

El Salvador

Country layer — v1.2

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El Salvador — Overview & CTH Presence

country	El Salvador
iso_code	SV
cth_presence	CLP cohorts only (no REIN Hub)
gf_taxonomy	None — emerging interest post-COP28
ndc_target	30% unconditional / 50% conditional GHG reduction by 2030
eudr_commodities	Coffee (high exposure), Cacao (minor), Wood (partial — firewood/charcoal)
schema_version	1.1
last_updated	2026-05-27

Country Profile

El Salvador is CTH's smallest country engagement by coverage depth — CLP cohorts only, with no REIN Hub established. Despite this, El Salvador offers a unique cleantech profile: it is the only dollarized economy in the CTH portfolio, which simplifies green bond issuance and international investor access. The country's small geographic size (21,041 km²) and flat-to-hilly Pacific slope terrain create favorable conditions for solar energy deployment.

Economy and Climate Context

El Salvador's economy is driven by remittances (~26% of GDP), services, and agriculture. Coffee, historically the dominant export commodity, has declined due to coffee leaf rust (roya) and climate variability but remains the primary EUDR-exposed commodity. The country is highly vulnerable to ENSO-driven drought, tropical storms, and coastal flooding. Deforestation has reduced forest cover to approximately 12% of total land area — one of the lowest in the Americas.

CTH Engagement Summary

CTH's El Salvador footprint consists of CLP cohort participation since 2023. Startup participation has focused on solar energy, specialty coffee traceability, and drought adaptation technologies. The absence of a REIN Hub limits post-cohort support infrastructure. El Salvador startups have accessed Sustentia diagnostics through the regional CLP platform.

EUDR Exposure

El Salvador's EUDR exposure is concentrated in specialty coffee, which is the country's most valuable agricultural export to the EU. Coffee farms are predominantly small-scale (70% under 5 hectares), creating

significant challenges for plot-level geolocation and documentation requirements under EUDR Article 9. Cacao production is minor but growing in eastern departments. Wood exposure relates primarily to firewood and charcoal production, not industrial timber.

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El Salvador — Regulatory & Climate Framework

country	El Salvador
iso_code	SV
cth_presence	CLP cohorts only
gf_taxonomy	None — emerging interest post-COP28
ndc_target	30% unconditional / 50% conditional by 2030
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schema_version	1.1
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National Environmental Law

El Salvador's Ley de Medio Ambiente (Decreto Legislativo 233, 1998, reformed multiple times) provides the foundational environmental regulatory framework. The law establishes MARN (Ministerio de Medio Ambiente y Recursos Naturales) as the lead environmental authority and mandates environmental impact assessments for development projects. Subsequent reforms have incorporated climate change considerations, though the law predates modern climate policy frameworks.

NDC Commitments

El Salvador's updated NDC (2021) commits to a 30% unconditional and 50% conditional reduction in GHG emissions by 2030. Priority sectors include: (1) Energy — increasing renewable energy share to 74% of generation capacity, leveraging geothermal and solar; (2) AFOLU — reducing emissions from deforestation and land-use change through landscape restoration programs; (3) Waste — expanding methane capture from landfills. The conditional target is ambitious relative to the economy's size and depends heavily on international climate finance.

Key Institutions

MARN is the primary climate authority, responsible for NDC implementation and environmental regulation. The Consejo Nacional de Sustentabilidad Ambiental y Vulnerabilidad (CONASAV) provides cross-sectoral coordination. The Superintendencia del Sistema Financiero (SSF) regulates the financial sector but has not yet issued green finance guidance. The Consejo Salvadoreño del Café (CSC) manages coffee sector policy.

Climate Plans and Strategies

The Plan Nacional de Cambio Climático (PNCC) provides the strategic framework for climate action. El Salvador's Nationally Appropriate Mitigation Actions (NAMAs) focus on energy efficiency and renewable energy.

The Plan Nacional de Restauración de Ecosistemas y Paisajes (Plan de Restauración) targets restoration of 1 million hectares through agroforestry and landscape approaches. The Estrategia Nacional de Medio Ambiente (ENMA) integrates climate resilience into environmental governance.

Dollarization and Green Finance Implications

El Salvador's dollarized economy (since 2001) creates unique green finance dynamics: (1) No exchange rate risk for international green bond investors; (2) Simplified cross-border investment structures for climate finance; (3) Federal Reserve monetary policy pass-through limits domestic monetary tools for green stimulus. The introduction of Bitcoin as legal tender (2021) has created regulatory uncertainty that may complicate green finance development.

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El Salvador — Green Finance Taxonomy Alignment

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schema_version	1.1
last_updated	2026-05-27

Green Finance Taxonomy Status

El Salvador does not have a national green finance taxonomy as of May 2026. There is emerging interest post-COP28, with MARN and SSF participating in IDB-sponsored regional workshops on sustainable finance classification. However, no formal development process has been initiated. The country's Bitcoin-as-legal-tender experiment has absorbed regulatory bandwidth that might otherwise support GF taxonomy development.

