Central America is a unique region, with a market of over 40 million people and a strategic location that positions it as the connecting bridge between the two Americas. In recognition of this potential, it is also one of the most advanced sub-regions of the Americas in its process of economic integration.

With more than 50 years of experience supporting the European integration process, in addition to serving as a key adviser to processes such as APEC, the Pacific Alliance and the G20, the OECD is a clear ally for strengthening Central American economic integration and its adaptation to the dynamics of trade in the 21st century, as characterised by the pre-eminence of global value chains.

The Central American Initiative of the OECD LAC Regional Programme

The OECD LAC Regional Programme aims to support the region in advancing its reform agenda along three key regional priorities: increasing productivity, advancing social inclusion, and strengthening institutions and governance.

In order to adapt OECD activities to the specific challenges and priorities of Central America, representatives of the Council of Ministers for Economic Integration (COMIECO) participated in a seminar with experts from the OECD and its member countries from 12-13 June 2017, to exchange views on OECD-Central America collaboration and lay the foundations for a Central American Initiative.

At the COMIECO meeting on 28 June 2017 in San José, Costa Rica, the OECD Co-operation Subprogramme with Central America, or the “Central American Initiative” was formalised in an agreement between COMIECO and the OECD.

In turn, the Meeting of Presidents of the Central American Integration System (SICA), made up of the Heads of State and Government of SICA member countries, acknowledged in its official communiqué "the articulated work of COMIECO, SIECA and the OECD through the OECD Regional Programme for Latin America and the Caribbean aimed at the creation and implementation of a work proposal that strengthens the governance of the sub regional economic integration system, the productivity of the regional economy, and intra- and extra-regional trade, with a model of greater economic and social inclusion in our region."
Supporting Central America in four specific priorities

The six member countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) of the Secretariat of Central American Economic Integration (SIECA) and the OECD have agreed to focus the attention of the Central American Initiative on four specific priorities:

1. Support the development of **regional value chains and integration into global value chains**;
2. Strengthen the role of the **services and SMEs** sectors in the region’s economic integration process;
3. Strengthen the institutional development of the regional economic integration process by establishing a technical and political dialogue between the OECD and SIECA;
4. Strengthen **international regulatory co-operation** between countries of the region.

The initiative will be carried out in two phases, one of which will consist of three workshops and a case study during the second half of 2017 and the first half of 2018. Towards the middle of 2018, the aim is to launch a group of more ambitious projects, for which funds will be sought from different donors.

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**1. Global Value Chains (GVCs)**
- Workshop about GVCs (Panama?)

**2. SMEs and Services**
- Workshop about SMEs with CENPROMYPE (El Salvador)
- Workshop on restrictions on trade in services
- Start of SME Project, including a sub-regional SME Policy Index Assessment

**3. Institutional Development of the Integration Process**
- Start of case study about SIECA
- Workshop to discuss preliminary conclusions
- Presentation of case study

**4. Regulatory Co-operation**
- Workshops about international regulatory co-operation