Partnership Act](#) (CBTPA). During the Cold War, the CBI acted as a soft-power initiative to counter the inroads made by the Soviet Union in the region and to promote and strengthen Caribbean democracies. Today, the CBI provides benefits for [17 countries](#) under CBERA, eight of which are also beneficiaries under CBTPA. (CBERA has no expiration date, and the CBTPA has been [reauthorized](#) through 2030.) By granting Caribbean Basin countries advantageous access to U.S. markets, the CBI offers a way for them to catalyze local development, allowing them to make economic strides toward liberalizing reforms.

With the goal of furthering U.S. engagement in the Caribbean, the CBI aims to strengthen the region's economic development and diversify its exports by extending foreign and direct investment to less-traditional sectors. The CBI offers preferential trade and tariff treatment to the countries of the Caribbean Basin, granting duty-free access to the U.S. market for most goods. CBERA was amended in 2006 and 2008 to incorporate additional benefits for Haiti through the [Haitian Hemispheric Opportunity through Partnership Encouragement Acts](#) (HOPE Acts), establishing new rules of origin that offered Haiti trade benefits for apparel imports; these acts accounted for [10 percent of Haiti's \\$3.5 billion in exports](#) in 2019. The [Haiti Economic Lift Program](#) (HELP) likewise offered duty-free treatment for a widening number of

Figure 1: Beneficiaries of the Caribbean Basin Economy Recovery Act (CBERA) and U.S.–Caribbean Basin Trade Partnership Act (CBTPA)



Source: “Caribbean Basin Initiative (CBI),” Office of the United States Trade Representative, <https://ustr.gov/issue-areas/trade-development/preference-programs/caribbean-basin-initiative-cbi>.

Haitian textile products. The HOPE and HELP Acts all expire in 2025, but the United States also engages with the Caribbean Community (**CARICOM**), a regional organization made up of 15 member countries and territories with the primary objective of fostering economic integration and coordinating foreign policy. Both parties have maintained the **United States–CARICOM Trade and Investment Council**, a discussion forum for multilateral issues ranging from intellectual property and trade preference programs to broader regional concerns.

Expanded trade with the region through the CBI has also increased U.S. export opportunities in Caribbean Basin countries. During the first 30 years of the CBI, U.S. trade with the region more than tripled, reaching **\$35.3 billion** in 2018—including a U.S. trade surplus of \$12.3 billion, a value 10 percent greater than the year before. Trinidad and Tobago has been the **leading exporter to the United States under CBERA**, exporting \$551.8 million in 2018, up 13.1 percent from 2017.

Far from being homogenous, the Caribbean region is diverse in its development levels, economies, and social structures. Gross domestic product (GDP) per capita in these countries **ranges from \$1,273 (in Haiti) to \$34,864 (in the Bahamas)**, and some economies rely on manufacturing while others depend on tourism and services. The Biden administration has a unique opportunity to redefine and expand engagement with the Caribbean, building on policies like the CBI and the HOPE and HELP Acts. The administration should take into consideration the expansion of various sectors in the region—such as energy, manufacturing, and tourism and services—and the different opportunities and challenges in each country.

## Energy in the Caribbean

According to [World Bank data](#), fossil fuels provide more than 90 percent of the Caribbean's primary energy needs, and oil remains the region's dominant commodity. The Caribbean collectively has the highest dependency on imported energy and the highest average electricity prices in the Western Hemisphere, with average prices [four times](#) higher than in the United States. Since the collapse of the Venezuelan oil industry, Caracas has continued to lose its leading role in the region's energy, despite claims from the Nicolás Maduro government that Petrocaribe—the oil alliance of Caribbean states it founded—will return. At its height between 2005 and 2014, an average [32 percent](#) of Petrocaribe countries' oil demands were met through this arrangement. Only [three](#) Caribbean Basin countries—Guyana, Suriname, and Trinidad and Tobago—are net energy-commodity exporters, while the rest are heavily dependent on imported oil products. Trinidad and Tobago has been a consistently major energy supplier for the region but faces a decline in oil revenues from falling global prices. As evidenced by recent [significant discoveries](#) by international oil companies, Guyana and Suriname are also poised to become serious players in the region's hydrocarbon exploration. Guyana, which began production in 2019, has an [estimated](#) 10 billion barrels of reserves, making it home to one of the top 50 largest oil basins in the world.

