El Salvador

El Salvador has formally developed a legal and institutional framework for regulatory policy

El Salvador took its first steps towards having a regulatory policy agenda in 2015 with the creation of the Organism for Better Regulation (OMR). The OMR, located in the Presidency, conducted the first RIAs, created a national programme for administrative simplification, and led the promotion of the better regulation agenda in the country. In December 2018, the Law for Better Regulation established a legal framework for stakeholder engagement, RIA and ex post evaluation setting a good base for a consolidated regulatory policy. It also established the new functions of the OMR as the coordination and oversight body in charge of promoting and enforcing El Salvador’s regulatory policy. This policy will be progressively applied. It is currently mandatory for the executive and its agencies; after 2021 it will be mandatory for independent regulatory agencies, the legislature and the Supreme Court; and lastly, in 2022 for municipalities.

El Salvador requires stakeholder engagement for the development of all subordinate regulations

All entities of the executive, independent agencies and municipalities are required to consult stakeholders on all draft subordinate regulations. In practice, these entities conduct consultations only for some regulations. In addition to these consultations, that are conducted normally through meetings or on their websites, El Salvador could benefit from engaging earlier with stakeholders on the nature of the problem and possible policy solutions. When stakeholders are consulted, regulators respond to received comments, which helps maintain the engagement with the participants. In that line, agencies of the executive are now required to include received opinions and their consideration in the RIA report, which the OMR then reviews. Additionally, as of January 2020, regulators have to inform the public of future plans for amending or enacting new regulations. All of these requirements have only been recently adopted; therefore, the OMR should closely follow their implementation.

A legal requirement for RIA has been recently introduced and the OMR should closely monitor its implementation

All executive agencies are required to conduct a RIA for the development of subordinate regulations; however, in practice, RIA is conducted for the development of only some regulations, as this is a recent requirement. Those RIAs are available online. The OMR is in charge of overseeing the quality of the RIAs conducted, and of approving the exemption to perform RIA for proposed regulations that do not generate compliance costs. This new RIA requirement should be consolidated in practice, and having guidelines could assure that RIA is performed homogenously throughout the administration.

Ex post evaluation is legally required to determine whether regulatory objectives are met

El Salvador undertook a process for the simplification of administrative procedures of sectors prioritised by the Council for Better Regulation. It included procedures necessary for the creation of or for running a business, and for export and import. In addition, the new law formally requires ex post evaluation of existing subordinate regulations ten years after their enactment, and of all regulations that were older than seven years by 2018, to determine whether they are achieving their objectives.

Spotlight Practice: LEGISLA

El Salvador launched an interactive website where citizens can give feedback on draft primary laws and subordinate regulations. The objective of LEGISLA is to promote transparency and stakeholder engagement in the development of regulations. One of the main features of this initiative is that participants can comment not only on the general text of the regulation, but also on specific articles or sections. In addition, the entity that is responsible for the regulation can respond to comments provided by participants. Since this is an interactive consultation platform, comments and responses are publicly available, which fosters discussion and the exchange of ideas.
**iREG composite indicator: Stakeholder engagement during the development of subordinate regulations, 2019**

<table>
<thead>
<tr>
<th>Country</th>
<th>Methodology</th>
<th>Systematic adoption</th>
<th>Transparency</th>
<th>Oversight and quality control</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Salvador</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>LAC Average</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>OECD Average</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score.


**Stakeholder engagement and RIA during the development of subordinate regulations, 2019**

- **Stakeholder engagement is required**
  - BRA
  - COL
  - CRI
  - DOM
  - SVL
  - MEX
  - ARG
  - CHL
  - ECU
  - PER

- **Early-stage stakeholder engagement is conducted**
  - ARG
  - BRA
  - CHL
  - COL
  - CRI
  - MEX
  - PER
  - ECU
  - DOM

- **Late-stage stakeholder engagement is conducted**
  - COL
  - CRI
  - MEX
  - ARG
  - BRA
  - CHL
  - ECU
  - DOM
  - PER
  - ECU

- **RA is required**
  - BRA
  - COL
  - CRI
  - MEX
  - ARG
  - CHL
  - ECU
  - DOM

- **RA is conducted in practice**
  - BRA
  - COL
  - CRI
  - MEX
  - ARG
  - CHL
  - ECU
  - DOM

Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2019, [http://oe.cd/ireg-lac](http://oe.cd/ireg-lac)

**Administrative simplification and review of existing regulations, 2019**

<table>
<thead>
<tr>
<th>Country</th>
<th>Administrative simplification processes in the last four years</th>
<th>For primary laws</th>
<th>For subordinate regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>SVL</td>
<td>Yes (0)</td>
<td>Yes (2)</td>
<td>Yes (3)</td>
</tr>
<tr>
<td>LAC</td>
<td>No (10)</td>
<td>No (0)</td>
<td>No (7)</td>
</tr>
</tbody>
</table>

Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2019, [http://oe.cd/ireg-lac](http://oe.cd/ireg-lac)
Indicators of Regulatory Policy and Governance for Latin America 2019

The Indicators of Regulatory Policy and Governance (iREG) for Latin America 2019 provide an up-to-date overview of regulatory systems in selected Latin American and Caribbean (LAC) countries, by which they develop, implement and evaluate regulations. The indicators partially cover three principles of the 2012 OECD Recommendation on Regulatory Policy and Governance: 1) stakeholder engagement; 2) regulatory impact assessment (RIA); and 3) ex post evaluation and administrative simplification.

The composite indicator on stakeholder engagement for developing regulations measures the adoption of good practices to engage with interested parties when developing new regulations, including different methods and openness of consultations as well as transparency and response to comments received. It consolidates information into four equally weighted categories:

- **Systematic adoption** records formal requirements and how often and at what stage in the rulemaking process these requirements are conducted in practice.
- **Methodology** gathers information on the methods used to engage with stakeholders, e.g. forms of consultation and documents to support them.
- **Oversight and quality control** records the role of oversight bodies and publicly available evaluations of the consultation system.
- **Transparency** records information from the questions that relate to the principles of open government, e.g. whether consultations are open to the general public and if comments and responses by authorities are published.

The LAC iREG is based on the results of the 2015 and 2019 Indicators of Regulatory Policy and Governance Survey jointly conducted by the OECD and the Inter-American Development Bank (IDB). The survey gathers information from 7 countries for 2015 and 10 countries in 2019 in Latin America and the Caribbean, with a particular focus on stakeholder engagement. The data underlying the composite indicator reflect practices and requirements put in place at the national level of government, as of 31 March 2019.

Whilst the indicators provide an overview of a country’s regulatory system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform.

Further analysis based on the LAC iREG and other indicators to benchmark government performance in the region can be found in the *Government at a Glance - Latin America and the Caribbean 2020* publication.

An in-depth analysis of regulatory practices amongst OECD countries including composite indicators in the areas of stakeholder engagement, RIA and ex post evaluation can be found in the *OECD Regulatory Policy Outlook 2018*.

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**LINKS**

- Indicators and underlying data
- Regulatory policy in Latin America and the Caribbean
- Regulatory Policy Outlook 2018
- OECD work on regulatory policy
- Government at a Glance - Latin America and the Caribbean 2020

**CONTACT**

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