



INTEGRATED SDG INSIGHTS EL SALVADOR

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: EL SALVADOR

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

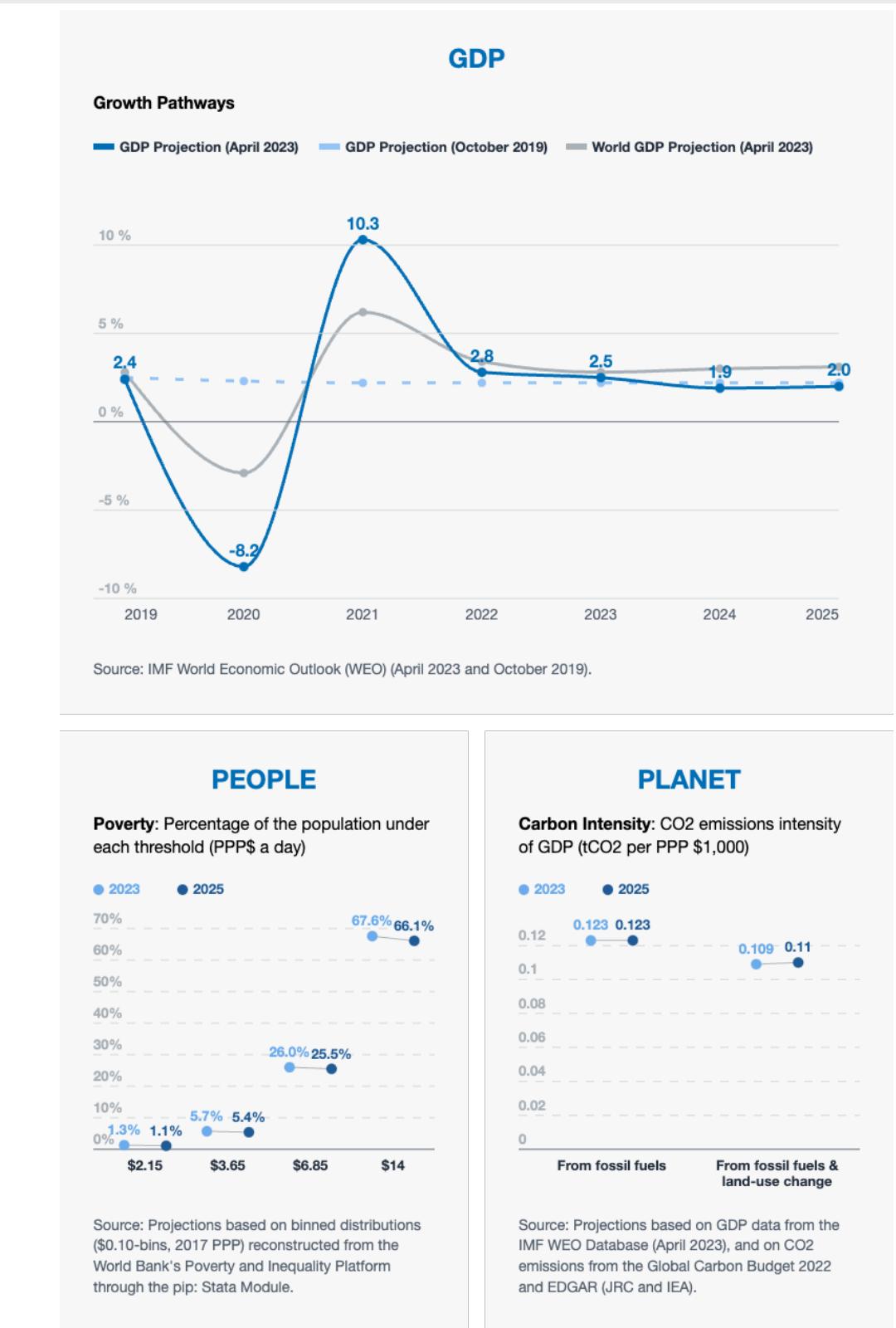
El Salvador's economy is in mitigation mode in 2023, and is expected to stay that way through 2024-2025.¹ This pace of growth is characterized by being 27% lower, on average, than the global figure, and aligned to the country's growth trajectory forecast before the pandemic, which was already historically low and insufficient to generate the necessary jobs. From a long-term perspective spanning the last three decades, the influx of individuals into the labour market has consistently outstripped the creation of formal livelihoods by an average ratio of 4 to 1.

This pace of growth would exert only a moderate positive impact on reducing poverty, and there are still challenges to accelerate progress, especially when using more stringent thresholds, considering that El Salvador's commitments to achieving the SDGs are focused on increasing people's well-being, as 5 out of the 10 prioritized SDGs align with the "people" pillar.

Moreover, the country's economic expansion is not expected to be less dependent on carbon emissions as the country's fossil emissions intensity of GDP is projected to remain unchanged — and increase at an annual rate of 0.4% when also considering land-use change.²

¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how El Salvador performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows UN Stats standards and methodology, and is aligned with country profiles.



SDG PRIORITIES

El Salvador's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. Nationally Determined Contributions (NDRs) of El Salvador
2. Guide to develop the Institutional Environmental Management Policy
3. National Strategy for Sustainable Development – El Salvador 2030
4. National Policy on Justice and Public Security
5. Social Development Plan 2019-2024
6. Agricultural Rescue Master Plan
7. Growing Up Together support policy to Early Childhood Development
8. Ecosystem for Sustainable and Inclusive Economic Growth
9. National Tourism Plan - El Salvador 2030
10. National Digital Agenda 2020-2030

Priorities in detail:

<https://data.undp.org/sdg-push-diagnostic/SLV/current-priorities>

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help El Salvador to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, El Salvador's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for El Salvador:

- Target 1.4: Equal rights to ownership, basic services, technology and economic resources
- Target 2.1: Universal access to safe, nutritious and sufficient food
- Target 2.2: End all forms of malnutrition
- Target 5.4: Value unpaid care and promote shared domestic responsibilities
- Target 6.4: Increase water use efficiency and ensure freshwater supplies
- Target 8.1: Sustainable economic growth
- Target 8.5: Full employment and decent work with equal pay