Gap Analysis

The absence of a GF taxonomy creates several gaps for Origo country mapping: (1) No domestic classification system to crosswalk — El Salvador's latam_el_salvador flags must rely entirely on NDC priorities, CBI criteria, and regional proxies; (2) No green bond framework specific to El Salvador's economy, though dollarization means USD-denominated green bonds face no currency risk; (3) Limited institutional capacity for taxonomy development given MARN's resource constraints.

Nearest Equivalents

El Salvador references the following proxy frameworks: (1) Costa Rica's green finance guidelines — most relevant Central American reference; (2) CBI taxonomy — applied for any future green bond issuance; (3) EU Taxonomy — applicable to coffee exports under EUDR compliance pathways; (4) SICA (Central American Integration System) regional sustainability frameworks. The Origo taxonomy assigns latam_el_salvador flags based on NDC priorities, EUDR commodity exposure, and CLP sector activity.

Development Prospects

A Salvadoran GF taxonomy is likely 4–5 years from adoption given current institutional capacity and competing regulatory priorities. The CABEL (Central American Bank for Economic Integration) green bond program may provide an external catalyst by requiring taxonomy-aligned classification for financed projects. IDB Invest has

signaled interest in supporting Central American taxonomy harmonization efforts that could accelerate El Salvador's timeline.

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El Salvador — CLP Cohort Data Summary

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iso_code	SV
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gf_taxonomy	None — emerging interest post-COP28
ndc_target	30% unconditional / 50% conditional by 2030
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CLP Cohort History

El Salvador joined the CLP program in 2023, making it the newest country in CTH's portfolio. Cohort participation has been smaller in scale than Colombia, Costa Rica, or Peru — reflecting both the country's smaller cleantech ecosystem and the absence of a REIN Hub to provide sustained post-cohort support. Startup quality has been concentrated in solar energy and specialty coffee technology.

Cohort Summary

Year	Startups	Primary Sectors	Notes
2023	3	EN, AF	First cohort; solar installers and coffee traceability
2024	4	EN, AF, IC	Solar-focused; one climate data startup entered
2025	3	AF, EN	Drought adaptation and agroforestry focus
2026	2	EN, AF	Current cohort; solar + specialty coffee

Sector Distribution

Across El Salvador CLP cohorts, sector distribution is: Energy (42%) — dominated by solar deployment and distribution startups leveraging flat terrain and high irradiance; AFOLU (42%) — specialty coffee traceability, drought-resistant agriculture, and agroforestry; Climate Intelligence (16%) — climate data and early warning systems for drought/ENSO events.

Key Observations

El Salvador's CLP participation reveals several patterns: (1) The cleantech ecosystem is early-stage — most startups are pre-revenue or early-revenue; (2) Solar energy has outsized representation due to favorable geography (Pacific-facing, flat terrain, 5.5+ kWh/m²/day irradiance); (3) Coffee sector startups are increasingly EUDR-motivated; (4) The absence of a REIN Hub limits sustained engagement — startups lose momentum between cohort cycles; (5) Dollarization simplifies international investor engagement for those startups that reach investment readiness.

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El Salvador — Taxonomy Node Mapping

country	El Salvador
mapping_type	taxonomy_node_mapping
schema_version	1.1

Node Mapping Summary

El Salvador's taxonomy node mapping reflects its concentrated EUDR exposure in specialty coffee, its strong solar energy potential, and its high climate vulnerability (drought, ENSO, coastal flooding). The node mapping is narrower than Peru or Colombia given El Salvador's smaller economy and limited cleantech ecosystem. AFOLU nodes for coffee are tagged Y; solar energy nodes are tagged Y; adaptation-relevant extension nodes are tagged Y; most other sectors are partial or N.

AFOLU Nodes

Node ID	Label	latam_el_salvador	Rationale
CT-AF-001	Land & Soil	Y	Soil degradation from intensive coffee cultivation; restoration needs
CT-AF-002	Forests & Woodlands	Y	12% forest cover remaining — shade coffee agroforestry is primary restoration pathway
CT-AF-003	Oceans & Water	partial	Coastal flooding and Pacific fisheries; limited cleantech activity
CT-AF-004	Ice & Snow	N	No relevance — tropical lowland country
CT-AF-005	Air & Atmosphere	N	No significant cleantech activity in air quality
CT-AF-006	Smart Farming	Y	Precision agriculture for specialty coffee; drought monitoring for smallholders
CT-AF-007	Livestock & Fisheries	N	Livestock sector small and not EUDR-exposed
CT-AF-008	Crops	Y	Coffee is the primary export crop; cacao growing; drought-resistant staples needed
CT-AF-009	Alternative Meat & Seafood	N	No market presence
CT-AF-010	Alternative Dairy & Egg	N	No market presence

