

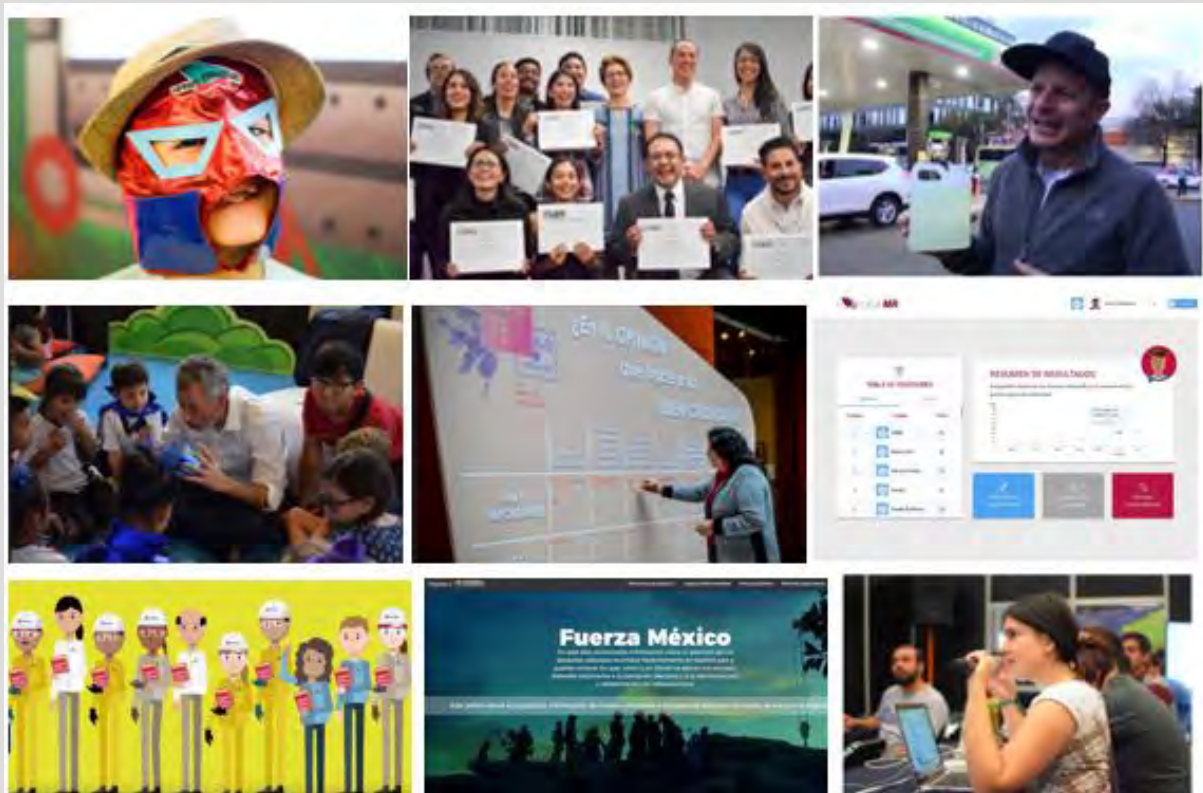


**USAID** | **MEXICO**  
FROM THE AMERICAN PEOPLE

# FINAL REPORT USAID MEXICO ECONOMIC POLICY PROGRAM

OPTION PERIOD:  
APRIL 2016 – MARCH 2019

CONTRACT: AID-523-C-13-00001



April 2019

This report was produced by Abt Associates for the United States Agency for International Development.



## Table of Contents

**Acknowledgements**.....iii

**Acronyms**.....iv

**Executive Summary** ..... 1

**1. Context, Indicators and Achievements** ..... 3

1A. Monitoring and Evaluation Plan.....5

1B. Summary of achievements.....6

**2. Activities during the Option and Extension Periods** ..... 8

2A. Civic Engagement for Open Government.....8

2B. Regulatory Improvement at the Local Level.....12

2C. Procurement Reform .....17

2D. Implementing the National Anti-Corruption System (SNA).....26

**3. Implementation Problems**..... 35

**Annex A: MEPP Targets and Achievements for Option Period**..... 41

**Annex B: MEPP Targets and Achievements for Extension Period** ..... 42

**Annex C: MEPP Training Achievements, Disaggregated**.....43

## List of Tables

**Table 1.** Summary of Option and Extension Period Activities.....4

**Table 2.** Data Journalism Indicators .....9

**Table 3.** Citizen Heroes Indicators ..... 12

**Table 4.** Regulatory Improvement Indicators ..... 17

**Table 5.** Procurement Reform Indicators ..... 19

**Table 6.** Ministry of Finance transparency portal indicators ..... 23

**Table 7.** Local government adoption of OCDS indicators ..... 25

**Table 8.** Evaluation of Public Works indicators..... 26

**Table 9.** State government SNA compliance legal reform indicators..... 29

**Table 10.** SNA Communications Strategy indicators..... 31

**Table 11.** Declaration platform indicators..... 33

**Table 12.** Pemex Code of Conduct indicators..... 35

## Acknowledgements

Abt Associates Inc., as Prime Contractor of the USAID Mexico Economic Policy Program, would like to thank USAID/Mexico for the opportunity to implement one of Mexico's most important foreign technical assistance initiatives focusing on improved governance. In particular, we would like to thank Jose Luis Gil, the Contracting Officer Representative of MEPP, and Jeremy Williammee, the Director of the Office of Integrity and Transparency at the USAID Mexico mission.

We would also like to thank numerous organizations that have partnered with us to deliver technical assistance and capacity building throughout the Option and Extension Periods, including the Mexican Competitiveness Institute (IMCO), C230 Consultores, Civica Digital, Inteligencia Publica, Mexico Evalua, Data Civica, HacemosCodigo, Gobierno Facil, OPI Analytics and Transparencia Mexicana.

MEPP staff members Natalia Jardon and Ana Ogarrio drafted major sections of the report. Leah Quin and Michele Laird edited and provided valuable comments on text, design and structure. The report was written and managed by Tim Kessler, Chief of Party.



## Acronyms

<b>ADIP</b>	Digital Agency for Public Innovation (Mexico City)
<b>ASF</b>	Federal Auditing Office
<b>BCS</b>	Baja California Sur
<b>CCE</b>	Business Coordination Council
<b>CDMX</b>	Mexico City Government
<b>CEESP</b>	Center for Economic and Private Sector Studies
<b>CEI</b>	Center for International Studies (Colegio de México)
<b>COFECE</b>	Federal Economic Competition Commission
<b>COFEMER</b>	Federal Commission for Regulatory Improvement
<b>CONAMER</b>	National Commission for Regulatory Improvement
<b>COP</b>	Chief of Party
<b>COR</b>	Contracting Office Representative
<b>CPC</b>	Citizen Participation Committee (of National Anti-Corruption System)
<b>FONDEN</b>	Trust Fund for Natural Disasters
<b>FY</b>	Fiscal Year
<b>GLAS</b>	General Law on the Anti-Corruption System
<b>GOM</b>	Government of Mexico
<b>IMCO</b>	Mexican Competitiveness Institute
<b>INADEM</b>	National Entrepreneurship Institute
<b>INEGI</b>	National Institute for Statistic and Geography
<b>INAI</b>	National Institute for Access to Information
<b>MEPP</b>	Mexico Economic Policy Program
<b>NAICM</b>	New International Airport for Mexico City
<b>NGO</b>	Non-Governmental Organization
<b>NDP</b>	National Digital Platform
<b>OCDS</b>	Open Contracting Data Standard
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>ONMR</b>	National Regulatory Improvement Observatory
<b>PROFECO</b>	Office of Consumer Protection Attorney
<b>SEDECO</b>	Secretariat for Economic Development
<b>SEP</b>	Ministry of Public Education
<b>SESNA</b>	Executive Secretariat of National Anti-Corruption System
<b>SEZ</b>	Special Economic Zone
<b>SFP</b>	Ministry of Public Administration
<b>SHCP</b>	Ministry of Finance
<b>SME</b>	Small and Medium Size Business
<b>SOW</b>	Scope of Work
<b>SNA</b>	National Anti-Corruption System
<b>TM</b>	Transparencia Mexicana
<b>TRI</b>	Transparency and Regulatory Improvement unit
<b>USAID</b>	United States Agency for International Development
<b>USG</b>	United States Government

## Executive Summary

From April 2016 through April 2019, USAID's Mexico Economic Policy Program (MEPP) carried out technical assistance activities to promote public sector transparency and fight corruption. We used USAID resources to create open government mechanisms and to strengthen the capacity of civil society to hold the public sector accountable for its actions. Over this three-year period our activities focused on four main areas: 1) civic engagement, 2) regulatory improvement for state and municipal government, 3) reform of public procurement and contracting, and 4) the institutionalization of Mexico's anti-corruption system. Our technical assistance resulted in the creation of 12 public oversight mechanisms, 46 local government endorsements of transparency mechanisms, and training in public sector accountability provided to over a thousand government officials and 350 members of civil society,<sup>1</sup> including reporters and NGO members. Specific achievements included:

- **Development and launch of the National Observatory for Regulatory Improvement.** The Observatory consists of an electronic platform and database with information about the regulatory frameworks of every Mexican state, as well as a detailed methodology for obtaining and evaluating regulatory data. With MEPP technical assistance, the Observatory became the country's principal mechanism to create consensus among state governments about actions needed to protect citizens and businesses from corrupt public sector officials who use local regulations for private gain. It is now completely self-sustainable, managed by a major private sector research organization and actively supported by local governments and the National Regulatory Improvement Commission. In MEPP's final months, we created an electronic platform for the state of Baja California Sur, which applies Observatory principles to provide citizens with detailed regulatory information that reduces opportunities for corruption.
- **Communications strategy for the National Anti-Corruption System.** The strategy includes content and guidelines that improve the public's understanding of the National Anti-Corruption System (SNA) and enhances the credibility of Mexico's anti-corruption institutions. MEPP technical assistance produced an interactive website for the SNA, as well as a template for a microsite that any Mexican state government can adapt to educate their citizens about anti-corruption institutions, achievement and activities. This microsite is strategically important given the prevalence of corruption in state and municipal governance, as well as the limited human and financial resources of local governments.
- **Technical course on data journalism.** MEPP supported the creation of an intensive *diplomado* (technical course) for reporters and NGO researchers who seek to publish articles about governmental accountability. The program also offered targeted training through a series of one-day capacity-building seminars on specific themes ("sprints") throughout Mexico. The curriculum developed with MEPP support covers open government as a concept, data sources and access to public information, use of statistics, data processing and mining, creation of graphics using data, and interpreting academic writing. Over a two-year period MEPP grantee Data Civica, an NGO that evaluates and

---

<sup>1</sup> Most Government of Mexico training was related to local government regulatory improvement and the Pemex code of conduct, while most civil society training was related to data journalism.

interprets public information, delivered over a dozen *diplomados* and sprints in Mexico City and in regional workshops, training over 300 professionals and resulting in dozens of public accountability articles published in media outlets.

