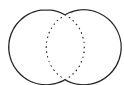


# El Salvador

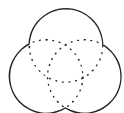
## Overview



### Transparency:

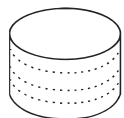
**41** /100

(Open Budget Index score)



### Public Participation:

**20** /100



### Budget Oversight:

**61** /100

## About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

**The Open Budget Survey (OBS)** is the world's only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 8th edition of the OBS covers 120 countries.

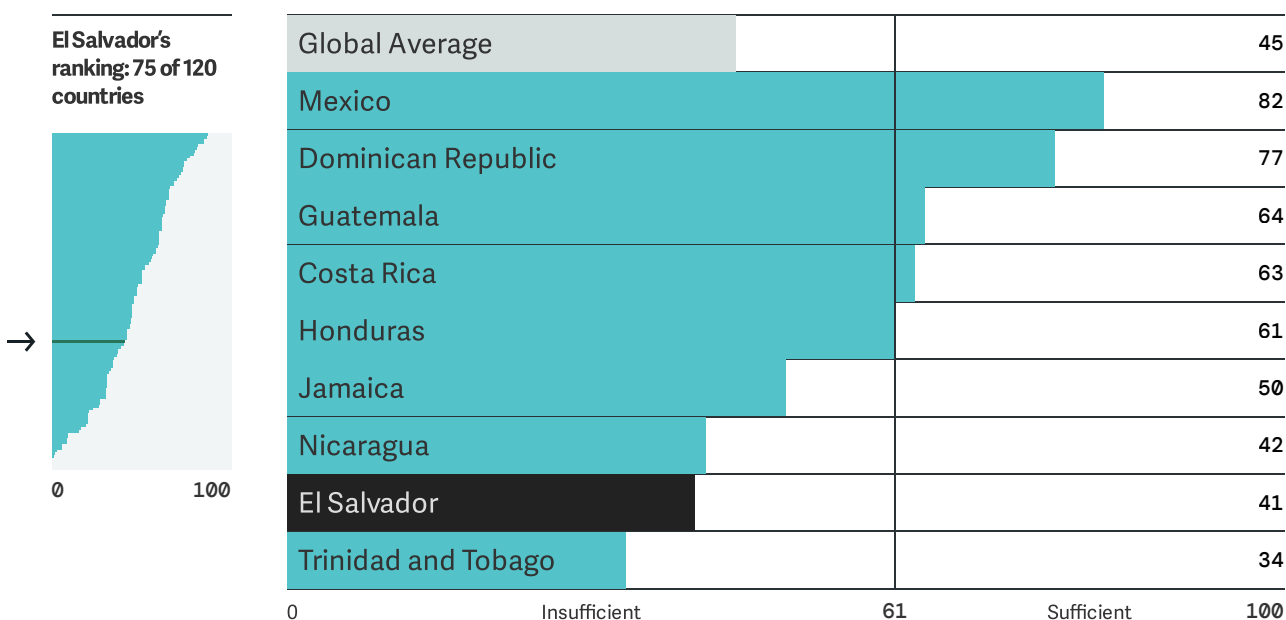
Visit [www.internationalbudget.org/open-budget-survey](http://www.internationalbudget.org/open-budget-survey) for more information, including the full OBS methodology, the 2021 Global and Regional Reports, findings for all surveyed countries, and the Data Explorer.

# Transparency

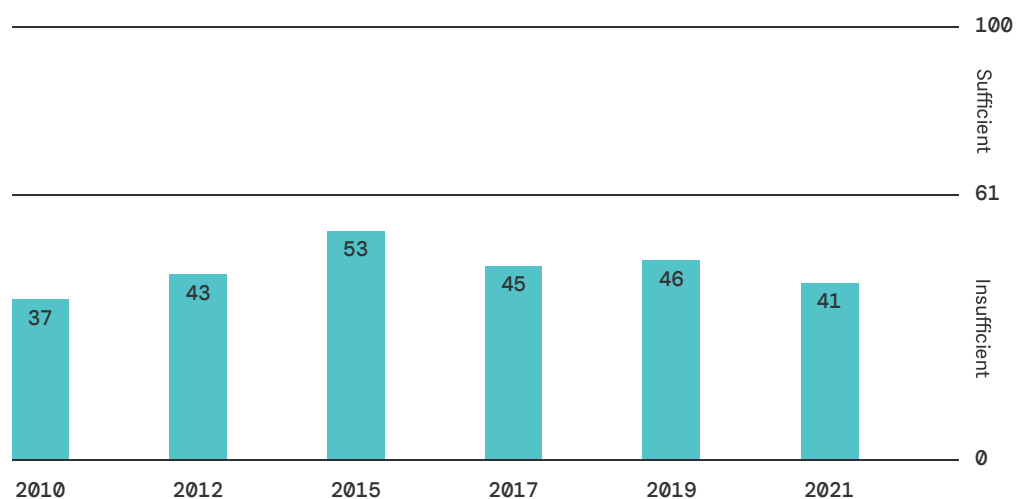
This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the **online availability, timeliness, and comprehensiveness** of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. **A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.**

El Salvador has a transparency score of **41** (out of 100).