Trinidad and Tobago has also long been the Caribbean's largest liquefied natural gas (LNG) producer and is the [sixth largest](#) LNG producer globally, making it the region's only island nation that is not a net energy importer. However, the fall in global oil prices has reignited discussions on renewable energy sources in hydrocarbon producers like Trinidad and Tobago. The country has committed to reducing carbon dioxide emissions by [15 percent by 2030](#) and aimed to have 10 percent of its grid supplied by renewable energy by 2021—ambitious goals that are nevertheless more moderate than those of its neighbors, some of whom have [committed](#) to making their grids 100 percent green by 2030.

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Renewables play a relatively [minor role](#) in the Caribbean's energy profile even though the region has ideal conditions for leveraging wind and solar power. In the past five years, however, the renewable energy movement has caught on in response to the high, volatile costs of energy that result from their dependency on imported oil. In 2013, all [CARICOM](#) countries agreed to have at least 47 percent of their energy come from renewables by 2027.

[Jamaica](#), an early leader in the clean energy movement, was the first to install a privately owned wind power project in 2004. Jamaica's National Energy Policy, which served as the model for those of other island nations, has continued to focus on the expansion of wind generation capacity, committing to making its grid 50 percent renewable by 2030 (though it is currently only [17 percent renewable](#)). [Barbados](#), in turn, has spent millions of dollars to support a transition to solar energy but remains in the early stages of its commitment to go 100 percent renewable by 2030 (currently, the country's grid is around [9 percent renewable](#)). The island has also become the center for the region's growing [electric vehicle \(EV\) sector](#) and has a high EV use [per capita](#). Similarly, [Guyana](#) has developed a Green State Development Strategy (GSDS) that aims to go 100 percent renewable by 2025, and Cuba aims to increase the percentage of renewable energy on its electric grid to [24 percent](#) in the next ten years through its "[Energy Revolution](#)" and National Economic and Social Development Plan for 2030.

The Caribbean holds enormous potential for a green energy transition given its abundance of solar, wind, volcanic geothermal, and (in limited settings) tidal and hydropower opportunities. The overall growth of renewables has been most notable for **smaller islands** like Antigua and Barbuda, St. Kitts and Nevis, and **Aruba**, where installed solar plants have helped secure grid resiliency. In another example, **Dominica** aims to become the world's first climate-resilient nation; it is well on its way, having generated 28 percent of its electricity from hydropower and wind in 2016. In part due to this green growth, Dominica had become the **fastest growing economy** in the Caribbean before the Covid-19 pandemic, according to the United Nations' Economic Commission for Latin America and the Caribbean (ECLAC). The economic effects of Covid-19 now threaten to **stall** this momentum across the region, as the blow to tourism has slowed GDP and investment growth.

## Trade Relations

The United States is the Caribbean's largest trading partner and, in turn, the Caribbean is the United States' sixth largest trading partner, with **\$35.3 billion** flowing between them each year. In 2017, the region was the **third largest export market** for U.S. manufactured goods in Latin America behind Mexico and Brazil. However, outside of the **Dominican Republic-Central America Free Trade Agreement (CAFTA-DR)**, Caribbean nations do not have bilateral free trade agreements with the United States, only having access to U.S. markets under the CBI.

Though the United States remains the Caribbean's largest trade partner, between 2002 and 2019 the region's trade with China grew **eightfold**, from \$1 billion to \$8 billion. Despite the existence of a China-Caribbean Economic and Trade Cooperation Forum, trade relations mainly take place through bilateral agreements that allow China to export primarily high-value manufactured goods. Trade through Chinese markets, however, remains largely **one-sided**; CARICOM has no preferential access agreement with China, which continues to run an immense trade surplus in the region. With its rising presence in the Caribbean, China has in recent years increasingly lured away Taiwan's long-time trade partners, even as Taiwan continues to offer bilateral free trade agreements in a battle for influence. Four of the 15 countries that **recognize** Taiwan are in the Caribbean. Nonetheless, these countries still have significantly more trade with its mainland Chinese competition, as Taiwan engages its allies in the region mostly through **investments and foreign aid**.