ACCELERATION PATHWAYS



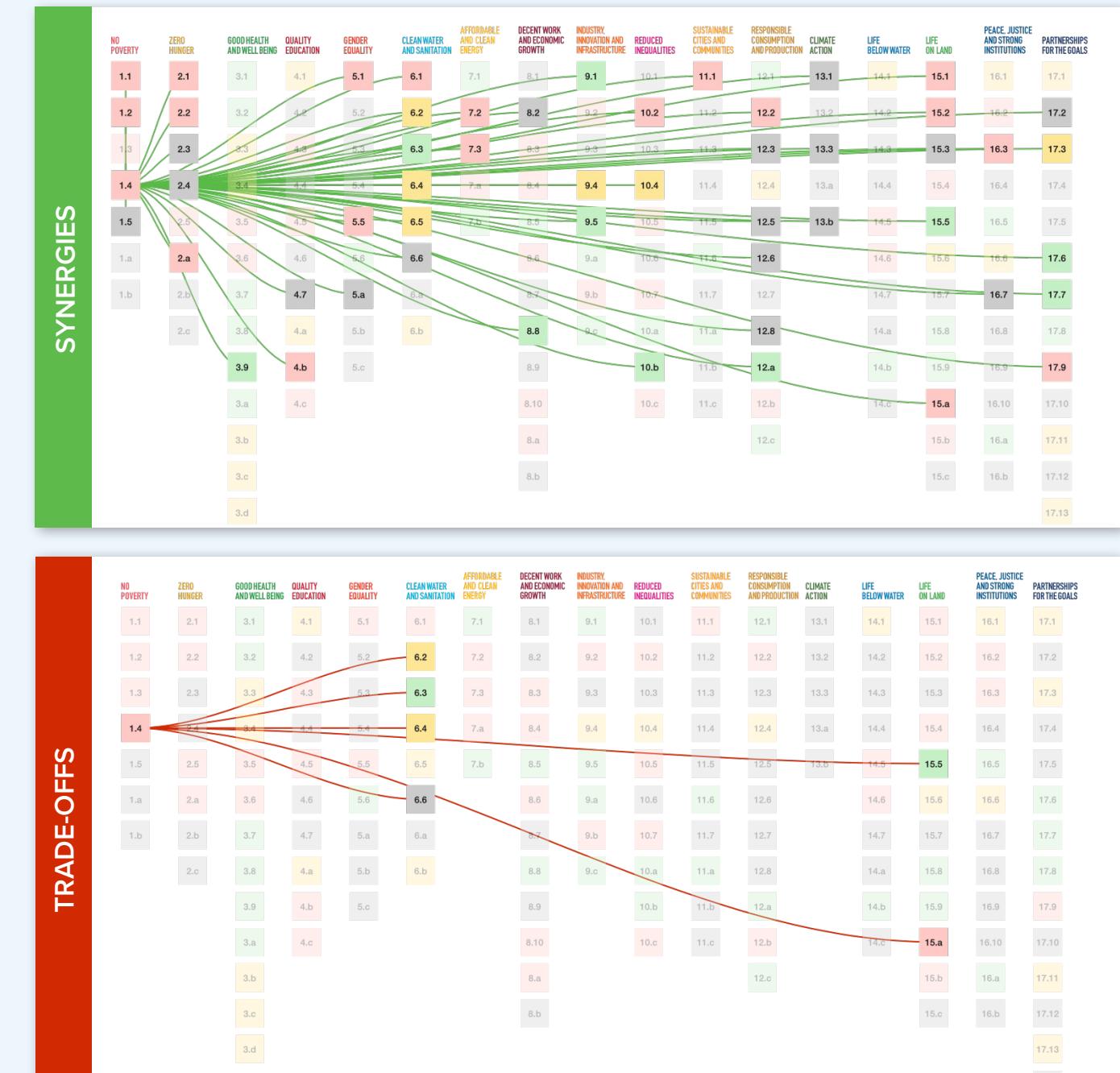
SDG INTERLINKAGES

1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have access to basic services

The VNR 2022 identified a positive trend in the evolution of this goal. However, it is recognized that there is a need to make further progress for closing gaps in territorial inequalities, particularly in terms of access to basic water services and improved sanitation between urban and rural areas. The most recent national data allows us to establish that rural exclusion, when compared to urban areas, was more than triple in terms of access to domestic drinking water and more than double in terms of improved sanitation services.

The lack of access to drinking water and sanitation has been a key vulnerability condition used to identify populations that are being left behind. Access to drinking water has particularly affected young people, including boys, girls and adolescents. People in conditions of monetary poverty and those engaged in agriculture, livestock, hunting and forestry have faced challenges in accessing sanitation services.

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/SLV/synergies-and-tradeoffs>