## Transparency in El Salvador compared to others



## How has the transparency score for El Salvador changed over time?



## Public availability of budget documents in El Salvador

KEY	
<span style="color: green;">●</span>	Available to the Public
<span style="color: yellow;">●</span>	Published Late, or Not Published Online, or Produced for Internal Use Only
<span style="color: red;">⊘</span>	Not Produced

Document	2010	2012	2015	2017	2019	2021
Pre-Budget Statement	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>
Executive's Budget Proposal	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Enacted Budget	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Citizens Budget	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
In-Year Reports	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Mid-Year Review	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>
Year-End Report	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Audit Report	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>

# How comprehensive is the content of the key budget documents that El Salvador makes available to the public?

## KEY

61-100 / 100

41-60 / 100

1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2021	Published Late
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2021	41
Enacted Budget	The budget that has been approved by the legislature.	2021	89
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2020	33
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2020	63
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2020	Not Produced
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2019	67
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2019	Internal Use

El Salvador's transparency score of **41** in the OBS 2021 is near its score in 2019.

## What changed in OBS 2021?

El Salvador has decreased the availability of budget information by:

- Failing to publish the Pre-Budget Statement online in a timely manner.

# Recommendations

El Salvador should prioritize the following actions to improve budget transparency:

- Resume the practice of publishing the Pre-Budget Statement online and in a timely manner.
- Publish an Audit Report online and in a timely manner. This document should evaluate the completeness and accuracy of the final accounts, and whether the government's financial management and accounting adheres to existing laws and procedures.
- Include in the Executive's Budget Proposal data on the financial position of the government, and information on performance and policy. This means, among other elements, including a functional classification consistent with international standards; multi-year estimates of revenue sources and expenditures; information on the impact of different macroeconomic assumptions on the budget; information on extra-budgetary funds; and non-financial information on inputs and results.
- Produce and publish the Mid-Year Review online in a timely manner.
- Improve the comprehensiveness of the Citizens Budget, and ensure it is actively disseminated through different channels.

# Public Participation

The OBS assesses the formal opportunities offered to the public for meaningful participation in the different stages of the budget process. It examines the practices of the central government's executive, the legislature, and the supreme audit institution (SAI) using 18 equally weighted indicators, aligned with the Global Initiative for Fiscal Transparency's [Principles of Public Participation in Fiscal Policies](#), and scores each country on a scale from 0 to 100.

El Salvador has a public participation score of **20** (out of 100).

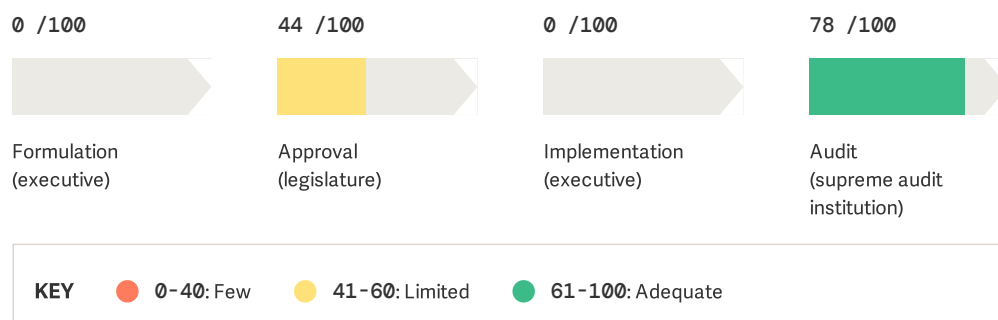
## Public participation in El Salvador compared to others

Global Average	14
Mexico	22
Dominican Republic	22
El Salvador	20
Guatemala	19
Jamaica	18
Honduras	17
Costa Rica	9
Nicaragua	7
Trinidad and Tobago	7

0                      Insufficient                      61                      Sufficient                      100

For more information, see [here](#) for innovative public participation practices around the world.

# Extent of opportunities for public participation in the budget process



## Recommendations

To further strengthen public participation in the budget process, El Salvador's Ministerio de Hacienda should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

El Salvador's Asamblea Legislativa has established public hearings related to the approval of the annual budget, but should also prioritize the following actions:

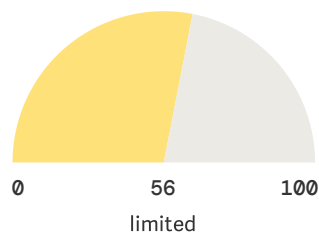
- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow members of the public or civil society organizations to testify during its hearings on the Audit Report.

# Budget Oversight

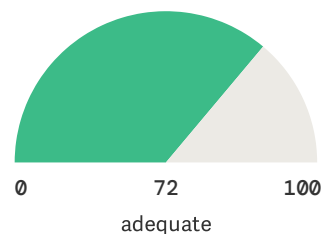
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in El Salvador, together, provide adequate oversight during the budget process, with a composite oversight score of **61** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

## Legislative oversight



## Audit oversight



**KEY**    0-40: Few    41-60: Limited    61-100: Adequate

## Recommendations

El Salvador's Asamblea Legislativa provides adequate oversight during the planning stage of the budget cycle and limited oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.



- A legislative committee or the Unidad de Análisis y de Seguimiento del Presupuesto (UASP) should examine in-year budget implementation and publish reports with their findings online. Moreover, UASP's mandate should be strengthened by ensuring its technical independence.
- In practice, ensure the legislature is consulted before the executive reduces spending due to revenue shortfalls.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen independence and improve audit oversight by the El Salvador Corte de Cuentas de la República, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

### **The emerging practice of establishing independent fiscal institutions**

El Salvador does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

*\*These indicators are \*not\* scored in the Open Budget Survey.*

# Methodology

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- Only documents published and events, activities, or developments that took place through 31 December 2020 were assessed in the OBS 2021.
- The survey is based on a questionnaire completed in each country by an independent budget expert:  
Jaime Lopez  
Fundación Nacional para el Desarrollo (FUNDE)  
Calle Arturo Ambrogi # 411, entre 103 y 105 Ave. Norte, Colonia Escalón, San Salvador, El Salvador, Centroamérica  
jailop@gmail.com
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in El Salvador by a representative of the Ministerio de Hacienda.