- **Adoption and implementation of a code of conduct for Pemex**, Mexico's parastatal oil company and the country's largest enterprise. MEPP assistance helped Pemex managers refine the content of the code and distinguish high-level corruption from petty malfeasance. We also delivered a comprehensive capacity-building program for company leaders to train personnel and hold each individual employee personally accountable for ethical behavior. The program has proven highly sustainable, as it was institutionalized after a change in the organization's leadership.
- **Development of a methodology to identify and measure corruption risks in public contracts.** MEPP created the Corruption Risk Index by building a reliable, consolidated database of hundreds of thousands of Compranet contracts, as well as a series of algorithms that enable investigators to detect irregularities and anomalies that suggest the potential for corruption. Preliminary findings reveal major shifts in public contracting success rates, with certain groups of firms gaining while others lose major shares, suggesting that political connections drive contractual decisions rather than changes in technology, innovation or efficiency.
- **Leadership of a multi-stakeholder working group to reform Compranet, the federal government's procurement platform.** MEPP received the Ministry of Public Administration (SFP)'s endorsement of the group's recommendations to re-design the portal and carry out governance reforms to make public contracting more transparent, competitive and equitable. A key point of consensus is that procurement data must consist of more than the contract award, and also include information about planning and implementation phases before and after selection. The participation and leadership of non-governmental organizations—including Mexico's most prestigious policy NGOs—major business associations and international organizations, ensures the next administration will address the longer-term reform agenda established by the working group.

## I. Context, Indicators and Achievements

After a three-year Base Period (April 2013 – March 2016) focusing on private sector productivity, the Mexico Economic Policy Program (MEPP) began its Option Period in April 2016. During this period, USAID directed MEPP to carry out technical assistance activities that promoted public sector transparency and supported Mexico’s incipient anti-corruption agenda. This work included promoting governance changes at the national and local levels, creating open government tools, and strengthening civil society organizations to hold government accountable for actions and performance. Although the Option Period was initially programmed to end in April 2018, USAID granted MEPP a one-year Extension Period. Accordingly, the present report describes achievements in transparency and anti-corruption activities from April 2016 through March 2019.

The premise of MEPP’s Option Period work was that sustainable adoption of transparency and anti-corruption reforms depends on the capacity and actions of 1) Public sector actors, including federal, state and municipal officials; 2) Civil society, including NGOs, journalists, independent researchers and academic experts; and 3) Business community, especially as represented by private sector associations. While governments may legitimately decide what kind of information promotes the public interest, citizens themselves must have a voice in identifying and demanding access to information needed to hold government decision-makers accountable. During the final months of the Base Period (approximately January-April 2016) MEPP carried out intensive consultations with stakeholders in each of these groups. In April 2016 MEPP presented an Option Period work plan that included four areas of technical assistance: 1) Civic engagement in open government, 2) Local government regulatory transparency, 3) Public procurement reform, and 4) Implementation of Mexico’s National Anti-Corruption System.

When USAID approved MEPP’s Extension Period, it directed the Program to build on activities and achievements from the Option Period. With less time, funding and personnel, MEPP was highly selective in deciding which technical assistance activities to continue into the final year. We evaluated likely impact, counterpart commitment and likelihood of sustainability in selecting five of the Option Period’s 13 activities to continue into the Extension Period. In addition, based on USAID guidance and priorities, we initiated three new activities during the Extension Period, responding to GOM requests for technical assistance to implement key elements of the National Anti-corruption System and the National Digital Platform. Continuity and change between the two periods are summarized in Table I.



**TABLE I. SUMMARY OF OPTION AND EXTENSION PERIOD ACTIVITIES**

Components and Activities Option Period	Outputs	Continued in Extension Period	Outputs
<b>CIVIC ENGAGEMENT FOR OPEN GOVERNMENT</b>			
Open data for journalists	<i>Diplomado</i> and sprints	Yes	2nd generation <i>diplomados</i>
Citizen Heroes	Website with content	Yes	Curriculum content for <i>Escuela de Heroes</i>
State budget civic oversight	Electronic platform	No	
<b>REGULATION TRANSPARENCY</b>			
Corruption platform	Operational portal	No	
Regulatory Improvement	Indicator and platform	Yes	Upgraded Regulatory Improvement Observatory
State business regulation	Reform proposal for state of Hidalgo	Yes	Electronic platform for Baja California Sur
<b>PUBLIC PROCUREMENT REFORM</b>			
Compranet reform	Diagnostic / proposal	No	
SHCP transparency portal	Platform enhancements	No	
Open Contracting Standard	Workshops and training	Yes	Procurement diagnostic for state of Nuevo Leon
Major Infrastructure	Index and monitoring	No	
<b>IMPLEMENTATION OF SNA</b>			
Pemex Code of Conduct	Tech proposal and capacity program	No	
State govt legal reform	Report on SNA compliance	No	
Trust fund evaluation	Diagnostic and proposal	No	
SNA Communications		Extension only	Communication strategy and transparency platforms
Corruption data diagnostic		Extension only	Report with recommendations
Declarations reporting on National Digital Platform		Extension only	SESNA and CDMX platforms



## IA. Monitoring and Evaluation Plan

The main purpose of the Monitoring and Evaluation Plan for the Option and Extension periods is to operationalize USAID’s focus on transparency and public integrity. The plan addresses achievements in changes in governance, capacity-building of the public sector, as well as substantive achievements by civil society organizations. During the Option Period, MEPP monitored and evaluated substantive impact through seven indicators belonging to three indicator groups, while during the Extension Period we measured impact through six indicators belonging to the three groups. The first group are “F” indicators that incorporate official USAID indicators related to transparency and accountability. The second group includes Open Government (OG) indicators developed by MEPP to demonstrate governance achievements within local governments. The third group of indicators focuses on Civic Engagement (CE) and measures achievements made by non-governmental stakeholders.

### USAID Foreign Assistance (F)

- **F1.** *Number of mechanisms for external oversight of public resource use supported by USG assistance (F 2-2-4-4).* “Mechanism for external oversight” includes an electronic portal, guideline or best practice document (including transparency standards), project-specific evaluation or evaluation methodology produced by an organization that is not part of the Mexican government. MEPP validated these mechanisms by documenting their existence or use on the internet (e.g., portals, platforms) or within public sector institutions.
- **F2.** *Number of people<sup>2</sup> affiliated with non-governmental, research or journalistic organizations receiving USG-supported anti-corruption training (F 2.2.4-5).* The term “Non-governmental organizations” refers broadly to civic, media, academic and private sector groups. “Anti-corruption training” refers broadly to capacity-building programs—especially those promoting transparency—that facilitate the detection or prevention of rent-seeking actions that harm individuals or the public good. MEPP counted the number of people receiving training through sign-in lists collected at capacity-building events and will disaggregate participation by gender. Sign-in lists include information about the NGOs with which participants are affiliated to demonstrate organizational identity.
- **F3.** *Number of government officials receiving USG-supported anti-corruption training (F 2.2.4-2).* The term “government officials” refers broadly to employees, managers, appointed officials and elected officials of governmental institutions at the federal, state and municipal level. “Anti-corruption training” refers broadly to capacity-building programs—especially those promoting transparency—that facilitate detection or prevention of rent-seeking actions in business regulation or public procurement that harm individuals or the public good. MEPP counted the number of government officials receiving training through sign-in lists collected at capacity-building events and will disaggregate participants by gender. Sign-in lists include information about the governmental organizations employing participants.

---

<sup>2</sup> The number of people trained (governmental and non-governmental) was validated through MEPP’s existing TraiNet protocol. MEPP collected this information under guidance provided by ADS 253 (<https://www.usaid.gov/sites/default/files/documents/1865/253.pdf>). MEPP validated the number of people trained through sign-in sheets distributed at all capacity-building events and retained hard copy and electronic files.

Open Government (OG)

- **OG 2<sup>3</sup>.** *Number of state and municipal governments that endorse or adopt institutional transparency mechanisms promoted with USG assistance.* Such mechanisms include: information standards, legislation, regulation and executive decrees that relate to transparency or public sector integrity in business regulation or procurement. MEPP validated these achievements through formal documentation or correspondence issued from each local government counted.
- **OG 3.** (Option Period only). *Number of civil society, private sector, international development and educational organizations that support the institutionalization of USAID transparency initiatives.* The term “institutionalization” refers to financial or in-kind support or advocacy interventions that build awareness about transparency and corruption. This indicator refers especially to active membership in and contribution to a MEPP-supported multi-stakeholder alliance. MEPP validated each case by providing an organization letter of support or public statement regarding membership.
- **OG 4.** (Extension Period only). *Number of public schools that adopt Escuela de Heroes.* MEPP created this indicator to measure the effectiveness of our work supporting transparency and accountability education of children who attend public schools. Evidence of a school’s adoption of *Escuela de Heroes* curriculum includes formal letters from individual schools or SEP managers.

Civic Engagement (CE)

- **CE 1.** *Number of open government articles or data visualizations published in the Mexican press or internet-based media outlets by recipients of data analysis capacity-building.* This indicator is specifically associated with the data journalism technical course (*diplomado*). MEPP documented each article or data visualization created by course graduates with a screen shot annotated with bibliographic information and (wherever available) a web link.
- **CE 2 (Option Period only).** *Number of organizations that support MEPP-supported transparency initiatives.* This indicator documents how many Mexican organizations make an explicit, written commitment of their own resources to continue supporting an initiative created through USAID assistance.

## **I B. Summary of achievements**

By the end of the Option Period (March 2018) MEPP had exceeded all performance targets included in the Work Plan. (See Annex A for complete information.)

- F1: 7 of 6 mechanisms for public oversight – exceeded target by 17%
- F2: 264 of 185 NGO members trained – exceeded target by 43%
- F3: 686 of 115 government officials trained – exceeded target by six times.
- OG2: 26 of 15 local governments adopt transparency mechanism – exceeded target by 73%

<sup>3</sup> OG1 was included in our Base Period work plan but not used in the subsequent Option Period.