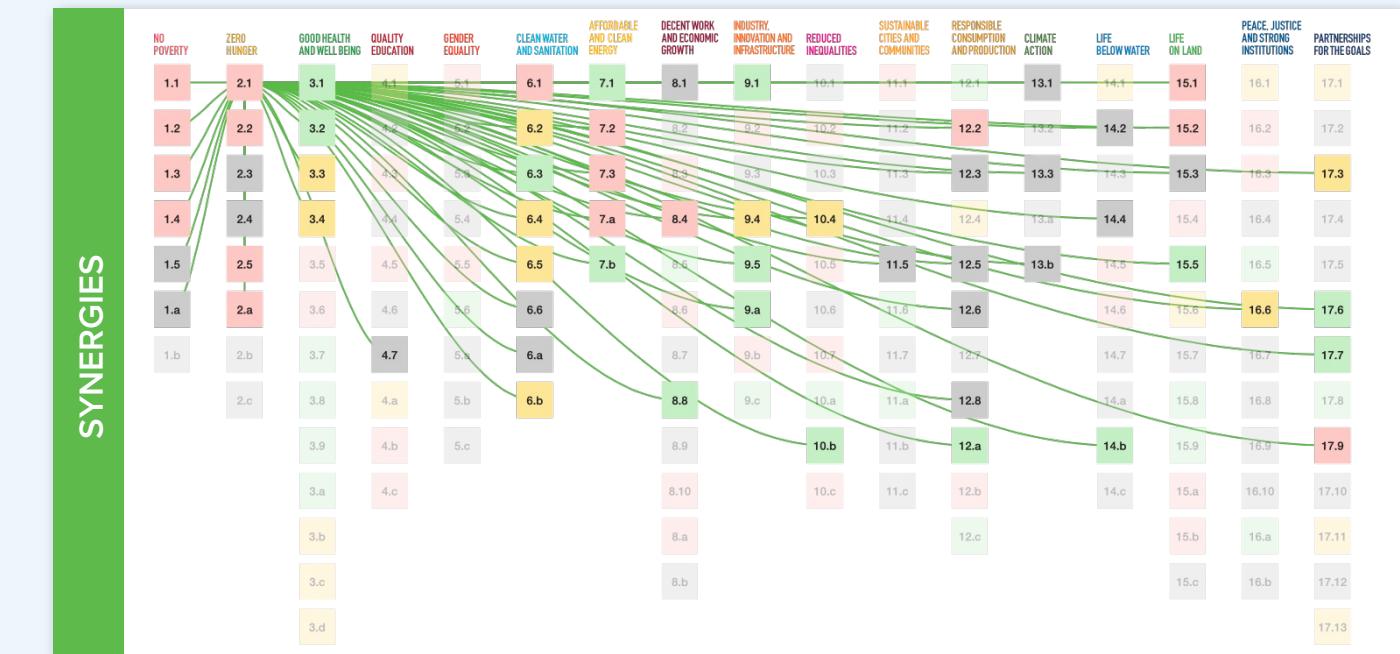
SDG INTERLINKAGES

2.1: End hunger by 2030. This means eliminating undernourishment for all.

Up until 2020, El Salvador had successfully reduced the percentage of its population experiencing food insecurity. However, the COVID-19 pandemic, disruptions in supply chains and the conflict between Russia and Ukraine have resulted in a series of shocks that are impacting the prices of essential food products. These shocks have exacerbated the conditions of food insecurity, especially given the country's heavy reliance on food imports.

Additionally, malnutrition could be further exacerbated by the occurrence of El Niño and subsequent droughts, which might align with critical planting and harvesting periods for essential crops. Data from the National Food Security Survey at the end of 2022 had already highlighted concerning levels of meagre reserves for staple grains. Furthermore, the survey revealed that 12.9% of the population, amounting to 806,117 individuals, were grappling with either food security challenges or severe food insecurity conditions.

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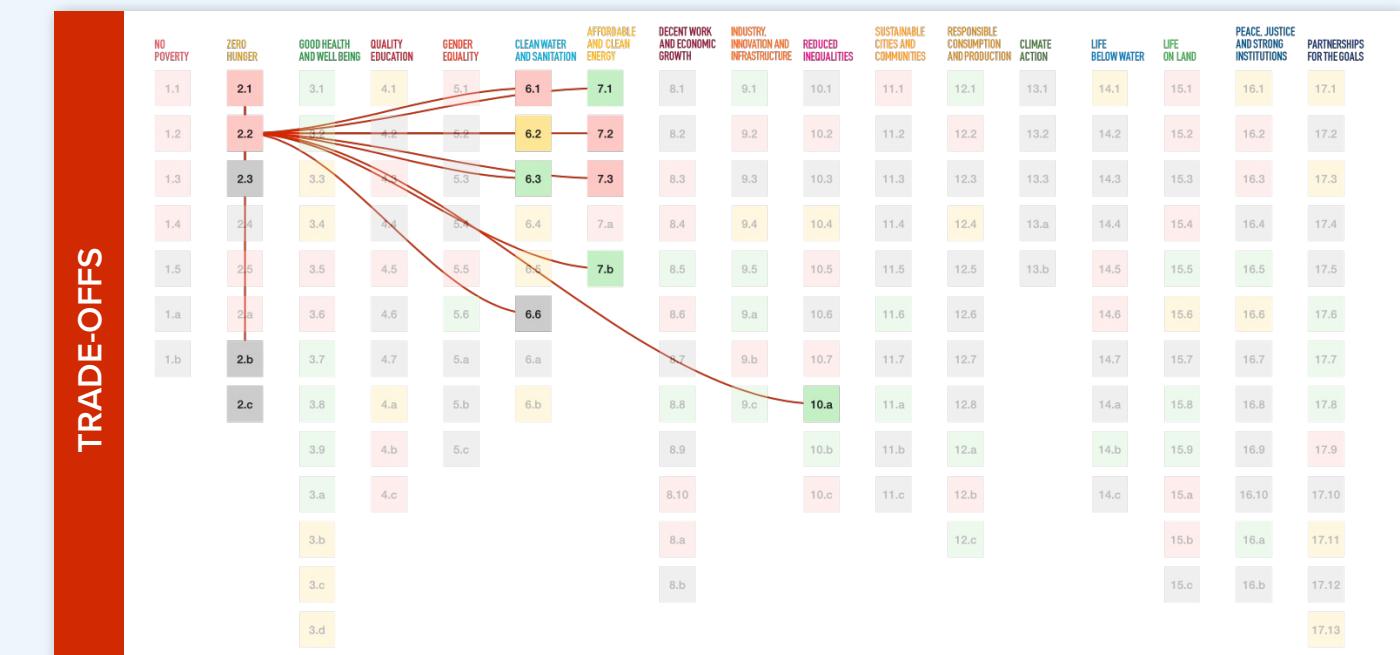
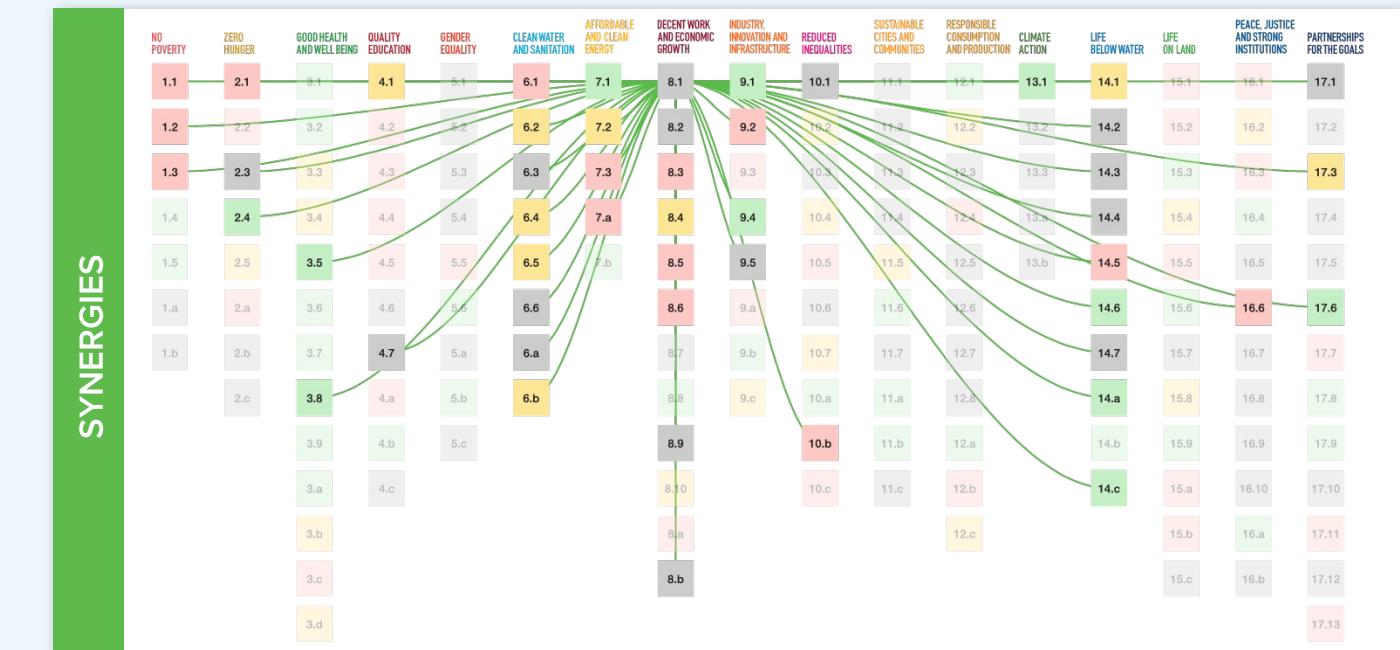
SDG INTERLINKAGES