Trade between Mexico and the CARICOM countries is also relatively minor. On Mexico's side, commerce with the Caribbean comprises **less than 0.1 percent** of its international trade portfolio. Collectively, other Latin American countries also have minimal trade with CARICOM countries: the **CARICOM countries exported \$2.2 billion to Latin America and imported \$3 billion** from the region in 2019. The volume of trade between CARICOM countries and Canada is similarly **low**. This economic relationship is regulated by the Caribbean-Canada Trade Agreement (**CARIBCAN**), which provides the Caribbean with one-way, duty-free access to Canada in an initiative similar to that of the CBI. However, despite numerous negotiations, the Caribbean states have yet to reach a formal free trade agreement with Canada, as they have with the European Union. In 2008 the Caribbean Forum signed the **CARIFORUM-EU Economic Partnership Agreement** granting each region preferential access to the other. The European Union is CARIFORUM's second-largest trading partner after the United States, mainly importing Caribbean fuel and mining products.

## Security

An often-overlooked challenge in the Caribbean is that of transnational crime. The region's proximity to the United States makes it a primary route for illicit activity, particularly for Colombian and Mexican

criminal organizations that collaborate with local groups to traffic drugs throughout the Caribbean. Though the Mexico–Central America route remains the preferred transit corridor for transnational criminal organizations, since 2010 there has been a **reemergence** of the Caribbean route, which had been popular in the 1980s and now represents 15 percent of all cocaine movement in the Western Hemisphere, mostly originating in South America.

Proximity to the United States has also made the region a prime route for human trafficking and the smuggling of migrants, especially since the Venezuelan migration crisis accelerated in 2015. The political and humanitarian crisis in Venezuela has likewise augmented the **activities of transport groups** and their ability to ship narcotics off the coast and into the Caribbean. Contraband and money-laundering threats also persist, with the Caribbean being home to several tax havens—most notably the British Virgin Islands and Cayman Islands, both of which are exploited by traffickers to move illicit proceeds.

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The United States continues to be the Caribbean’s main partner in security cooperation. There are seven key U.S. **military bases** across the region as part of United States Southern Command (SOUTHCOM), and security is a primary pillar of the **U.S.-Caribbean 2020 strategy**. Within this framework, the **Caribbean Basin Security Initiative** (CBSI) is a shared security partnership that supports anti-trafficking cooperation, crime prevention, and citizen security initiatives. Between 2010 and 2018, the program received over \$556 million dollars. Providing the basis for U.S.-Caribbean cooperation, the **program** particularly focuses on maritime and aerial cooperation, law-enforcement capacity building, border and port security interdiction, judicial reform, and at-risk-youth crime prevention through members’ collaboration with the Bureau of International Narcotics and Law Enforcement Affairs, the Department of Defense, and the U.S. Agency for International Development.

### *Digital Transformation*

Uneven digital access, particularly in rural areas, remains a challenge for the Caribbean—a situation now exacerbated by pandemic conditions, wherein digital connectivity and remote learning have become more vital than ever. An International Telecommunication Union **study** indicated that “a 1 % increase in fixed broadband penetration would result in a 0.08 % increase in GDP, whereas a 1 % increase in mobile broadband penetration would lead to a 0.15 % increase in GDP.” In Caribbean countries, where between just 4 and 27 percent of the population has **access to fixed broadband**, digital transformation is vital to development. Reliable broadband is particularly low in the Eastern Caribbean small states, where an estimated **40 percent** of the population have no Internet access at all, primarily due to affordability. However, this is still a large improvement from 2010, when **65 percent** lacked access. Across the region, Internet usage **varies greatly**, “from as low as 11% of the population in Haiti to almost 80% in Barbados and the Bahamas.”

Affordability and underdeveloped technical infrastructure remain barriers to fast and reliable Internet, although Huawei’s 5G technology has increasingly been able to reach the region’s more isolated areas.

