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## **STRENGTHENING THE U.S.-EL SALVADOR ECONOMIC RELATIONSHIP**

President Obama and President Funes underscored the importance of working together to combat global climate change, advance cooperation on clean energy, and support sustainable development to achieve broad-based economic growth and poverty reduction. The leaders welcomed the announcement of El Salvador as a Partnership for Growth country as an opportunity to achieve prosperity and security.

### **Development and the Partnership for Growth**

President Obama and President Funes underscored their commitment to development as a driver of economic progress and sustained economic growth in the region. The leaders welcomed the selection of El Salvador as one of the first four countries that will participate in the “Partnership for Growth,” which will put into practice the principles of the new Policy Directive on Global Development issued by President Obama in September 2010. They noted economists from the two governments recently launched a joint analysis of the key constraints to growth in El Salvador which will be completed in early May and culminated in June with the implementation of a PFG joint action plan, which will combine all of the development tools of both countries behind an effort to increase investment, strengthen pro-development policies, and leverage new capital flows.

The leaders highlighted that PFG will build on El Salvador’s experience with a \$461 million MCC compact signed in 2006 that focuses on education, public services, agricultural production, rural business development, and transportation infrastructure. They applauded the USAID program that focuses on bringing the private sector into the agriculture sector. As part of the U.S. Feed the Future initiative, USAID announced the launch of a Central America Regional Partnership with a major retail chain that will enhance food security and promote development by increasing production of high quality vegetables and fruits for the Central American regional markets by incorporating new, small and medium independent growers into national, regional and global supply chains\*. The leaders endorsed plans to pilot in El Salvador the United States’ new DF4D program, which will assist countries to mobilize domestic resources by improving public tax administration, improving transparency and reducing corruption.

### **Energy, Climate Change, and Environment**

Presidents Obama and Funes stressed the importance of to working together in the lead up to the 17th Conference of the Parties in Durban, South Africa, to implement the Cancún agreements, including on transparency, adaptation, technology, finance, and forest preservation. Under the [Energy and Climate Partnership of the Americas](#) (ECPA) and through bilateral cooperation, the

leaders agreed to strengthen the resilience of vulnerable sectors and communities of Central America. In particular, they agreed to increased trilateral cooperation among United States, Mexico, and Central America to slow, halt, and reverse emissions across ecosystems that constitute many of the region's remaining forests.

The leaders supported continued regional collaboration on the environmental components of the Central America Free Trade Agreement (CAFTA-DR), and through the Central American Renewable Energy Forum (CAREF). The United States launched CAREF to support renewable energy development and to facilitate a dialogue among senior Central American and Dominican Republic energy officials, private sector investors, and regional stakeholders. Vice Ministers and other representatives from El Salvador are active participants. The leaders noted the next Central American Renewable Energy Forum (CAREF) scheduled to take place in Santo Domingo, Dominican Republic in May will focus on regulatory reform.

Under the CAFTA-DR environmental cooperation program, the United States is supporting initiatives that help small- and medium-sized businesses implement greener production practices. Since 2005, the United States committed \$77 million to fund projects with international non-governmental organizations, as well as the private sector, to achieve results, including improving or adopting over 120 laws and training more than 13,000 people throughout the CAFTA-DR region to enforce and implement of environmental laws.

Presidents Obama and Funes applauded efforts to advance ECPA clean energy initiatives. Officials from key ministries within El Salvador's National Energy Commission (NEC) recently visited renewable energy sites in the United States and Brazil to engage in consultations regarding bioenergy policies, sustainability, and agro-economic assessment.

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