2.2: By 2030 “end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age.”

El Salvador must address the unfavourable trend in eradicating various forms of malnutrition right from the early stages of life, particularly focusing on the prevalence of malnutrition linked to both overweight and low weight-for-height among children under the age of five. Between 2015 and 2021, the incidence of malnutrition related to overweight in this age group increased from 6.4% to 8.3%, while malnutrition due to underweight rose from 2.1% to 2.9%. Malnutrition stemming from overweight is slightly more prominent among girls and in urban areas, whereas malnutrition linked to underweight is more prevalent among boys and in rural areas.

Furthermore, food insecurity poses a significant challenge to the strategy of leaving no one behind, particularly affecting those living in monetary poverty and engaged in activities such as agriculture, livestock, hunting and forestry.

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SDG INTERLINKAGES

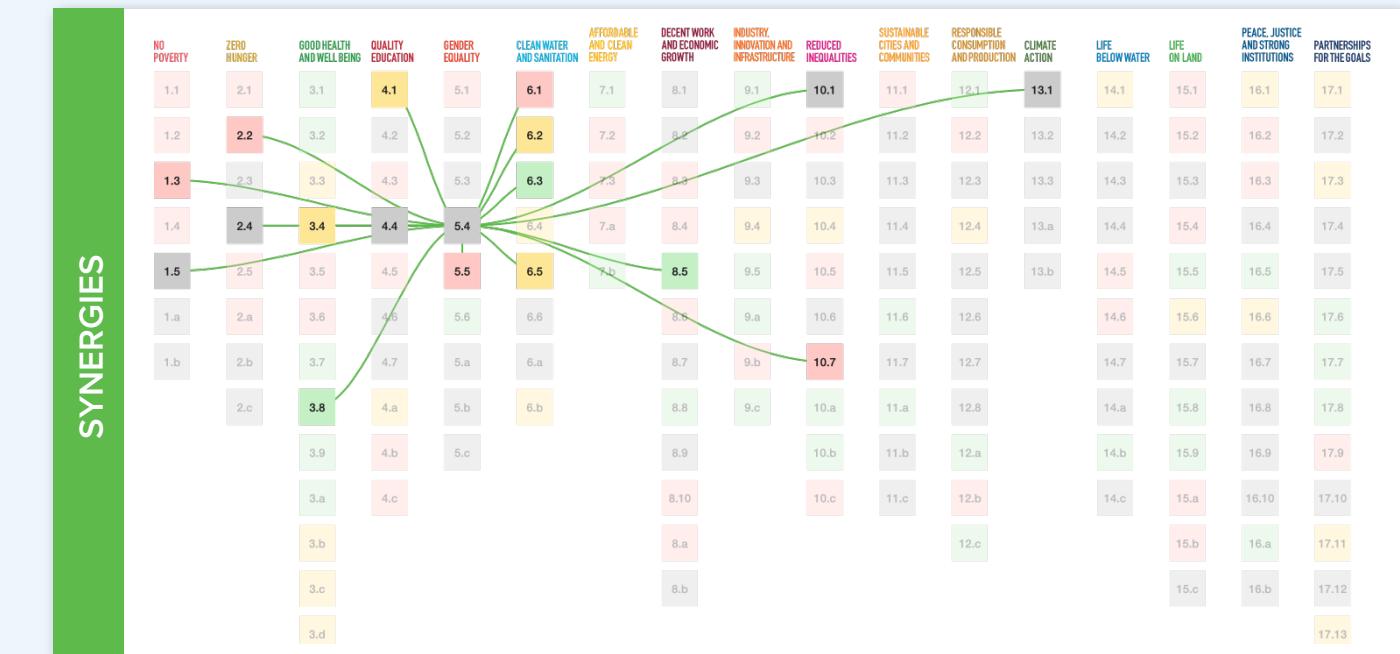
5.4: By 2030 recognize and value unpaid care and domestic work, and promote shared responsibility within the household and family.

