

PARTNERING TO MAKE BUDGETS WORK FOR THE PEOPLE

Fundación Nacional para el Desarrollo (FUNDE) – El Salvador

The National Foundation for Development (FUNDE) is a civil society organization dedicated to promoting economic development and responsive governance in El Salvador. Founded in 1992, following the end of the Salvadoran Civil War, FUNDE concentrated its early research and advocacy on fiscal reforms and debt management but has begun to take a more active role in promoting social progress and government transparency. With a mission to “generate thought, analysis, and proposals for development, as well as to influence social actors to improve the living conditions of society as a whole,” FUNDE plays a crucial role in facilitating the development of civil society in postwar El Salvador.

FUNDE Helps Make El Salvador More Transparent

FUNDE is considered a reference point for independent policy analysis at the national, regional, and international levels. Serving as the Salvadoran representative for Transparency International (TI) since 2007, FUNDE has worked with civil society organizations (CSOs) in El Salvador to advocate for an access to public information law for the country and has provided technical support to the Ministry of Finance and others in the executive branch to promote reforms that would increase transparency and accountability.

FUNDE has earned the trust of the new President of El Salvador, Mauricio Funes, who has made transparency a key plank of his political platform. In 2009, while still a candidate, Funes accepted FUNDE’s invitation to sign a pledge to reduce corruption in government. The pledge promised to increase access to public information and to push for legislation to minimize conflicts of interest and promote citizen oversight of public finances. FUNDE’s work to promote an access to information law contributed significantly to El Salvador’s Ley de Transparencia y Acceso a la Información Pública (Transparency and Public Information Access Law) which was approved in early 2011. The passage of the law satisfies a major component of the Funes Administration’s commitment to strengthening democratic integrity.

FUNDE is also the research partner for the International Budget Partnership’s Open Budget Survey (OBS), providing information and conducting research on key measures of financial transparency in El Salvador. The Funes administration has openly referred to the OBS in press conferences, stating its commitment to the principles of open government. Other government agencies have followed the President’s lead. FUNDE has worked extensively with the Ministry of Finance to close tax loopholes, conduct public consultations, and pilot performance budgets and medium-term budget frameworks.

El Salvador
Open Budget Index 2010
Overall Score: 37
Government provides minimal information to the public on how it manages public resources

Availability of budget documents critical for effective public input:	
Pre-Budget Statement	Yes
Executive’s Budget Proposal	Yes
Citizens Budget	Yes
Enacted Budget	Yes
In-Year Reports	Yes
Mid-Year Review	No
Year-End Report	Yes
Audit Report	No
www.openbudgetindex.org	



FUNDE's advocacy has also contributed to the ministry's launch of an online fiscal transparency portal for citizens to take advantage of their right to access public information.

Other government agencies have started to voluntarily publish procurement contracts and are holding hearings to share the results of annual reports with community leaders and CSOs. FUNDE is taking advantage of these developments to push for further reforms. For example, FUNDE is currently working with administrators

of the Fondo de Inversión Social para el Desarrollo (FISDL, or Social Investment Fund for Local Development) to make recommendations on how the agency can improve its public complaints service. FUNDE has combined these efforts with strategic public relations campaigns that aim to raise awareness of the general public about the work the organization is doing.

FUNDE's recent media campaign, "Hagamos de El Salvador un país transparente" (Let's make El Salvador a

transparent country), reminded citizens of their responsibility to pay taxes and their right to demand public information and hold their elected leaders to account. FUNDE believes increased bilateral engagement between citizens and their government has the potential to foster greater social cohesion and understanding of government policies and practices. By rallying the public to support transparency and accountability in government, FUNDE hopes to accelerate the pace of reform and institutionalize the right of citizens to petition their government for information.

FUNDE's Participation in the Partnership Initiative

FUNDE is continuing its cooperation with the government of El Salvador to examine more specific policy and management issues. The administrators of the FISDL program have reached out to FUNDE for help in overseeing their operations. FISDL runs the "universal social protection system," which includes investments in human capital, social infrastructure, and a conditional cash transfer (CCT) program. CCT's have become a popular and effective way throughout Latin America for governments to promote desired behaviors by creating financial incentives for parents to ensure that their children stay in school and receive regular health checkups.

The Funes Administration has committed to invest over US\$515 million in FISDL between 2010 and 2014. About half of this money will be earmarked for the Rural Community Solidarity program, which funds basic infrastructure investments. While this is a positive development, FUNDE characterizes these types of public investment programs as inefficient uses of taxpayer money. FUNDE believes that the structure of targeted social investments, such as CCT's, are more effective than the top down structure of the Rural Community Solidarity program, which leads to spending priorities that do not respond to community needs and poor coordination among the different levels of government. FUNDE, therefore, will work to strengthen the capacity of local councils to monitor contracts, project execution, and CCT disbursement in their districts and also facilitate the flow of information between the councils and policymakers at the national level.

With the support of the Partnership Initiative, FUNDE will first pilot technical training and capacity-building exercises with councils in six highly marginalized municipalities. These activities will be scaled up to include other districts, with the hope that the monitoring processes will continue beyond the life of the project. FUNDE will implement its subnational plans in the context of a broader national-level strategy to promote citizen engagement with and oversight of government institutions. By equipping communities to monitor and evaluate government social spending, FUNDE is contributing to the development of a more transparent, accountable, and responsive national government, and to a better future for the people of El Salvador.

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The IBP's Partnership Initiative is a collaborative effort that seeks to enhance the impact of civil society budget work in selected countries of Africa, Asia, and Latin America. The initiative strives to contribute to the development of sustainable institutions; to increase public access to timely, reliable, and useful information; to enhance the effective participation of civil society in policy and budget processes; and to establish a platform of good practices on which future generations of civil society can build.