Expanding beyond mobile service, Huawei has made inroads through its “smart cities” platform that integrates artificial intelligence (AI) into urban logistics, a technology that has particularly gained ground in [Suriname and Guyana](#). (Caribbean countries have, however, had to navigate the technological competition between the United States and China, with the Dominican Republic becoming the first Caribbean country to [blacklist](#) Huawei’s 5G technology in 2020.) In another sign of increasing connectivity, the use of digital financial services has [grown](#) in the region in recent years, further boosted by the pandemic, which has encouraged governments to dole out aid through digital means. About [45 percent](#) of adults in Latin America and the Caribbean use digital payments as of 2017, and around [60 percent](#) of adults in the region have mobile phones with Internet access as of 2020, 10 percent higher than the global average.

## *Manufacturing*

The Caribbean has long been home to robust textile manufacturing, in part stimulated by the CBI. The [Dominican Republic](#) is somewhat ahead in manufacturing in the region due to its “maquiladora” sector—wherein imported parts are exempt from duties with the understanding that the finished products will all be exported—and is a candidate for further nearshoring of more advanced sectors of manufacturing. While most textile production occurs in the Dominican Republic, due to the HELP and HOPE Acts, Haiti is now the center of apparel manufacturing, using U.S.-made textiles to produce clothing for the U.S. market. The broader Caribbean Basin is one of the [largest exporters](#) of textiles in the world, and (along with Mexico) is [accordingly](#) one of the largest importers of U.S. cotton. However, the region’s production of yarn and fabric is limited, meaning the cut-and-assembly factories rely on these U.S. imports.

Beyond textiles and primary building materials, Caribbean countries’ advanced manufacturing remains underdeveloped. According to [World Bank data](#), manufacturing overall in the Caribbean’s smaller states represents only 11 percent of total GDP. In Barbados and Jamaica, for example, specialty agro-processing and light manufacturing play a dominant role within the industrial sector. Together with the Dominican Republic and Trinidad and Tobago, these countries boast the [most advanced](#) agro-processing industries—having attracted the majority of investment—in the region, where most competitors remain [underdeveloped and fragmented](#) into small and medium-sized enterprises (SMEs). Yet because most products are sold to the domestic service sector, demand for manufacturing is intertwined with the islands’ tourism sectors and, as such, is now suffering due to the Covid-19 pandemic. Once tourism recovers, agro-processing manufacturing has the potential to provide large-scale employment, particularly in rural areas. However, due to the industry’s heavy reliance on raw material imports, agricultural materials supply chains would need to be strengthened.

In particular, the Covid-19 pandemic offers the region an opportunity to play a future role in strengthening medical supply chains through nearshoring of advanced manufacturing. During the pandemic, the underdevelopment of the Western Hemisphere’s health manufacturing industry created an obstacle to supplying personal protective equipment (PPE). ECLAC estimates that only [4 percent](#) of medical supplies used in Latin America and the Caribbean originate within the region. Adjusting these supply chains would be in the interest of both the Caribbean and the United States, which had trouble accessing PPE during the pandemic. The strengthening of regional value chains would lessen the Caribbean’s vulnerabilities while fostering broader industrial development. Likewise, the development of a highly skilled labor pool would raise the possibility of developing a regional electronics manufacturing industry. Some [initiatives](#) by the aid partnership Compete Caribbean have sought to do this, offering training for telecommunications and electronics assembly. However, this nearshoring still faces such obstacles as insufficient investment in ports or in digital and energy infrastructure.

## *The Service and Tourism Sector*

The Caribbean is said to be the most tourism-dependent region in the world: in 2019, over 31 million stop-over visitors and 30 million cruise-ship passengers **traveled** to the islands. In fact, of the **20 most tourism-dependent small economies** in the world, 13 are in the Caribbean. Prior to the pandemic, the Caribbean had been on a tourism upsurge, experiencing **9.7 percent** growth in the first half of 2019 compared to the same period the previous year. While the region saw fewer cases of Covid-19 itself, the economic repercussions of lockdowns and strict entry restrictions resulted in major cuts to the tourism sector. Except for Trinidad and Tobago, which can rely on its energy exports, the rest of the small islands' economies depend on tourism as the main source of employment and GDP growth. Overall, **tourism services** accounted for 13.9 percent of Caribbean GDP and 15 percent of employment in 2019, making it the subregion most dependent on tourism in the world. These numbers are even **greater** in territories such as the British Virgin Islands and Aruba, where tourism made up 92 percent and 85.6 percent, respectively, of the total GDP in 2019. Similarly, Aruba has the highest rate of employment in tourism at 29.9 percent, followed by St. Lucia, where tourism contributes to 27.3 percent of employment. Importantly, both cruise- and land-based tourism contribute significantly to tax revenues, and the sector remains these countries' main source of foreign currency.