In the realm of women's economic autonomy, El Salvador must confront the challenge of diminishing the impact of the unpaid domestic-reproductive burden, which acts as a hindrance to women's economic participation and their ability to access adequate income throughout their lives.

The most recent data available from time use surveys dates to 2017, prior to the onset of the COVID-19 pandemic. It reveals that, on average, women dedicated a minimum of five hours daily to unpaid domestic-reproductive tasks, whereas men allocated less than 2.5 hours daily for the same. However, this situation may have worsened during the pandemic as the crisis escalated caregiving responsibilities, disproportionately impacting women due to heightened care demands within households.

These same statistics indicate that discrepancies in daily hours allocated to domestic-reproductive labour commence in childhood (ages 10 to 14), intensify during early productive years (ages 15 to 24), increase further during prime productive years (ages 25 to 64) and endure into old age. Tackling this burden requires a shift toward social arrangements that foster greater co-responsibility.

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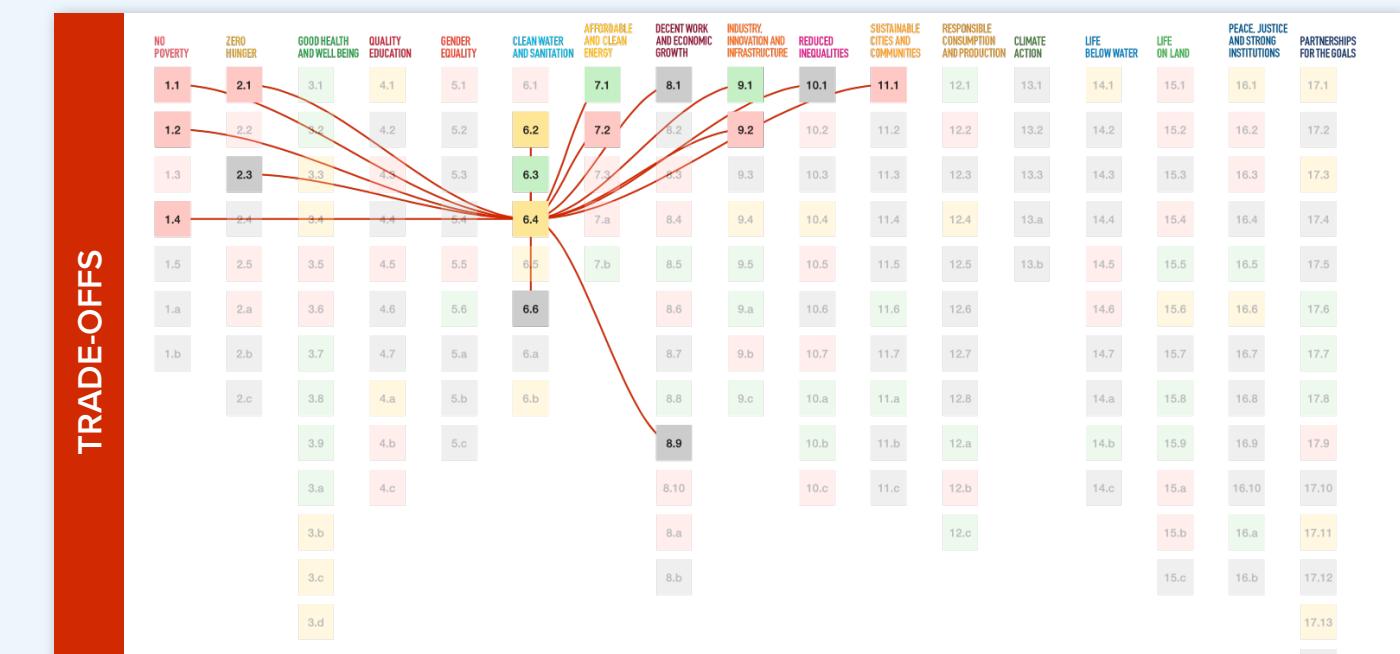
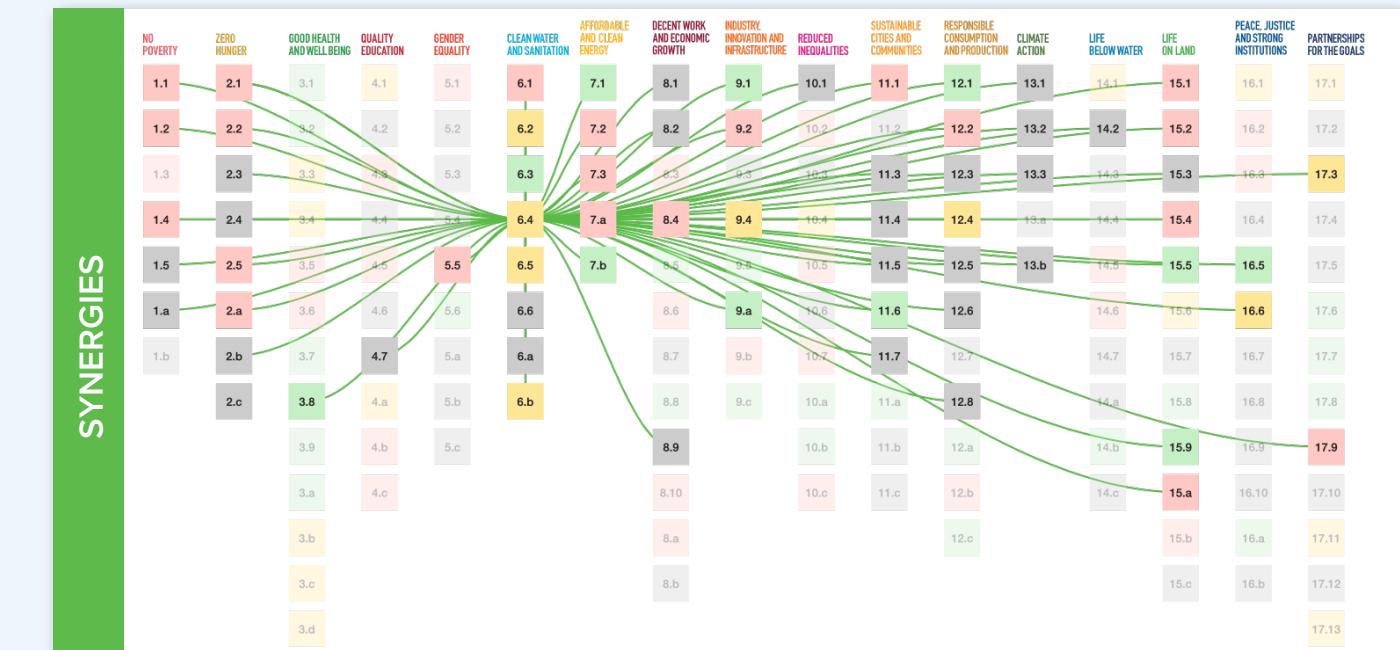
SDG INTERLINKAGES