- OG3: 14 of 13 federal government endorsement of transparency reform – exceeded target by 8%
- CE1: 21 of 15 open government articles published – exceeded target by 40%
- CE2: 13 of 10 organizations that support MEPP initiatives – exceeded target by 30%

By the end of the Extension Period (April 2019), MEPP had met or exceeded all performance targets described in the Work Plan (see Annex B for complete information).

- F1: 5 of 5 mechanisms for public oversight – met target
- F2: 85 of 50 NGO members trained – exceeded target by 70%
- F3: 375 of 85 government officials trained – exceeded target over four times.
- OG2: 20 of 9 local governments adopt transparency mechanism – more than double target
- OG4: 7 of 5 public schools adopt Escuela de Heroes – exceeded target by 40%
- CE1: 17 of 15 open government articles published – exceeded target by 13%



## 2. Activities during the Option and Extension Periods

This section presents a technical summary of MEPP activities carried out during the Option and Extension periods that had a substantial impact on Mexico’s transparency and anti-corruption agenda. In particular, the following technical assistance efforts led to significant improvement in: governmental capacity to carry out anti-corruption measures, civil society capacity to use public information to hold public sector actors accountable for actions and performance, the improvement or creation of open government tools, as well as tangible governance changes and reforms within the public sector.

### 2A. Civic Engagement for Open Government

#### *Problem*

Without robust participation by an independent civil society, open government can be reduced to rhetoric and good intentions. Public sector leaders can declare themselves to be transparent by simply setting up a website and sharing pictures of social events featuring the mayor. Meaningful transparency requires two conditions: First, the data provided must be relevant, reliable and easily accessible. Second, the data must be analyzed in a manner that leads to public sector performance evaluations and conclusions. While government can and should contribute to both of these conditions, they cannot be solely responsible. Citizens have a key role as well. Professional journalists, researchers and academics, business associations, NGOs and activists, and private citizens have a legitimate place in the dialogue over what kind of information should be disclosed and how to interpret that information.

Public sector leaders must have the commitment and capability to produce and present useful data. In particular, they have to encourage or instruct rank-and-file government employees to disclose information that has not been available in the past. But public sector commitment does not deliver results by itself. Open government is not a public sector responsibility, but rather a robust relationship between citizen groups and government. Organizations and professionals must build the capacity to use information to hold government accountable for decisions based on objective rules and evidence.

#### *MEPP Activities and Outputs*

MEPP worked with three civil society organizations (including two grantees) to foster civic awareness and capacity required to effectively use transparency, data and electronic tools. In the absence of knowledgeable citizens with the interest and ability to evaluate public sector information, government actions alone will achieve little. If open government benchmarking can be considered the “supply side” of transparency, this initiative represents the “demand side.”

### Capacity-Building for Journalists

Option Period. Grantee Data Civica provided intensive open government training for journalists and technology professionals (programmers, data scientists and graphic designers) who sought to contribute to open government reporting. The NGO created and delivered a 96-hour *diplomado* (certified technical course) with modules covering the concept of open government, data sources

and access to public information, basic statistics, data processing and scraping, creating data-based graphics, and interpreting academic writing. Over 120 reporters and writers applied and were selected through a competitive application process (*convocatoria*), based on their experience and ability to apply what they learn in published articles. In July 2017, 21 professional journalists graduated from the course and ultimately published a total of 21 articles about governmental accountability, using tools and lessons from the *diplomado*.

In addition, Data Civica organized seven capacity-building “sprints” (half-day technical courses) for programmers, data scientists and graphics professionals. These sprints demonstrated how to use information processing tools and programming languages to create data visualizations, as well as conceptual training on packaging data to tell a compelling story. MEPP trained 118 people through sprints.

Extension Period: MEPP replicated the data journalism *diplomado*. The second generation included journalists, technical staff from policy NGOs, and researchers, all of whom who committed to publishing articles about government accountability using open government tools. This time, MEPP required a direct contribution of between 25 and 50 percent from each participant, which was typically paid by a media organization, business group or civil society institution. The contribution stretched USAID resources and ensured beneficiary commitment and transition to a self-sustaining training model. Data Civica trained a total of 24 students in Mexico City from August through October 2018.

The NGO also organized three intensive regional workshops to deliver data journalism training outside the capital: in Ciudad Juarez, Chihuahua, September-October 2018 for 19 students; in Torreon, Coahuila in January 2019 for 23 students, and in Tijuana, Baja California, in February 2019 for 19 students. These were co-sponsored by local universities and policy NGOs. After completing the diplomados, MEPP supported promotion of an informal network of data journalists to create a community of practice and carry learnings and new behaviors beyond project life. During the Extension Period, a total of 85 students received data journalism training, and 17 graduates wrote articles on public sector accountability.

**TABLE 2. DATA JOURNALISM INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of open government articles published in Mexican press or internet-based media by diplomado graduates	15	21
	Number of reporters trained	100	198
Extension Period	Number of open government articles published in Mexican press or internet-based media by diplomado graduates	15	17
	Number of reporters and NGO members trained	50	85

## Citizen Heroes and Escuela de Heroes

Option Period. MEPP grantee Inteligencia Publica created online content and strategies to engage primary school students and the general public on open government and citizen engagement. The NGO generated awareness and enthusiasm about how everyday people can become *heroes ciudadanos* (citizen heroes) who use public information to hold the government accountable for its actions. An essential element of this initiative was the creation and launch of the website [www.heroesciudadanos.mx](http://www.heroesciudadanos.mx), to disseminate content produced with USAID resources. Content for children (between 6-10 years old) included three audiovisual stories about open government created for student audiences.

Inteligencia Publica also produced public advocacy videos and GIFs targeted to an adult audience, particularly university students. Developed in collaboration with popular video bloggers SuperCivicos and radio and TV celebrity Facundo, and disseminated through their social media channels, the videos explored the importance of using open government tools. MEPP circulated this content, stored on [www.heroesciudadanos.mx](http://www.heroesciudadanos.mx), through YouTube and other social media. In February 2018, Heroes Ciudadanos published its first video, in which Facundo Gomez uses the transparency portal of Mexico's consumer protection attorney's office (PROFECO) to identify gas stations previously investigated for not complying with Mexico City's volume measurement regulations. Every gas station displays posters assuring customers that they should only pay for what they received (*litro por litro*). In the video,<sup>4</sup> Facundo fills a one-liter plastic bottle to check the accuracy of the gas pump at several stations. He discovers a significant discrepancy and confronts the station manager, who insists he is following the law.

The video immediately became a viral, trending topic on Twitter and YouTube, viewed over 11 million times—and shared almost 300,000 times—before the end of March 2018. After several major newspapers reported on the video's findings, PROFECO officials visited the gas station in question, which soon took corrective measures and publicized its compliance with *litro por litro*. The video inspired regular citizens to replicate Facundo's investigation at stations in Mexico City, the State of Mexico and Coahuila, sharing their findings with Héroes Ciudadanos and PROFECO.

In March 2018, Héroes Ciudadanos published its second video, again featuring Facundo, on yet another bureaucratic odyssey. Hoping to fix a leaking water tap at his local park, Facundo makes increasingly desperate efforts to get someone from government to respond. After a lengthy telephone call shuffles him around to multiple officials, who each claim the leak is not in their jurisdiction (and fail to forward him to the correct department), he makes a personal visit to the park. Finally, because the leak occurred near a basketball court, the park's sports unit assumes responsibility and eventually takes action. The video humorously portrays the relatable frustration of seeing the buck endlessly passed. But it also shows how civic perseverance can result in solutions. Available on Facebook and YouTube,<sup>5</sup> the video was seen over 650,000 times by the end of March 2018. Meanwhile, Héroes Ciudadanos' social media continued to receive videos from ordinary citizens inspired to evaluate measurement accuracy at gas stations (the subject of the earlier video), and report water leaks. During April, a promotional ad about Heroes Ciudadanos, featuring Facundo, played on the Mexico City Metrobus, one of the city's largest

---

<sup>4</sup> <https://www.facebook.com/HeroesCiudadanosMX/videos/2055732871313877/>

<sup>5</sup> <https://www.youtube.com/watch?v=qzGmxefHwyo>

public transportation services. The one-minute video was shown on 60 buses at an average rate of 11 times per hour, and reached hundreds of thousands of riders.

In addition to producing and circulating online content, Inteligencia Pública helped create alliances with civil society, business and educational organizations seeking to promote awareness about governmental transparency and accountability. Documented through written agreements, the alliances, leverage external resources and help ensure the sustainability of MEPP's open government educational initiative. By the end of the Option Period, Inteligencia Publica had formalized eight alliances, including support from INAI, SHCP and SEP. Héroes Ciudadanos also toured the country, either presenting their work to local transparency institutes, or giving free theatre interpretations of the stories produced for children at festivals in Monterrey, Puebla, Guadalajara and Mexico City.

Extension Period. MEPP continued promoting a culture of civic engagement for young people through *Escuela de Heroes*. Officially launched in April 2018, it teaches school kids about transparency and accountability as well as civic responsibility. During the Option Period, the Ministry of Public Education (SEP) formally included *Escuela de Heroes* content as part of its new program for independent curricula, which allows individual schools and teachers to select high-impact courses for their own students. The course is based on innovative stories, developed by Inteligencia Publica, and associated with 40 different activities and learning goals defined in the teacher's guide.

During the Extension Period, MEPP supported the expansion of content offered by *Escuela de Heroes*, as well as the formal adoption of the course by public school teachers. Inteligencia Publica created three new stories targeted for primary school students (6-12 years) as supporting materials for the educational program of the *Escuela de Heroes* curriculum. Each story focuses on a dilemma that participating children—all assuming the role of citizen heroes—have to solve by exploring themes of transparency, accountability and participation. These stories form the cornerstone of the teacher's guide. In addition to updating the current guide targeted to 6-10 year olds, Inteligencia Publica developed another guide for 10-12 year old students and submitted it to SEP. Stories and educational guides are available online.

In early December 2018, the director of Inteligencia Pública met with government officials from SEP's extracurricular program, and confirmed the Ministry would continue to champion the MEPP-supported initiative to create content for primary school courses related to transparency and accountability. Given the recent federal government transition, this confirmation and endorsement of the MEPP activity bodes well for the sustainability of USAID's technical assistance. In December, Inteligencia Pública also completed a guidebook for teachers on delivering course content to upper primary school students and related evaluation questionnaires, to be administered before the course begins in January 2019 and after its conclusion in June 2019. By the end of the Extension Period, seven schools had formally adopted *Escuela de Heroes* as part of their curriculum, including 37 teachers working with almost a thousand students in activities that explain concepts and promote practices of civic engagement and transparency. Students also participated in a survey to measure the impact of curriculum on knowledge and attitudes. The survey findings revealed a significant degree of ignorance about public institutions and how these work, as well as the lack of appreciation of ethics and values



associated with public services. More positively the findings indicate a major opportunity for programs that promote civic engagement and transparency to change public attitudes and awareness.