The loss of tourism in the Caribbean has also impacted other sectors that rely on it. The broader **tourism economy** (including related sectors) represents 26 percent of the Caribbean's GDP and 35 percent of jobs, about 60 percent of which are held by **women**. This includes the food and beverage, agriculture, entertainment, and construction industries, among others, all of which have seen reduced demand as a direct result of the pandemic-induced fall in tourism. It is estimated, for example, that **30 percent** of the Caribbean's food imports are directed toward hotel and restaurant services. Early pandemic restrictions closed nearly all hospitality-sector businesses, likewise creating a drop in demand for imported and domestic food operations. Countries such as Barbados and Bermuda have attempted to mitigate the losses to the service sector by embracing **remote work visas** as a way to attract visitors.

## *Covid-19*

The Covid-19 pandemic has decimated the Caribbean's tourism industry. According to ECLAC's **December 2020 report**, this loss has caused the region's total employment to decline by seven percentage points. St. Lucia, Antigua and Barbuda, and Barbados experienced the steepest GDP **losses** (by 26 percent, 18 percent, and 16 percent, respectively). Overall, the pandemic has also highlighted the region's underfunded health systems, which have been easily overwhelmed by any sharp increase in hospitalizations.

Caribbean countries received **praise** early on for quick lockdowns and border closures, which helped contain outbreaks of the virus across the region, particularly on smaller islands with limited disaster-response resources. On average, "Caribbean governments began controlling movement into countries **27 days** before their first confirmed case and 23 days before comparator countries," and CARICOM was able to procure PPE from China's and Taiwan's **mask diplomacy** in the region. However, since reopening to visitors in summer 2020, new outbreaks have sprung up across **most islands** in the region. The worst such outbreak has been in the Dominican Republic, with nearly **double its neighbors' cases**.

Mass vaccination in the countries of the Caribbean will be vital for the recovery of the tourism/services and manufacturing sectors. Although vaccines are becoming available around the world, many countries in the Caribbean are struggling to compete with richer countries for them. **Both India and China** have donated vaccines to some countries in the Caribbean, and Dominica **has already pledged to share** some of these donated vaccines with its neighbors.

## China's Presence in the Region

The Caribbean is a hotspot for regional power competition between the United States and China. China has nearly **\$70 billion dollars** of foreign assistance funds active in the region and has contributed **\$7 billion** in public investments and loans since 2005 across six countries. Jamaica has **received the most funds** from China, followed by the Dominican Republic and Trinidad and Tobago. These investments are particularly attractive to many countries in the Caribbean because of the region's **persistent infrastructure deficit**: energy costs are some of the highest in the world, transportation is often expensive, and there are significant gaps in services like high-speed broadband. These countries also consider climate-resilient infrastructure to be a priority because the region is especially susceptible to climate change and inaction. More recently, China has begun using the Covid-19 response to engage the region through mask and vaccine diplomacy. In July 2020, China offered a **\$1 billion** loan to Latin America and the Caribbean to buy its Sinovac vaccine and has quickly become a primary source of inoculations amid the relative U.S. absence.

Lacking new major funding sources, several Caribbean countries have signed on to China's Belt and Road Initiative (BRI): Trinidad and Tobago, Antigua and Barbuda, Barbados, Cuba, Dominica, the Dominican Republic, Grenada, Guyana, Jamaica, and Suriname. Regional **projects** under the BRI have included constructing major roadways in Jamaica and deep-water ports for Chinese supertankers in the Bahamas, and billions of dollars have been pledged to **Haiti** for infrastructure. Chinese firms are also heavily invested in Caribbean industry, including the Dominican Republic's mining sector and Guyana's hydrocarbon

Figure 2: Signatories to China's Belt and Road Initiative (BRI) and Official Diplomatic Relations with Taiwan



Source: "Jamaica joins China's belt and road initiative," The Caribbean Council, <https://www.caribbean-council.org/jamaica-joins-chinas-belt-and-road-initiative/>; "Diplomatic Allies," Ministry of Foreign Affairs of the Republic of China (Taiwan), <https://en.mofa.gov.tw/AlliesIndex.asp?n=1294&sms=1007>.

sector, where the Chinese firm CNOOC holds **25 percent interest** in its major ExxonMobil oil venture. The Caribbean is also home to several Confucius Institutes, including on islands like Antigua and Barbuda, where the United States has no established **diplomatic presence**.