6.4: By 2030 “substantially increase water-use efficiency across all sectors.”

In comparison to other regions, El Salvador continues to face substantial challenges in the efficient utilization of water resources. This is evident from the indicator that tracks the added value in US dollars per volume of water used in cubic metres for a specific economic activity over time, which reports values below US\$10 per cubic metre.

At the national indicator level, a significant concern is the increase in the "percentage of unaccounted for water." This percentage has risen from 49.10% in 2015 to 65.30% in 2021, highlighting the need for attention and action in water resource management.

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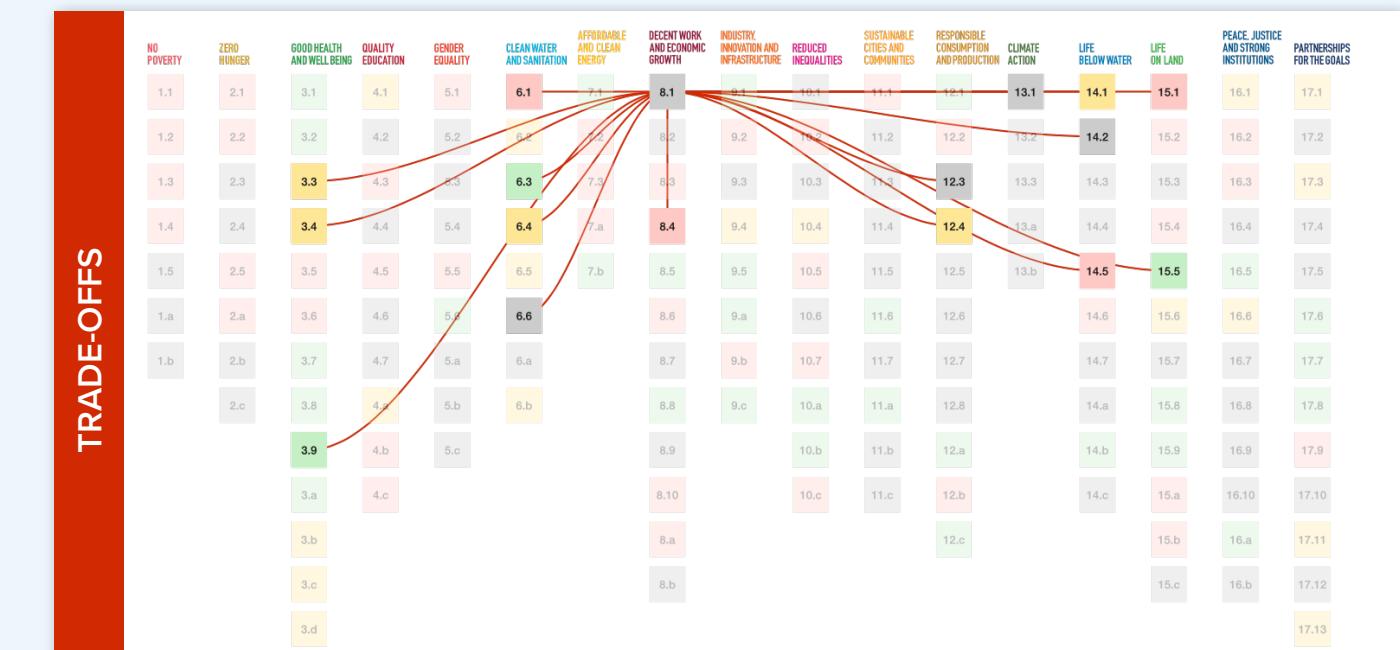
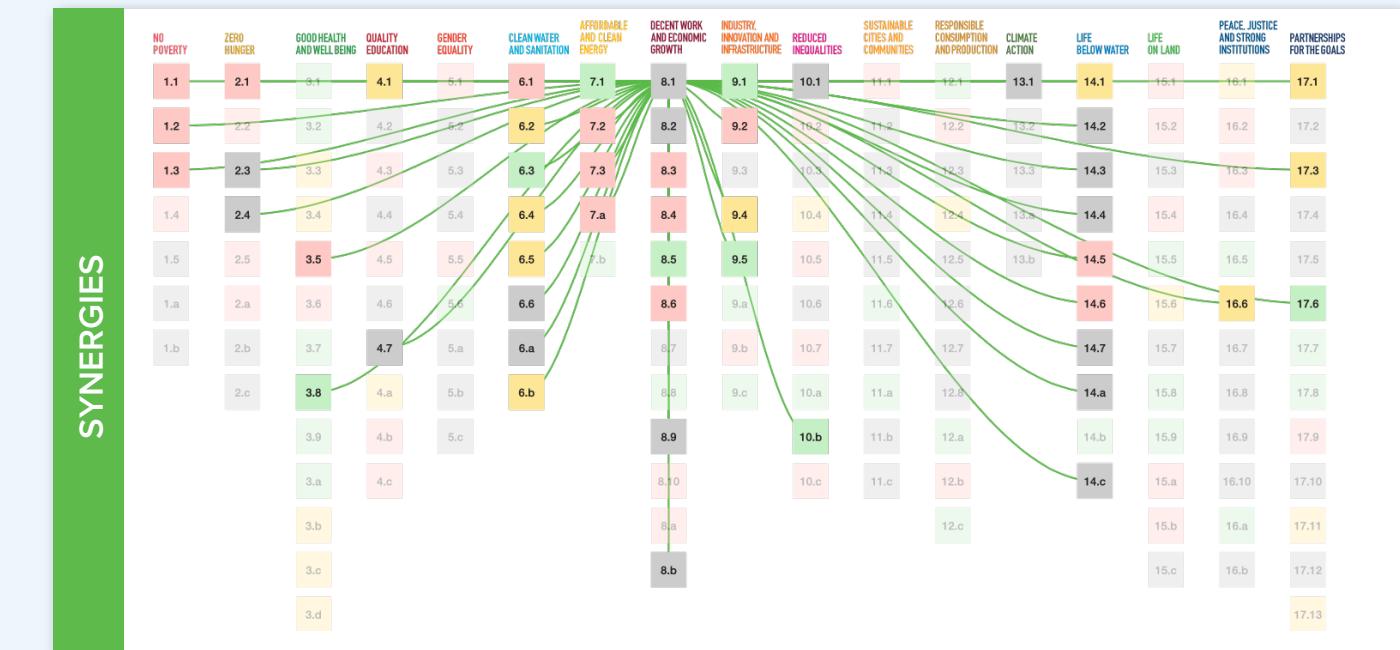
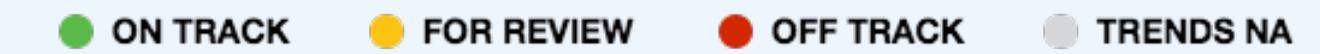
SDG INTERLINKAGES