At the beginning of 2019 Inteligencia Pública delivered content for several activities that will be incorporated into the teacher guide to complement the curriculum. The stories explore civic engagement and responsibility through a secret meeting of exotic birds, respecting and keeping a magical waterfall clean, and participating in decisions that affect the local *barrio*. On March 20 the Héroes Ciudadanos team met with Salvador Villalobos, President of *Consejo de la Comunicación* (<https://cc.org.mx/nosotros-2/>), a private sector-driven initiative that generates publicity campaigns on public interest topics, to present the project and explore the ways in which the Council can help amplify and sustain work initiated with USAID support.

**TABLE 3. CITIZEN HEROES INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of of civil society, private sector, international development and educational organizations that support the institutionalization of USAID transparency initiatives.	3	8
Extension Period	Number of public schools that adopt <i>Escuela de Heroes</i>	5	7

## 2B. Regulatory Improvement at the Local Level

### *Problem*

Most of the rules and requirements small entrepreneurs face—licensing and permits, fees and inspections—are under local government control. Information about state and municipal government business regulation is therefore crucial in determining the survival and success of private enterprises. In particular, the transparency of local regulations, and the accountability of officials who apply those rules, is foundational to public sector integrity. MEPP-supported research shows the websites of most urban municipalities in Mexico offer regulatory information that is incomplete or difficult to access, which opens the door to corruption and abusive practices. Mexico’s National Statistics Institute (INEGI) reports more than 70 percent of entrepreneurs trying to open a business encountered local regulatory obstacles. Of those, 60 percent reported lack of information as the main cause of their problems. Typical SME owners have little regulatory expertise, little time to invest in acquiring it, and few resources to pay others to help.

Another critical problem faced by SMEs is lack of advocacy resources to provide assistance when regulatory corruption occurs. Mexican local governments do not fund ombudsman offices or other mechanisms to help businesses even understand regulatory rights and requirements—much less to take appropriate actions to protect small enterprises from abusive practices. Moreover, private legal defense is prohibitively costly and slow, and by no means a guarantee of ensuring justice. As a result, most SMEs that are victims of discretionary decisions or outright

corruption either choose to make whatever payments are demanded, or to close down.

Small businesses that confront local government corruption and malfeasance typically have scarce resources available to obtain assistance. While they may be able to hire informal *gestores* to fill out paperwork or stand in line, few SMEs have access to legal or administrative expertise to address purported substantive problems. Businesses too often receive a negative response (or no response at all) to routine requests for permit or licenses, are hit with unexpected fines, or are closed down by local inspectors without warning or adequate explanation. When this happens, they are typically on their own to figure out and solve the problem—frequently resorting to paying off the right person just to be able to get back to work.

Mexico’s major national initiative designed to reduce corruption that affects SMEs was the creation of a new law on regulatory improvement: the General Law on Regulatory Improvement (*Ley General de Mejora Regulatoria*). At the beginning of 2017, the Federal Regulatory Improvement Commission (Cofemer) was tasked with the responsibility to draft the new law. The Commission did so at the beginning of 2018, and Congress approved the law in May 2018. It establishes "transparency, responsibility, and accountability" as central principles for carrying out regulatory improvement.

Although the General Law is federal, it includes a mandate for local governments. Importantly, it instructs each of Mexico’s 32 states adopt their own regulatory improvement laws within one year of the adoption of the federal law. Moreover, state laws must comply with the basic parameters of the national legislation. The most important of these is the adoption of a state law on regulatory improvement, which should address issues such as simplification and streamlining of processes, establishment of a regulatory improvement commission, transparent public disclosure of regulatory forms and services (e.g., online catalogue), establishment of a “one stop” system to open a small business, and simplified construction permits. To promote timely and effective state adoption of regulatory improvement, Cofemer produced a “model” law that included three dimensions that should be addressed in local legislation.

### Model State Law on Regulatory Improvement

<u>Components</u>	<u>Tools</u>	<u>International Best Practice</u>
<ul style="list-style-type: none"> <li>• State system of regulatory improvement</li> <li>• Authorities (judicial, legislation, executive, autonomous)</li> <li>• Inspections and verifications</li> <li>• Sanctions, infractions and citizen truthfulness</li> </ul>	<ul style="list-style-type: none"> <li>• Catalog of forms and applications</li> <li>• Single window for construction permit</li> <li>• Single window for opening a business</li> <li>• Annual regulatory improvement program</li> <li>• Regulatory impact analysis</li> </ul>	<ul style="list-style-type: none"> <li>• One in, one out</li> <li>• Sunset clause</li> <li>• Measurement of economic cost of regulatory procedures</li> <li>• Catalog of regulations</li> </ul>

Linking federal law to the local level is essential in Mexico’s fight against corruption. It provides a legal mandate for state and city governments to fundamentally transform the regulatory

frameworks that govern economic and administrative activities for millions. Because so much routine corruption occurs at the subnational level—and indeed on the city streets where citizens live their daily lives—the General Law represents an unprecedented catalyst for change.

Nevertheless, the law also has important limitations. In particular, in deference to Mexico's decentralized system of governance, federal legislation typically does not include detailed guidance—much less compulsory requirement or implementing legislation—specifying how states must comply. Because Mexican federalism allows states to determine the mechanisms, procedures and evaluation criteria through which they apply national legislative requirements, Cofemer realized state governments would confront major uncertainty, lacking clarity about how well their regulatory reforms aligned with the national mandate, or how effectively those reforms were implemented.

### ***MEPP Activities and Outputs***

This gap between national standards and local government implementation led the Commission to seek technical assistance from MEPP. Regulatory improvement is complex and involves diverse state and municipal governments with varying degrees of capacity and commitment to make substantive reforms. Cofemer recognized that formal approval of legislation would do little to prod states into action, especially because it had neither a practical way to judge the quality of so many local government frameworks, nor sanctioning authority to force any local government to enact changes that they lacked interest in or actively resisted.

## **National Regulatory Improvement Observatory**

Option Period: In March 2017, Cofemer, the Business Coordination Council (CCE), and its internal think tank, the Center for Private Sector Economic Studies (CEESP) formally requested MEPP technical assistance to help state governments adopt legislation aligned with the General Law. MEPP committed to: 1) creating an electronic platform to gather and consolidate information about business regulations and documentation requirements from all 32 states and from 32 municipalities; and 2) contribute to creating a quantifiable indicator to assess how well states comply with the General Law. Together these two deliverables created the National Regulatory Improvement Observatory (ONMR), an autonomous, multi-stakeholder institution mandated through the General Law. (The two deliverables also represent the target for MEPP's performance indicator: number of public oversight mechanisms produced.)

An important aspect of MEPP's technical assistance was substantial in-kind contributions from Cofemer and CCE/CEESP, which ensures the sustainability of the Observatory. From May to July, the MEPP team developed the platform and organized several user experience workshops with state-level Cofemer representatives to test its user-friendliness, as well as a questionnaire to capture regulatory data from all 32 states. The online tool that MEPP created to obtain and organize regulatory data was named Liga MR (Regulatory Improvement Link) and made it possible for each state to directly report progress on regulatory reforms. Based on extensive feedback from officials likely to use the platform, MEPP implemented numerous modifications. A follow-up survey revealed highly positive assessment among users.

In July and August 2017, MEPP and its partners trained dozens of state regulatory officials to use Liga MR and worked with them to obtain and validate data from each government. On August 18, MEPP and CEESP completed the first phase in constructing a regulatory improvement indicator. The response rate was exceptional: All 32 states and 31 of 32 municipalities (the largest from each state had been invited to participate) provided information on the platform. MEPP and CEESP continued dialogue with state regulatory officials through September, explaining and validating data used to generate evaluations.

Extension Period. In March 2018, at the end of the Option Period, staff from MEPP, Cofemer and CEESP defined MEPP technical assistance and deliverables to support the ONMR during the Extension Period. The key deliverable was the creation of a “maturity model” to refine the measurement of local government progress in regulatory accountability, transparency and efficiency. MEPP also committed improve the Observatory platform features to respond to the needs of municipal government officials responsible for submitting regulatory data. As a result of MEPP support, the Observatory is now available to any municipality seeking to publish regulatory information and obtain recommendations for reform. At the 40<sup>th</sup> National Conference on Regulatory Improvement in May 2018, state and municipal officials praised the new transparency mechanism, expected to generate a “race to the top” among local governments seeking to attract new investment and open more businesses. By August 2018, all 32 states, as well as 126 selected municipalities, shared regulatory information to the ONMR through Liga MR.

On October 25, at the 41st National Conference on Regulatory Improvement, Juan Pablo Castañón, the President of the Business Coordination Council (CCE), presented results of the second cycle of the Subnational Indicator on Regulatory Improvement. As the leader of one of Mexico’s most important private sector associations, Castañón lauded the indicator as an innovative way to promote transparency, predictability and objectivity for businesses struggling to comply with public sector regulations. All 32 states and 80 municipalities agreed to adopt recommendations made by the Observatory. Over the course of the Extension Period, more 300 local officials received training in regulatory improvement and regulatory data management at workshops and conference seminars.

In January 2019 MEPP formally transferred management and control of the Observatory to CEESP, ensuring the sustainability of the institution for years to come. The ONMR will use the data to apply its established indicators to measure progress in each government. It will also provide tailored feedback to help local governments identify areas of opportunity to make regulatory processes more efficient and transparent. Each local government will review the Observatory’s recommendations and publicly commit to achieving specific goals. The process is designed to maximize public sector ownership of regulatory reform priorities and increase the leverage of civil society and private sector stakeholders to hold their governments accountable for implementing those reforms.