China conducts **ongoing training** with the region's military officers at Chinese institutions and conducts military equipment diplomacy in the region. This great power competition has also played out in technology. Guyana and Suriname have collaborated with Chinese tech firm Huawei to create "smart city" initiatives that integrate facial recognition technology with surveillance. The United States' ban on Huawei has raised complex questions for the Caribbean, with most countries wanting positive relations with both players but eager to pursue a digital transition—especially since the pandemic began—through established players such as Huawei.

The Caribbean Basin is home to several countries that **recognize** Taiwan: Belize, Haiti, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. These compose a third of the countries globally and five of the nine governments in the Americas that do so. However, as China injects more loans and investment into the region, its growing presence will give it more leverage on critical issues, including the recognition of Taiwan.

### *Engaging the Caribbean: Recommendations*

Today, a greater number of actors are active in the region than ever before, primarily due to a lack of consistent engagement from the United States, which continues to see the region's countries as safe partners. Resolving this relative U.S. absence requires tying together the initiatives that already exist into a long-term strategy toward the Caribbean—potentially as a reimagined CBI, **as described by CSIS senior associate Georges Fauriol** in 2019.

On security cooperation, U.S.-Caribbean partnerships should be funded and expanded beyond the already extant Caribbean Basin Security Initiative, which currently focuses on drug interdiction as the main measurement of success. Meanwhile, transnational crime organizations continue to grow and diversify their operations in the region. Much of U.S.-Caribbean engagement is based around the **United States–Caribbean Strategic Engagement Act**, but its activities remain heavily skewed toward security, an approach that ignores other long-term priorities.

Engagement with the region will likewise need to address migration challenges by cooperating with regional governments to expand migrant integration and reintegration programming so that they contribute to (rather than destabilize) the regional workforce. In particular, there are a total of **200,000 Venezuelan migrants** in the Caribbean as of November 2020, a figure that does not include the intra-regional migration also present within the Caribbean.

The dialogue surrounding the Caribbean's economy is often focused on tourism, but a successful engagement with the region should include investment in diversification to build resiliency. The Caribbean has the potential to lead in "**blue economy**" pilot projects, a sustainable development strategy that uses ocean resources to create job growth. The region should likewise be a target for energy investment and engagement, creating opportunities for both development and nearshoring. Yet another opening for engagement with the Caribbean can come through education, particularly as the region struggles to cope with remote learning and gaps in digital access. Addressing these issues would promote regional competitiveness and raise possibilities for creating long-term knowledge economies. Similarly, investing in infrastructure could both close significant development gaps and provide alternatives to China's current assistance to the region.

In addition to diversification, a reimagined approach to the Caribbean will need to address climate resilience, green energy transitions, equitable employment, public-private partnerships, and rule of law. Although the Caribbean economy has largely shifted toward service sectors, this is not covered by the current CBI, so an updated strategy toward the region should reflect this. Alternatively, the United States could pursue an approach like that of [Prosper Africa](#), a U.S. initiative emphasizing a whole-of-government approach to facilitate two-way investment and trade between the United States and African countries. Such a program would allow for coordinating the resources directed at the Caribbean, tying existing programs together to facilitate bilateral private-sector engagement.

Although the U.S. footprint in the Caribbean has traditionally been light, it could stand to make a mark by leveraging its positions in international financial institutions (IFIs) to help the Caribbean confront its ongoing challenges with sustainable debt and access to concessional funding. The participation of private financial institutions would be essential to a new CBI, as it was in the first. The injection of funds could help build the region's natural disaster preparedness, which often obstructs long-term development, and contribute to current Covid-19 vaccination efforts and building resilient healthcare systems.

Finally, building alliances with the Caribbean diaspora at home should form the basis for such U.S. initiatives. The consequences of failing to engage the Caribbean are clear: China will emerge as the preferred partner in the region. ■

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