8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

Even prior to the COVID-19 pandemic, numerous economic analyses and diagnoses consistently underscored the necessity of enhancing economic growth rates to foster wealth, job opportunities and capacity-building.

Over the course of three decades, spanning 1990 to 2019, GDP grew at an average rate of 2.6%. The most robust average was recorded between 1990 and 1999 standing at 3.7%. During 2000-2009, the average annual growth rate decreased to 1.5% due to the impact of the dollarization in 2001 and the implementation of restrictive macroeconomic policies. Subsequently, from 2010 to 2019, growth demonstrated a slight improvement, attaining an average of 2.5%.

The pandemic had a substantial impact on economic growth, and for 2020 the GDP growth rate contracted by -8.2% in comparison to the preceding year. However, in 2021, economic growth rebounded, with a notable expansion of 10.3%. Nonetheless, by 2022, the growth rate reverted to its historical average, registering at 2.8%. Projections indicate that, by the conclusion of 2023, growth is anticipated to reach 2.3%.



Explore the interlinkages at

<https://data.undp.org/sdg-push-diagnostic/SLV/synergies-and-tradeoffs>

SDG INTERLINKAGES

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

In El Salvador, the labour market exhibits distinct characteristics, including a notable lack of female participation, elevated levels of underemployment and informality and relatively low wages. Data predating the pandemic highlights several key points:

1. Approximately 62.2% of the working-age population are actively engaged in the labour market (comprising 80.5% of men and 46.8% of women).
2. Within the active population, around 6.3% were unemployed (consisting of 7.0% of men and 5.4% of women).
3. A substantial 37.4% of those employed experienced underemployment (with 34.8% being men and 40.5% women).
4. A significant 55.9% of the employed individuals operated within the informal sector (split between 57.6% men and 52.7% women).
5. Notably, 57.3% of full-time salaried workers earned wages equal to or below the minimum wage (comprising 51.5% men and 64.9% women).
6. A mere 2 out of 10 employed individuals held decent jobs, illustrating the challenge of securing quality employment opportunities.