Energy Nodes

Node ID	Label	latam_el_salvador	Rationale
CT-EN-001	Critical Minerals	N	No significant mineral reserves; mining ban in effect since 2017
CT-EN-002	Hydrogen	N	No hydrogen development programs
CT-EN-003	Nuclear	N	No nuclear program
CT-EN-004	Bio & Synthetic Fuels	partial	Sugarcane ethanol potential; small scale
CT-EN-005	Fossil Fuels (Transition)	partial	Oil-dependent transport sector needs transition planning
CT-EN-006	Solar	Y	Excellent irradiance (5.5+ kWh/m²/day); flat Pacific terrain; strong CLP pipeline
CT-EN-007	Wind	partial	Metapán wind corridor; limited compared to solar potential
CT-EN-008	Geothermal	Y	~25% of electricity from geothermal (Berlín, Ahuachapán plants); volcanic ring potential
CT-EN-009	Biomass	partial	Coffee husk and sugarcane bagasse; small scale
CT-EN-010	Hydro Tidal & Wave	partial	Small hydropower on Lempa River; limited expansion potential
CT-EN-011	Batteries	N	No battery production or significant storage deployment
CT-EN-012	Alternative Storage	N	No alternative storage projects
CT-EN-013	Grids	partial	SIEPAC regional grid interconnection; needs modernization for solar integration
CT-EN-014	EV Charging	N	Minimal EV adoption; no charging infrastructure
CT-EN-015	Peer-to-Peer Energy	N	No regulatory framework

Climate Intelligence & Carbon Nodes

Node ID	Label	latam_el_salvador	Rationale
CT-IC-001	IoT & Earth Observation	partial	MARN environmental monitoring; limited satellite coverage programs
CT-IC-002	Climate Data	Y	Drought and ENSO monitoring critical for agriculture; early warning systems

CT-IC-003	Climate Finance	partial	CABEI green bond access; limited domestic green finance infrastructure
CT-IC-004	Climate Risk	Y	High vulnerability to drought, tropical storms, coastal flooding, volcanic risk
CT-IC-005	Climate Insurance	partial	CCRIF SPC Caribbean/Central America parametric insurance; emerging
CT-XS-001	Carbon Capture & Storage	N	No CCS activity
CT-XS-002	B2B Carbon Offsets	partial	Small-scale forestry offset projects; limited market
CT-XS-003	B2C Carbon Offsets	N	No domestic B2C carbon market
CT-XS-004	Carbon Intelligence	N	No national carbon registry or intelligence platform
CT-XS-005	Carbon Accounting	partial	National GHG inventory exists but limited granularity

Waste, Built Environment & Transport Nodes

Node ID	Label	latam_el_salvador	Rationale
CT-WA-001 to CT-WA-005	Waste (all)	partial	Landfill methane capture potential; coffee processing waste; limited cleantech
CT-BU-001 to CT-BU-005	Built Environment (all)	N	Minimal green building activity; no cleantech startup presence
CT-TR-001 to CT-TR-005	Transport (all)	N	No significant cleantech transport activity

Extension Nodes

Node ID	Label	latam_el_salvador	Rationale
CT-EX-001	Drought-resistant crop varieties	Y	Critical — ENSO drought is the primary agricultural risk
CT-EX-002	Flood resilience (nature-based)	Y	Coastal and riverine flooding from tropical storms
CT-EX-003	Heat adaptation for agriculture	Y	Coffee rust and heat stress at lower elevations
CT-EX-004	Early warning systems	Y	Drought/ENSO early warning critical for 400K+ smallholders
CT-EX-005	Community-led reforestation	Y	Priority: El Salvador has lowest forest cover in Americas; shade coffee reforestation
CT-EX-006	Mangrove restoration	Y	Pacific coast mangroves for storm surge protection and blue carbon
CT-EX-007	Silvopastoral systems	partial	Small-scale livestock; limited compared to larger countries

CT-EX-008	Bioeconomy: NTFPs	N	Limited forest resources for non-timber products
CT-EX-009	PES platforms	partial	Small-scale PES pilots; limited government funding
CT-EX-010	Solar home systems	Y	Rural electrification gaps; strong solar resource
CT-EX-014	Remote sensing deforestation monitoring	partial	Small land area limits complexity; basic MARN monitoring exists
CT-EX-016	Supply chain traceability	Y	Specialty coffee traceability for EUDR compliance
CT-EX-017	Precision agriculture platforms	Y	Smallholder coffee farm management and drought adaptation
CT-EX-018	Deforestation-free certification	Y	EUDR compliance for specialty coffee exports to EU
CT-EX-019	Supply chain due diligence	Y	EUDR operator obligations for Salvadoran coffee exporters
CT-EX-020	Smallholder EUDR assistance	Y	70% of coffee farms under 5 ha — massive EUDR support need
CT-EX-025	Cacao smallholder digital inclusion	Y	Growing cacao sector needs digital tools for emerging EUDR requirements
CT-EX-030	Pasture restoration and livestock intensification	Y	Land-scarce country benefits from intensification to free land for reforestation
CT-EX-031	Cattle deforestation-free verification	Y	Even small cattle sector needs verification given minimal remaining forest
CT-EX-038	Timber legality verification	Y	Firewood/charcoal supply chain legality verification