



USAID
FROM THE AMERICAN PEOPLE



FACT SHEET

DOMESTIC RESOURCE MOBILIZATION PROJECT

USAID's Domestic Resource Mobilization Project helps increase tax revenue, generate new domestic revenue, improve budgeting and spending practices, and increase fiscal transparency through public dialogue. Through an efficient, transparent tax system, USAID helps El Salvador increase its own resources for security, education and social services to reduce illegal immigration.

The project supports the Salvadoran government to improve public financial management practices and increase oversight and accountability of public institutions. USAID provides technical assistance and training to the Government of El Salvador on proper budgeting and expenditures, particularly targeting the Ministry of Education and the Ministry of Health, as these two ministries jointly consume 30 percent of government expenditures.

The Government of El Salvador is in the process of adopting internationally recognized financial standards for government spending to increase transparency and accountability. USAID, through the project, will assist the Ministry of Finance to develop and implement the financial practices necessary to increase fiscal transparency and to improve public-private dialogue on

fiscal matters. The project will also assist with the adoption of tested methodologies that have resulted in the increase of public services and significant savings to the taxpayers.

Strengthening of the Supreme Audit Institution's control capacities will also be provided to guarantee a proper use of taxpayer's resources and decrease corruption in public institutions.

In addition, USAID supports the reformation of the Internal Revenue's tax control model. It is expected that reforms will significantly reduce tax evasion and simplify the tax codes so that small to mid-sized businesses can pay necessary taxes, thus raising tax revenue. By paying taxes, small businesses will become government-recognized formal businesses and will have access to credit, which in turn will allow them to expand.

Finally, the project will help to streamline the Salvadoran Customs Code. USAID will help reform the Customs Code and thus regulate private customs, electronic customs clearance processes, and improve efficiency of customs value declarations.

USAID DOMESTIC RESOURCE MOBILIZATION PROJECT

TOTAL INVESTMENT: \$27.5 million

PERIOD: April 2017 – April 2022

GEOGRAPHIC AREA: Nationwide

PARTNERS:

- Ministry of Finance

For more information on USAID El Salvador and USAID Central America Regional Programs, please call: (503) 2501-3411; 3344; 3432 or visit www.usaid.gov/el-salvador