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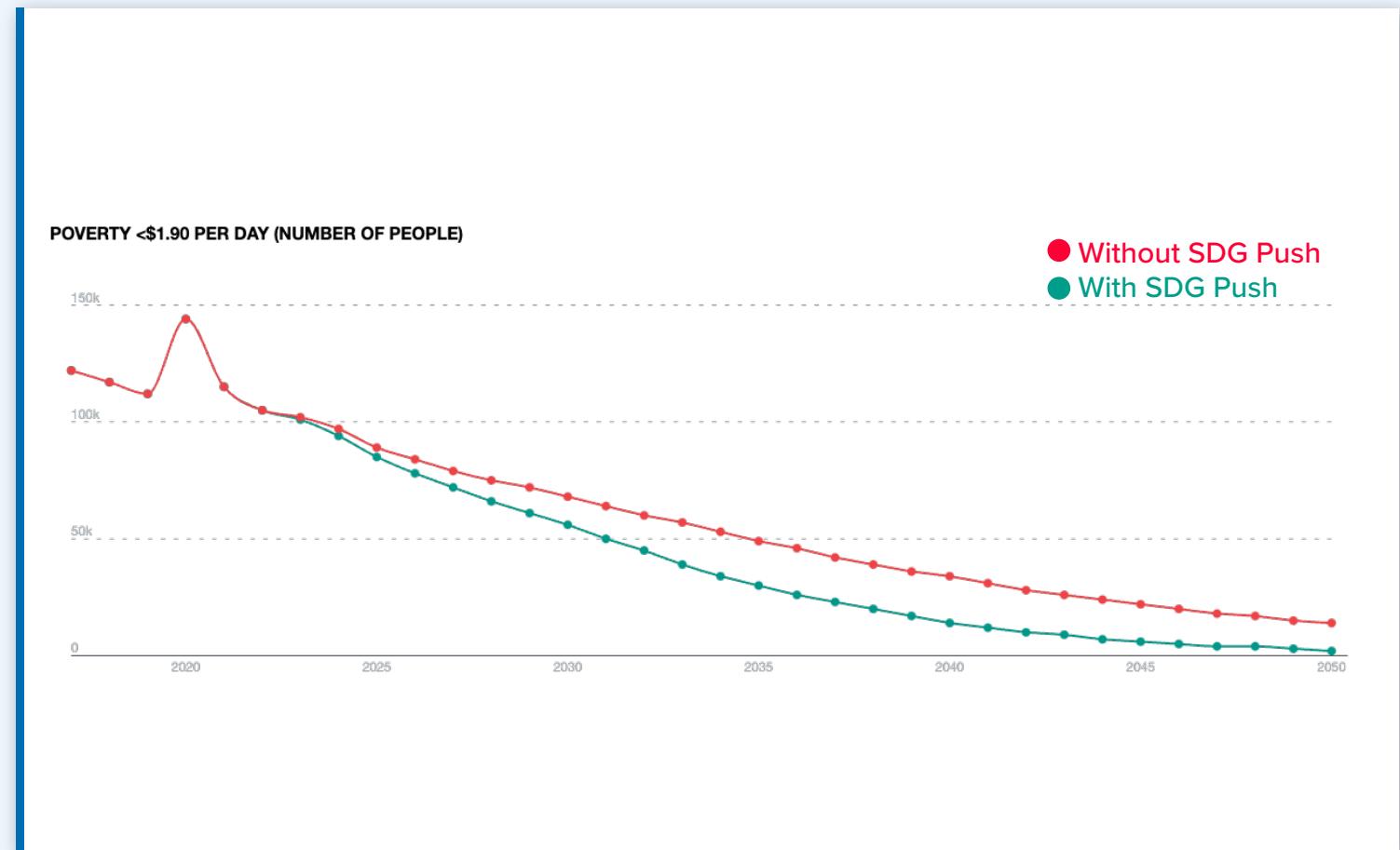
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in El Salvador can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	68,000	14,000
With the SDG Push	56,000	2,000



Explore SDG Futures Scenarios at:

<https://data.undp.org/sdg-push-diagnostic/SLV/future-scenarios>

FINANCE & STIMULUS

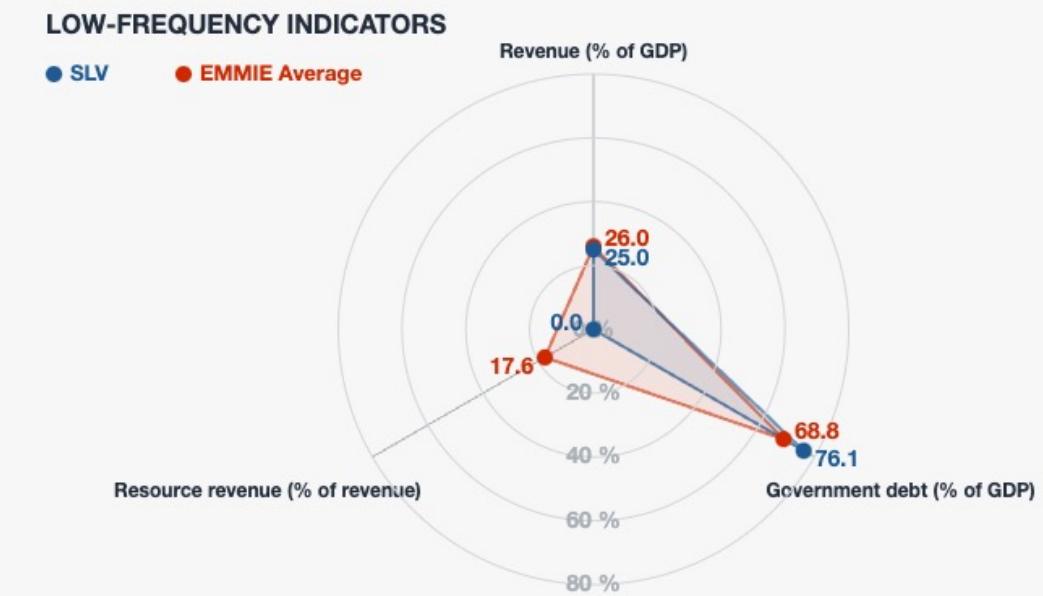
Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue and the country's sovereign credit rating.

El Salvador's gross government debt, projected at 76.1% of GDP in 2023, is 7.3 percentage points above the emerging market and middle-income economies (EMMIE) group of 68.8%. The country is expected to collect 25% of GDP in revenue this year, which is close to the EMMIE group's 26%.

El Salvador's external debt servicing relative to revenue is expected to be as high as 31.2% this year, which is more than 2.5 times the EMMIE average of 12.3%. The country's credit rating is in 'default' territory and thus significantly below the EMMIE average.

To achieve SDG targets, El Salvador must expedite an increase in public and private investment. This will necessitate additional income to cover current state financing, but also to fund strategic initiatives for the fulfilment of the sustainable development objectives.



Notes: External debt covers public and publicly guaranteed debt. The EMMIE average of resource revenue (% of revenue) includes the 60 countries that reported data for that indicator. The credit rating shows the numerical average of S&P's, Moody's, and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: UNU-WIDER GRD (resource revenue, data from 2020), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), S&P, Moody's and FITCH (credit ratings, data from 2023).

SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by El Salvador, possible funding options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).