## Baja California Regulatory Improvement Platform

Late Extension Period. During 2018, MEPP worked with Cofemer and the National Regulatory Improvement Observatory to identify a state government where leaders articulated a desire and commitment to digitalizing key regulatory processes, such as those related to opening and operating a small businesses. The most proactive response came from the government of Baja California Sur (BCS).<sup>6</sup> At the beginning of 2019, MEPP began technical assistance to create an electronic platform to obtain and organize regulatory information from all BCS institutions with regulatory authority. From January through March, MEPP subcontractor Civica Digital created a functional platform for the BCS Transparency and Regulatory Improvement (TRI) unit that enables 1) diverse government offices to reliably upload and update regulatory procedures, and 2) citizens to review, search and confirm related requirements, such as documentation, fees and inspections. An important aspect of MEPP's support was to ensure relevant government officials provide reliable information to the portal in a timely manner. In order to ensure that BCS officials knew how to provide data and utilize the platform, between February 27 and March 27 the government organized six capacity-building seminars that trained 48 civil servants.

On April 9 the BCS government hosted an event in La Paz to publically launch the electronic platform (<http://tramitesyservicios.bcs.gob.mx>). Over fifty civil servants --- primarily those responsible for supplying regulatory information from diverse state agencies -- attended. Juan Ramon Rojas, the head of TRI, thanked USAID for its support and congratulated public sector managers for their collaboration, which had resulted in over 40 percent of the state's regulatory processes already being available online. Thanks to the electronic platform, continued technical support from Civica Digital and intensive training of state officials, he declared the government's commitment to make 100 percent of the state's regulatory procedures available online by June 2019.

The electronic tool enables relevant governmental offices to easily upload and update their regulatory procedures, while also allowing citizens to review, search for and confirm regulatory requirements that they must comply with, such as documentation, fees and inspections. The platform will therefore increase transparency and accuracy of regulatory information, and reduce opportunities for arbitrary, discretionary or corrupt actions by public sector officials. MEPP support includes training to dozens of BCS officials on proper usage of the platform, as well as support to the state's information technology unit on system trouble-shooting and maintenance.

As a result of MEPP support, BCS citizens and small business owners will benefit from greater certainty about state government regulations and related costs. Improved and transparent information should lead to more successful compliance efforts by citizens, followed by faster and more reliable regulatory approvals. The electronic platform is expected to significantly reduce time and costs associated with regulatory procedures, improve the small business enabling environment, and improve civic trust in government.

---

<sup>6</sup> When MEPP developed the Extension Period work plan in early 2018 our expectation was to identify two state governments that sought to develop a regulatory improvement portal. However, despite our close collaboration with Cofemer and outreach to states, by the final quarter of the Extension Period only BCS had demonstrated substantial commitment to defining and utilizing such a tool. As a result, MEPP fell short of its initial target of two local governments that adopt a transparency mechanism, achieving only one.

**TABLE 4. REGULATORY IMPROVEMENT INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of public oversight mechanisms produced with USG assistance	2	2
Extension Period (Observatory)	Number of public oversight mechanisms produced with USG assistance	1	1
	Number of GOM officials trained	75	327
Extension Period (BCS platform)	Number of local governments that adopt transparency mechanism	2	1
	Number of GOM official trained	10	48

## 2C. Procurement Reform

### *Problem*

By far the federal government’s most important tool for electronic procurement is Compranet. Created in 1997, Compranet evolved from a hit-or-miss database into a more effective platform to collect and organize tendering proposals from a range of sectors—although using the system involved high transaction costs. At its peak, Compranet included about 9,000 registered suppliers. In 2009, the Ministry of Public Administration (SFP), which manages Compranet, began to redesign the platform, adopting international best practices to improve efficiency and inclusiveness. The new system was to be a single unifying platform for all federal government of goods, services and public works, be administered by government professionals, allow communication with multiple databases, and be user-friendly and easily searchable. SFP launched the new system in June 2010 and one year later established the requirement to publish every federal tender valued above 300 minimum wage days on Compranet. However, the platform has served primarily as a sprawling repository of ex-post information, rather than a tool to facilitate robust and transparent bidding. By the end of the Peña Nieto administration the system still had no formal oversight and did not track contracts through the life cycle of the procurement process.

Another federal government transparency tool is the finance ministry’s web portal on public works budgeting and spending: [www.transparenciapresupuestaria.gob.mx](http://www.transparenciapresupuestaria.gob.mx). The site, launched in July 2011 under the government’s commitment to the Alliance for Open Government, gives basic information about financial allocations for almost 200,000 projects that receive federal funding, including state and municipal projects supported through federal transfers. Yet results are limited. In 2015, Mexico was ranked 66 out of 100 countries in the “Open Budget Index” and 44 out of 100 in terms of citizen participation, suggesting Mexican government mechanisms to ensure transparent budgeting are still limited. While the website provides potentially valuable data, it has not been used by a significant number of citizens. The Ministry sought MEPP technical assistance to improve the user experience and interactivity of its transparency portal, especially the ability to report irregularities, problems and evidence of corruption.

Finally, one of Mexico’s ambitious transparency initiatives is to institutionalize the adoption of good contracting practices at all levels of government. The international gold standard for



procurement transparency was pioneered by the global initiative Open Contracting Partnership, which created the Open Contracting Data Standard (OCDS) in 2012. The OCDS offers detailed guidance on information that the public sector should make publicly available at every step of the life cycle of a government contract, including planning, bidding, selection, contracting and implementation. Over the past year, the World Bank and a group of NGOs and business associations have worked to adapt the OCDS to Mexico's institutional context. While the national government continues in its efforts to expand OCDS to other federal organizations, a major challenge is to engage state governments responsible for a major proportion of all public procurement. Adding to the challenge is the lack of a legislative mandate for states to comply with federal procurement standards. Those that adopt OCDS in the short term will do so voluntarily based on internal political commitment to reform.

### ***MEPP Activities and Outputs***

#### **Compranet Re-Design**

Option Period. In early 2016 MEPP began working with the SFP to define technical assistance to carry out an internal diagnostic of Compranet. Shortly after these consultations began, the Secretary of SFP was transferred to another position in government, leaving the ministry without leadership. In October 2016 Arely Gomez was designated as the new Secretary and immediately signaled a commitment to transparency and multi-stakeholder participation in procurement reform. On February 28, 2017, SFP invited MEPP's COP and USAID's COR to participate in the inaugural meeting of the Multi-Stakeholder Working Group on Public Purchases. The main purpose of the forum was to establish an ongoing dialogue and transparent consultation mechanism with civil society and business organizations to strengthen and re-design Compranet. SFP recognized MEPP staff and our partner Mexican Competitiveness Institute (IMCO) as participants. It also selected the Organization for Economic Cooperation and Development (OECD) to coordinate the multi-stakeholder process.

During April and May of 2017 IMCO carried out an extensive survey of Compranet stakeholders, including almost 150 public servants and 50 businesses who participated in the public procurement process. Key findings from responses included: Compranet was not used throughout the entire contracting process (as it should be) but mainly during initial stages; public servants had insufficient controls on who could use the platform; training for both public servants and the private sector was insufficient; and the private sector was concerned about the security of information uploaded. MEPP and IMCO staff participated in numerous sessions of the Working Sub-Group on Compranet Efficiency and Effectiveness.

In collaboration with the NGO Transparencia Mexicana, IMCO drafted a "Vision" statement that integrated inputs from group members and articulated long-term goals for Mexico's procurement system. Among the most important findings was that Compranet was essentially a passive repository of contract information. The platform did not systematically gather and present information on the process before or after contracts were awarded, severely limiting the usefulness of information disclosure. A central recommendation was therefore to transform Compranet into a truly transactional tool used in all federal contracts and provided data that spans planning, bidding, selection process, contracting and implementation.



On January 9, 2018, Secretary Gomez presented the report “Review of the Mexican e-Procurement System: Developing a Roadmap for Upgrading Compranet” at a press conference. The report, which included detailed recommendations for strengthening the federal government’s procurement platform, included significant input from MEPP partners in 2017. The event highlighted the report’s unprecedented multi-stakeholder effort and how Compranet reform would strengthen governance and benefit citizens. Before the end of the Peña Nieto administration OECD published the report, which included IMCO’s *Vision* statement. Moreover, Secretary Gomez formally endorsed the report’s 34 specific recommendations for reform, including seven generated by the Working sub-group on Compranet efficiency and effectiveness, in which MEPP and IMCO participated.<sup>7</sup>

In addition to participating in SFP’s Working Group, MEPP supported path-breaking research carried out by IMCO and the data mining firm OPI Analytics. Using sophisticated database tools, OPI accessed and evaluated detailed information on tens of thousands of public contracts included on Compranet. The result was the Corruption Risk Index,<sup>8</sup> which applies three principal indicators (themselves composed of multiple variables) to the analysis of government contracts: barriers to competition, transparency and legal compliance in the contracting processes. Its underlying goal is to identify red flags that help governmental investigators (e.g., competition authorities, federal auditor) and independent experts focus investigatory resources and efforts to clean up federal procurement.

On March 6, 2018 IMCO and OPI held a press conference to present the CRI. Main findings included extensive irregularities and anomalies that suggested non-compliant or even corrupt contracting processes. The presenters proposed a series of public policy recommendations to make the procurement process more transparent and reduce risky practices that undermine accountability, such as collusion, opacity, pre-determined winners and sole-source contracts. Media coverage included more than 40 newspaper articles (including a front-page story in *Reforma*, one of Mexico’s largest papers) and over 20 radio and television interviews. After the press conference, the Federal Electricity Commission—Mexico’s national power company and one of the government’s largest purchasers of goods and services—requested IMCO’s guidance to develop an internal process to monitor procurement more effectively.

**TABLE 5. PROCUREMENT REFORM INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of public oversight mechanisms produced with USG assistance	0	1
	Number of governance changes endorsed by federal government	5	7
Extension Period	Activity not continued		

<sup>7</sup> Specific recommendations included: (1) Internal control units verify the appropriate use of database, (2) Ensure compliance with legislation, (3) Data standards that enable government to carry out targeted audits, (4) Create methodology for calculating economic savings, (5) Enable electronic signature, (6) Integrate Compranet with other electronic systems, (7) Incorporate contract life-cycle into platform’s data requirements.

<sup>8</sup> When MEPP began its Compranet work, the CRI activity had not yet been defined. It is therefore counted as “1” public oversight mechanism even though the original target was zero.

**Ministry of Finance Public Works Portal**

From January through March 2017, MEPP subcontractor Gobierno Fácil carried out an analysis of the user experience and “friendliness” of the Ministry of Finance public works transparency portal ([www.transparenciapresupuestaria.gob.mx](http://www.transparenciapresupuestaria.gob.mx)).

MEPP supported the analysis as part of its commitment to help SHCP improve the portal’s usage and effectiveness, particularly the design and display of content, as well as how users request and obtain data from the portal. While the Ministry of Finance website clearly made important public information available to citizens, the analysis identified numerous weaknesses. One of the most important deficiencies was the lack of a tool for citizens to report irregularities or anomalies about the physical state of public works projects—especially those suggesting misalignment between reported construction progress and expenditures.

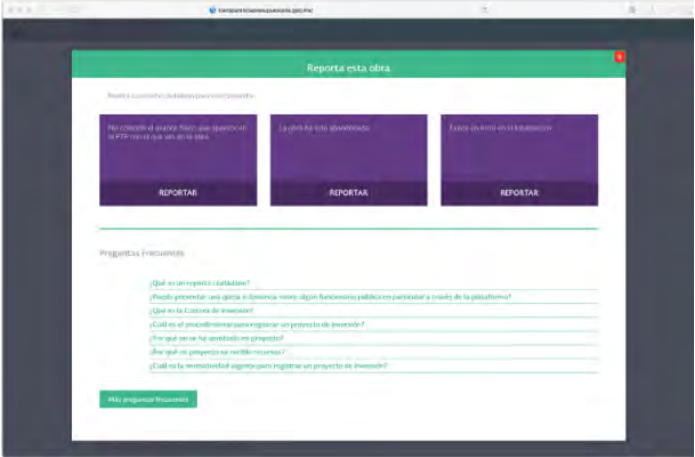


Image 1: Portal that allows citizens to report on public works

MEPP’s technical assistance helped create that tool (see Image 1) and its interaction with the reporting portal on the SFP website.



Image 2: Project location before changes



Image 3: Same page after changes

As Image 2 shows, the portal’s project location display was visually saturated with crowded data points, making it difficult to zero in on desired information. In addition, the portal did not allow users to download information obtained from queries. Based on these findings and a direct request from the ministry, Gobierno Fácil improved the browser, data filters and overall visual display, as seen in Image 3. Similarly, MEPP technical assistance resulted in significant improvement to budget data presentation, including information on implementation progress and geo-location, as the before-and-after screen shots in Images 4 and 5 show. Other improvements include a more robust project search engine using key words, location, year, state or municipality and other visual enhancements, so users can obtain specific information from searches. Finally, MEPP

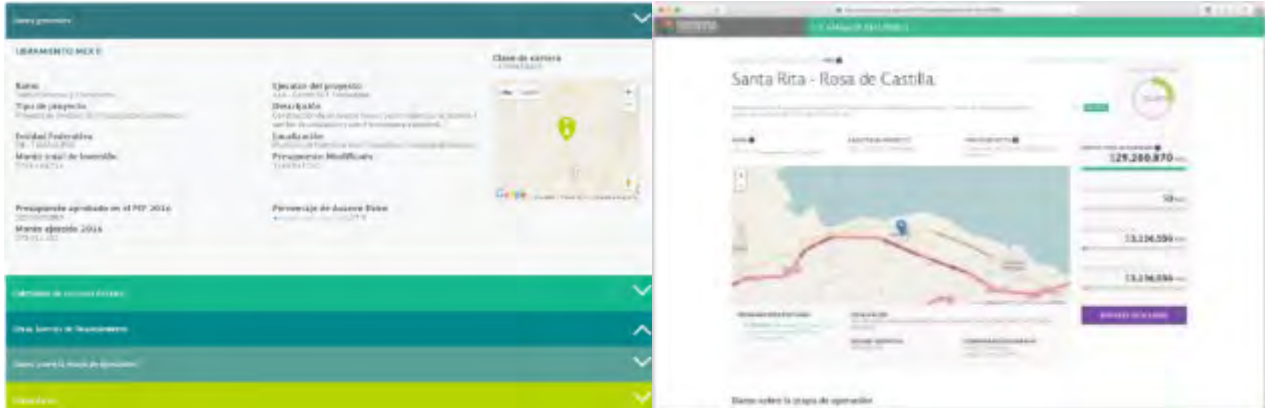


Image 4: Project budget oversight page before changes      Image 5: After improvements

assistance resulted in a platform upgrade that makes the portal interactive and allows users to directly report irregularities about public works projects (e.g., physical observations that are not consistent with governmental data provided).

In early March 2017, MEPP and the NGO Social Tic collaborated with the Ministry of Finance (SHCP) to organize the “Data in the Streets Rally” (#DatosenlaCalle). The initiative promoted civic engagement in public works oversight by connecting regular citizens with the Budget Transparency website, which itself was transformed into an interactive data platform through MEPP technical assistance. Using the platform, the rally asked citizens, working in teams of two to five people, to identify, visit, and inspect public works that had received federal funding. A group of judges evaluated 30 teams in 15 states across the country and announced three winners on March 4, International Open Data Day. Citizen Heroes developed and posted its first GIF as a call to action in the rally.<sup>9</sup> The online communication effort reached over 85,000 people throughout the week.

In July 2017, MEPP and Gobierno Fácil met with Ministry of Finance staff several times to track progress and upgrades to the ministry’s public works portal. As SHCP staff became familiar with the improvements, they realized the platform could now accommodate, at low cost, different kinds of public sector data with the potential to be adapted by diverse governmental organizations that awarded or managed contracts for goods and services. In particular, they concluded the platform not only increased the transparency of public works budgeting and contracts, but that

<sup>9</sup> [www.facebook.com/HeroesCiudadanosMX/videos/1866115356942297/](http://www.facebook.com/HeroesCiudadanosMX/videos/1866115356942297/)

the portal template could also be adapted by local governments to make bidding and contract information publicly available.

This unplanned achievement showed the power of standardizing data, as the portal can support and cross-reference data from different programs. Smaller or technically limited public sector organizations would not have to develop a new platform from scratch, a costly and risk-filled undertaking that would be a deal-breaker for almost any transparency initiative. The ability of the Ministry of Finance portal to facilitate information disclosure for other government bodies was not an expected result of MEPP’s work. However, as MEPP produced and observed successive portal enhancements, our team worked with Ministry of Finance staff to report on the potential of those changes.

The impact of MEPP technical assistance on the lives of real people became apparent following the September 19 earthquake, which caused extensive destruction in Mexico City and surrounding states. Damage to infrastructure and buildings was widespread and represented an ongoing threat to public safety well after the shaking had stopped. In particular, technical emergency experts feared many buildings that did not actually collapse during the quake had been structurally compromised and could fall without warning in the near future. The situation required a massive and immediate response from the federal government.

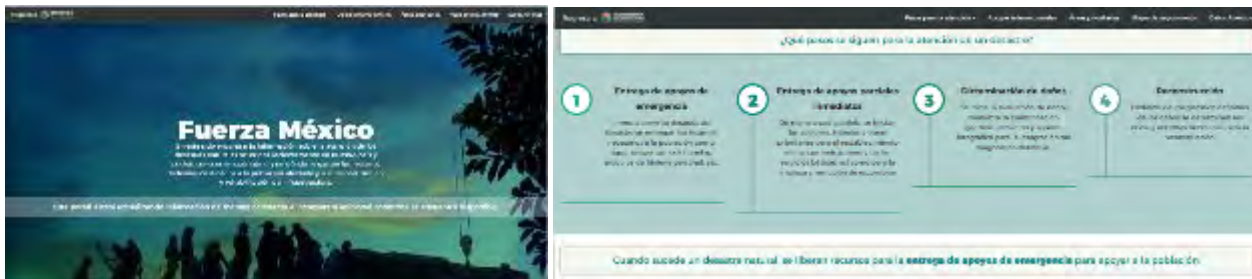


Image 6 & 7: Fuerza México homepage and a step-by-step explanation of information the website provides and how to find it.

Days after the quake, the Ministry of Finance transparency unit began coordinating relief efforts with the Ministry of Interior (SEGOB), the National Disaster Fund (FONDEN), the government’s two main public health care providers (IMSS and ISSSTE), and the Ministry of Education (SEP). Together they launched the platform *Fuerza México* (Mexico Strength)<sup>10</sup>, which provides up-to-date information on:

- Damaged infrastructure, educational and social protection services-
- Classrooms and public infrastructure inspected by officials and approved by government engineers as safe for continued operation
- International technical and financial assistance
- Use of FONDEN financial resources

<sup>10</sup> <http://www.transparenciapresupuestaria.gob.mx/es/PTP/fuerzamexico>



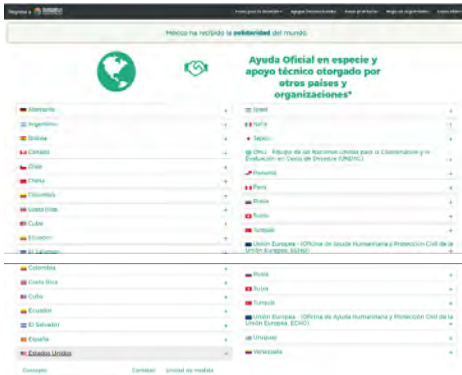


Image 9: Presentation of external and foreign aid (technical and in-kind)

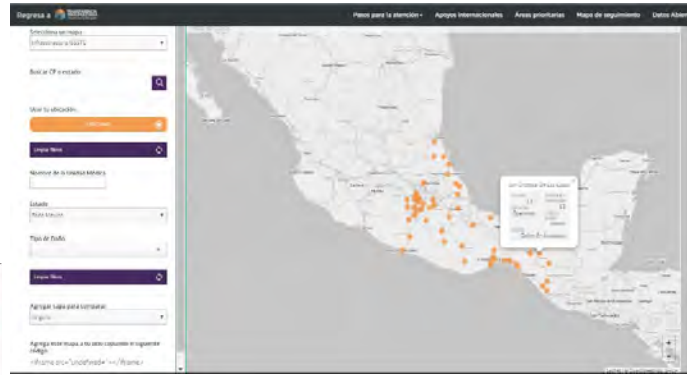


Image 8: Map of Fuerza Mexico spending, based on template developed for Ministry of Finance with MEPP support

Although the MEPP team did not participate directly in the creation of *Fuerza Mexico*, the platform was designed and developed with the Ministry of Finance data management template that MEPP had created. FONDEN and SHCP could quickly develop a portal to capture and display the locations of damaged (and therefore dangerous) buildings, including schools and hospitals, as well as relief and supply efforts in real time.

According to Lorena Rivero, director of SHCP's transparency unit, FONDEN generated seven maps "without the need for IT systems to get involved." She noted that the mapping application was extremely useful in a crisis like the quake because it saved so much time, allowing government agencies to provide "rapid response to citizens' demands for information that mattered most to their lives at the moment."



Image 10: Resources allocated for reconstruction per state, and disaggregated by type.

Another finance ministry information officer, Aura Martinez, added: "Before the map application we didn't have a tool that allowed us to publish information of public interest that was visual, clear and agile. Now we can geo-reference the damage, and soon we'll provide information on how relief efforts are applied to reconstruction."

**TABLE 6. MINISTRY OF FINANCE TRANSPARENCY PORTAL INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of governance changes endorsed by federal government	3	3
Extension Period	Activity not continued		

## Open Contracting Data Standard (OCDS)

Option Period. By the end of February 2018, MEPP grantee Transparencia Mexicana (TM) had enabled three local governments to adopt a major transparency mechanism as a result of USAID assistance. In this case, that mechanism is the Open Contract Data Standard (OCDS). MEPP validated achievement of this indicator by documenting approval of the first step any state or municipal government must take to adopt OCDS: Become a member of the Open Contracting Alliance, which has been the primary institutional force behind the adoption of open contracting standards throughout Mexico.<sup>11</sup>

The process through which a local government formally adopts OCDS is simple but rigorous. When a state or municipality states its intention to adopt OCDS, it sends a letter to the Alliance for Open Contracting that identifies a major project to be implemented through the standard. The letter also serves as a formal request to become an Alliance member. A technical committee within the Alliance reviews each proposal to determine if the government has shown sufficient capacity and commitment to adopt OCDS. Acceptance of a proposal confers Alliance membership to the corresponding government and also makes it eligible to receive technical assistance from Transparencia Mexicana.

During January and February 2018, TM delivered trainings to a total of 52 public officials who supervise public contracting, as well as 42 members of policy NGOs that promote governmental transparency and accountability. MEPP support of TM resulted in three local governments becoming Alliance members, each applying OCDS to high-profile procurement projects. First, the state of Sonora became an Alliance member in November 2017 based on its disclosure of public information on contracting for a desalinization plant in the arid Hermosillo region. TM provided numerous government officials in-person and online technical assistance needed to fill out the complex OCDS format correctly. On March 5, 2018, at an open contracting forum convened by the National Institute for Access to Information (INAI), a spokesman for the state's water commission presented the desalinization project as a pioneering achievement in local government procurement.

Second, the municipality of Xalapa (capital of Veracruz State) became a member of the Alliance in February 2018 based on its proposal to contract and build a biodigestor, a landfill project that collects methane emitted by decomposing organic waste to produce energy and reduce greenhouse gas emissions. Notably, Xalapa originally applied for membership in February 2017. However, as the government changed shortly thereafter, the Alliance was not convinced that the new governor and administration—which had not been involved in submitting the proposal—were sufficiently committed to adopting the standard. Accordingly, TM provided technical assistance to the new state government over the following year; Xalapa then reapplied to the Alliance and was made a member shortly thereafter.

---

<sup>11</sup> The Alliance is composed of government agencies (Ministry of Public Administration, Digital Government Unit of the Office of the President, National Institute for Access to Information (INAI), and Ministry of Finance), as well as local governments that seek to adopt OCDS. Civil society organizations are represented within the Alliance through Transparencia Mexicana. Last year Alliance members collectively adapted the global version of OCDS to Mexico's specific institutional needs, especially by specifying additional procurement data that local governments must provide into order to comply with Mexican legislation.

The third government institution that became an Alliance member was the Federal Authority for Special Economic Zones (SEZs), a unit of the Ministry of Finance responsible for promoting economic development in poor and marginalized regions of Mexico. States within the SEZs pursue growth objectives, in part, by contracting organizations that foster public and private investment, promote private sector innovation and provide specialized training. The contracting process for such procurements has typically been opaque and rife with corruption. However, as part of a national agency that is part of the Open Government Alliance, states that benefit from SEZ funding will have to abide by rigorous transparency and competition standards.<sup>12</sup>

**TABLE 7. LOCAL GOVERNMENT ADOPTION OF OCDS INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of local governments that adopt accountability mechanisms	3	3
	Number of NGO members trained	30	42
	Number of GOM officials trained	15	52
Extension Period	Activity not continued		

### Evaluation of Public Works Projects

MEPP supported a series of procurement evaluation activities that produced analytical reports—typically supplemented with recommendations for reform—to expand Mexico’s knowledge base about transparency and anti-corruption challenges and potential solutions. Unlike most of MEPP’s activities, these did not have explicit public sector or civil society counterparts. During the Option Period several MEPP partners created three methodological tools to empower civil society (academic researchers, NGOs) to evaluate public works contracting and construction projects. These included

1. *Public works index.* Created by the Mexico Competitiveness Institute (IMCO) this report ranks the legal framework governing public works acquisition in 15 states by applying practical indicators on competition, transparency and accountability, technical soundness and sanctions for public officials. IMCO created the index rankings to generate publicity and public debate about the impact of state laws governing public works and proposals for reform. Stakeholders expected to have interest in main findings included the construction sector, academics, research NGOs and government regulators.
2. *Project monitoring of high profile public works projects.* MEPP grantee Mexico Evalua, a policy NGO, developed a methodology to assess administrative governance of the new planned Mexico City international airport (NAICM) and Mexico-Toluca train, specifically how decision-making and implementation take place on the ground. The analysis covered the administrative structure responsible for executing projects; the contract administration system; the process by which ongoing bids take place; and the budget and financial structure of projects.

<sup>12</sup> The states include Chiapas, Guerrero, Veracruz, Michoacán, Yucatan and Chiapas.



3. *Public works acquisition guideline.* As part of its work promoting local government accountability in procurement, MEPP grantee Transparencia Mexicana produced *Guía para la implementación del estándar de contrataciones abiertas en México* (OCDS Implementation Guide for Mexico), which offers detailed recommendations for local governments to apply the Open Contracting Data Standard throughout the public works project life cycle. The *Guide* describes open contracting conceptually as well as the process of creating a Mexican OCDS to support government and civil society members of the Alliance for Open Contracting. It provides step-by-step instructions for implementing OCDS requirements: define strategic investment project, identify governmental institutions responsible for generating and evaluating procurement data, and supply data for over 300 information fields covering planning, tender, award, contracting and execution, digitalization and validation of data.

**TABLE 8. EVALUATION OF PUBLIC WORKS INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of public resource oversight mechanisms created with USG assistance	3	3
	Number of NGO members trained	25	24
Extension Period	Activity not continued		

## 2D. Implementing the National Anti-Corruption System (SNA)

### *Problem*

In 2016, Mexico adopted the basic legal framework for its new National Anticorruption System (*Sistema Nacional Anticorrupción, SNA*). The system consists of seven new and amended laws, which were drafted, reviewed and approved through unprecedented cooperation between civil society and Congress.<sup>13</sup> Since adoption of the legislation, the Mexican government’s challenge—national and locally—has been to implement the SNA through concrete actions, processes and institutions.

The new legislation requires virtually every public sector institution adopt key elements of the SNA. However, rolling out and implementing such a complex and inter-dependent system will be an uneven process likely to take place over several presidential administrations. During the Option Period, MEPP focused on achieving short-term, high-impact objectives by working with national and subnational organizations committed to adopting core principles of the Anti-Corruption System.

<sup>13</sup> The National Anti-Corruption System includes: Ministry of Public Administration (SFP), Federal Auditor Office (ASF), National Institute for Access to Information (INAI), Federal Judicial Council (CJF), Federal Tribunal of Administrative Justice (TFJA)

State government legal framework. SNA legislation requires each state to submit a constitutional amendment to formally adopt anti-corruption measures, as well as secondary laws to implement such actions, by July 18, 2017. As is the case in most “unfunded” mandates, state governments typically lack resources or local capacity to carry out technically challenging measures on their own, especially within a tight timeframe. Political realities complicate the process further. When a national system is created through a constitutional change and instructs local legislatures to enact corresponding state laws, each of Mexico’s 32 state governments may interpret essential aspects of the national law in different ways. This risk is especially high in the absence of specific secondary legislation guiding implementation. Because of variations in capacity and local political interests, the resulting state laws may be partial or fragmented, or even contradict the main goals of the national legislation. To meet these challenges, MEPP supported the creation of an objective and accessible evaluation mechanism that enabled state governments to measure their degree of compliance with SNA’s legal framework requirements.

Declarations on the National Digital Platform. A central goal of the SNA is to reduce public corruption through transparency and open government by implementing and operationalizing the National Digital Platform (NDP), a central repository of public data required under the General Law of the Anti-Corruption System (GLAS). A principal innovation of the NDP is the public servant “declaration.” As required under Mexico’s “Tres de Tres” law, government employees at the national, state and municipal level must fill out lengthy declaration forms, approved by SFP, affirming ownership of assets (*patrimonio*) and personal or professional associations (*intereses*).

The purpose of the declarations is to enable the government to identify and prevent possible conflicts of interest for officials who stand to benefit from a particular governmental action (e.g., family connection to a bidder on a public contract, ownership of a company that can provide services to the government), as well as to detect potential acts of corruption based on sudden, large or unexplained changes in assets. The tool must also include an electronic public registry that stores and presents data provided by all federal, state and local government employees.

The General Law requires state and municipal governments to collect declaration data from their local public officials. However, given Mexico’s federalized system of governance, the legislation does not indicate compulsory measures or even prescriptive guidance about the origin, characteristics or capabilities of the electronic tools that local governments will use to obtain the information. While the declarations are considered a cornerstone of Mexico’s anti-corruption efforts, to date the national government has not produced detailed requirements on how local governments must collect that information and make it available on the National Digital Platform (NDP).

SNA Public Communications. The SNA also faces fundamental problems in public communication: limited or inaccurate information about SNA institutions, and unrealistic expectations about what SNA should achieve, especially in the short term. National elections were held in July 2018 and the new administration took office in December 2018 on a platform dedicated largely to ending corruption. As a result, public support and understanding of these new institutions is likely to determine (perhaps decisively) the SNA’s relevance and impact over the coming years. If citizens perceive the SNA to be ineffective, they will grow cynical and indifferent about the persistence of business-as-usual impunity for the well-connected. In particular, regular citizens typically do

not understand the role of the Executive Secretariat of the SNA (SESNA), which sought MEPP's support in the development of a communications strategy to educate, manage crises, as well as practical tools on how to implement the strategy.

As a first step MEPP used surveys and interviews to evaluate the level of understanding among anti-corruption stakeholders about how the SNA worked: civil servants from SNA institutions, journalists, NGOs working on transparency and anti-corruption, as well as students and researchers. The results were overwhelming: civil servants did not know the role that their own institution played in the SNA, researchers and NGOs did not understand basic implementation processes, while journalists and students demonstrated little knowledge about the institution at all.

In 2018, some Mexican states began the process of creating and implementing local SNAs, with varying progress. As local counterparts to the nation's anti-corruption system, these institutions are responsible for offering all the technical support required for creation and implementation of anti-corruption policies and practices within state government. However, as new and untested organizations, state-level SESNAs lack the human capital necessary to communicate their mandate effectively. MEPP leveraged insights and collaborations generated from technical assistance to create the federal SESNA's strategic communications plan, plotting messages and channels to explain to the general public what state SESNAs are doing to fight corruption at the state and municipal level and why it matters.

Pemex. Nationally, MEPP found an opportunity to support one of the central government's largest, most economically important, and historically unaccountable organizations: *Petroléos de México* (Pemex), the state-owned oil monopoly. In 2014-15, Mexico adopted energy reforms that significantly affected the governance of Pemex, transforming it into a government-owned "productive enterprise" (*empresa productiva*). This new legal entity allows the company to enter into international deals to discover and produce oil, and also requires it to operate as a free market actor that maximizes efficiency and financial viability. As the reforms' purpose was to modernize the company, its leadership prioritized internal changes to signal transparency and accountability to the global energy sector and associated legal authorities. Pemex acquired the heretofore missing self-interest in promoting internal accountability, leading it to request MEPP technical assistance to implement and institutionalize a corporate code of conduct. The invitation to collaborate with Mexico's national oil company represented an unprecedented opportunity for USAID, given the size and economic impact of Pemex and its influence over other institutions with a major impact on the adoption and implementation of anti-corruption measures.

### **MEPP Activities and Outputs**

#### **State Government Legal Framework**

During the first half of 2017, MEPP partner the Mexican Competitiveness Institute (IMCO) worked closely with state anti-corruption authorities to define and objectively confirm the adoption of legal measures necessary to comply with the General Law on the National Anti-Corruption System. The work involved consultations, collecting and responding to feedback, as

well as legal research.<sup>14</sup> In August 2017, IMCO delivered its report on the *Semáforo de Corrupción* (corruption traffic light). The report describes state government adoption of legislation that complies with requirements of the National Anti-Corruption System (SNA). The *semáforo* evaluates 10 characteristics that should be included in state constitutions as well as 30 that should be included in state laws. IMCO’s analysis covered Mexico’s 32 states. As a MEPP partner, IMCO helped generate public awareness and pressure for reform through a communication strategy—including a media campaign, social networking, and a website—that provided comparative reports on the speed and quality of compliance.

The results of the *semaforo* were significant. By July 18, 2017, the constitutional deadline for compliance, 31 states had approved the required constitutional reform (one late state complied the following day). Even more importantly, 29 states had technically complied with the national requirement to approve local anti-corruption laws. Of these, IMCO qualified 21 states as having satisfactorily incorporated the standards set under *semáforo* criteria. These states incorporated at least 85% of the content included in the model law. This distinction is important: The national benchmark for compliance leaves room for state government discretion, while the model law developed by civil society imposes a stricter, clearer and more uniform standard.

USAID technical assistance ensured the *semaforo* was used not only to pressure state governments, but also to provide individual state-by-state evaluations and specific recommendations. For example, Jalisco, Morelos and Veracruz—three state governments whose constitutional reforms were initially assessed as deficient—used observations in the *semáforo* to implement specific reform modifications that made their constitutions compliant. The governments of Chiapas, Colima, Estado de México, Morelos, Querétaro, Sinaloa and Tamaulipas directly requested MEPP assistance to comply with SNA requirements. More broadly, the states used the model law as the reference for constitutional and legislative reforms. Legislative uniformity not only promotes the coherence of the SNA throughout the country but makes it more difficult for opponents of reform to use litigation to challenge the new laws.

**TABLE 9. STATE GOVERNMENT SNA COMPLIANCE LEGAL REFORM INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of public oversight mechanisms created with USG support	1	1
	Number of local governments that adopt accountability mechanisms	10	21
Extension Period	Activity not continued		

<sup>14</sup> Prior to MEPP support, IMCO was already working on state-level SNA compliance. In 2016, IMCO collaborated with other policy NGOs to draft a model anti-corruption law for states to use as a reference—including verbatim language—for their own laws.

## SNA Communication Strategy and Website

At the beginning of MEPP's Option Period, the SNA was barely a legislative initiative. By early 2017, the key leadership institution of SNA, the Citizen Participation Committee (*Comité de Participación Ciudadana*, CPC) had been created and begun its work to give the SNA public policy direction. In addition, the Executive Secretary of the SNA (*Secretaría Ejecutiva del Sistema Nacional de Anticorrupción*, SESNA) launched its mandate to provide technical support to the CPC, federal SNA institutions and state-level anti-corruption initiatives. In the effort to strengthen the SNA's public standing, one of SESNA's main priorities was to educate the public and manage expectations: many citizens and journalists who contact SESNA become frustrated at what they perceive is weak responsiveness and impact. MEPP provided technical assistance to SESNA to improve public understanding of the SNA and enhance its credibility. In addition, SESNA sought to support state government efforts to create and implement their own anti-corruption institutions—a considerable challenge given local resources constraints and lack of experience.

Throughout September 2018 MEPP organized a series of workshops with SESNA officials to design communication strategies and test website prototypes. Amid a positive general response, journalists, students and researchers who viewed the preliminary portal design gave feedback to improve clarity and user experience. Workshop participants also developed content to explain SESNA's role within the anti-corruption system. Workshop topics included logo design, using metaphors as educational material, and anti-corruption information that state governments should include in their portal pages.

At the end of 2018, MEPP prepared a strategic communications plan for SESNA that included: 1) a concise mission/vision statement of how SESNA should be perceived, and a synthesis of SESNA's purpose, authority, responsibilities and legal mandate; 2) identification of SESNA's short- and medium-term communication goals and specific audiences; 3) objective performance indicators (including required data) for SESNA to measure the effectiveness of the plan; 4) priority actions and goals to promote an understanding of SESNA in target audiences; 5) identification of communication needs of state-level SESNAs; 6) a guide to addressing public criticism, in particular of SNA institutions; 7) written guidelines on how to communicate and respond through social media.

In addition, MEPP's technical team worked with national and state anti-corruption officials to produce an interactive SNA website that includes a microsite for state governments to communicate their activities and achievements, as well a new SESNA website that would embody the recommendations outlines in the communication strategy. MEPP prototyped and tested different designs, layouts and digital communication methods to create educational content (videos, infographics, and gifs) and a communication channel for those interested in the state or federal anti-corruption institutions. At the end of 2018 MEPP delivered social media content (e.g., SNA structure, how corruption affects citizens) for federal and state anti-corruption authorities to use on their websites, as well as presentations and documents for authorities' own public outreach activities. In March 2019 SESNA's leadership approved the proposed National Anti-corruption System and SESNA website design and content for re-design home pages that MEPP developed. As of the end of March SESNA indicated that they would be installed on systems servers in April and made available to the public. Working in close collaboration with SESNA, MEPP re-designed the pages as part of its broad support to create a comprehensive

communication strategy. The new content presents progress of local and national anti-corruption institutions, used accessible language familiar to everyday citizens, and educates the public about the responsibilities and activities of national and state anti-corruption Technical Secretaries.

### Fighting Corruption in Mexico’s Border Region

As part of MEPP’s support to strengthen public communication about Mexico’s anti-corruption institutions, we co-organized the international conference *Arriba el Norte, Abajo la Corrupcion*, in Tijuana on March 11-12, 2019. The event at the historic Tijuana Cultural Center was carried out in collaboration with the United Nations Development Programme, the Citizen Participation Committee (CPC) of the National Anti-Corruption System and the Baja California state CPC. One of its central achievements was the formal launch of the National Anticorruption Network (NAN), a multi-stakeholder forum dedicated to promoting civil society’s role in ensuring government accountability

Designed to identify local actors seeking to contribute to anti-corruption initiatives, the conference included several expert panels and brief presentations of ongoing border projects. U.S. Consul General (Tijuana) Sue Saarnio and National CPC President Octavio Lopez Presa opened the event, while USAID Mexico Mission Director Elizabeth Warfield and UNDP Mexico Director for Governance and Democracy Javier Gonzalez announced the creation of the NAN and introduced the organization’s first Coordinator, Francisco Martínez. The Anticorruption Network represents a group of NGOs from the border region and other parts of the country seeking to share best practices on how to combat corruption. Its leadership in the conference reflects the participation and commitment of civil society in confronting corruption in Mexico. Attended by over 150 people, the forum explores how corruption undermines journalism, migration, security, rule of law, private sector development and human rights at the national and local level. Speakers and project presentations offered innovative proposals that harness the power of transparency and civic engagement to reduce corruption and hold government accountable.

**TABLE 10. SNA COMMUNICATIONS STRATEGY INDICATORS**

	Indicator	Target	Achieved
Extension Period	Number of public oversight mechanisms created with USG support	1	1
	Number of states that endorse or adopt transparency mechanism	5	7

### Declarations

Throughout January and February 2019, MEPP subcontractor Gobierno Fácil (GF) worked with SESNA to re-design and implement declaration sections of the National Digital Platform. GF analyzed the current platform design, including the homepage, navigation, intuitiveness of task completion, formats and data entries, credibility, content and visual design. A preliminary assessment indicated overall content and visual design had high levels of user-friendliness, while



data entry formats for citizens were found to be confusing. As a result, GF generated 39 recommendations to improve the current design, including: minimizing the number of clicks to carry out tasks, changing language to the active voice, and providing information about SESNA. These observations coincide with MEPP's own findings in working with SESNA's communications team. Gobierno Fácil then created mockups for graphic and functional improvements for the NDP that included structural and design changes to the visualization and presentation of civil servant declarations related to assets and interest.

GF also provided a technical installation guide for government informatics technicians responsible for administrating the platform itself. More importantly, a functional, user friendly platform (as designed by Gobierno Facil) was installed into the SESNA server. This was done ahead of the declarations season, so that after civil servants fill out the declaration in April 2019 the [www.plataformadigitalnacional.org](http://www.plataformadigitalnacional.org) will show real data of over 5 million declarations of assets and liabilities, allowing citizens and journalists to explore trends, specific companies and government employees of any level. The Technical Secretary of the SESNA, Ricardo Salgado mentioned that this page will be “a sources of intelligence to construct integrity and combat corruption, and will create value for the government and society, through the use of big data”.

In addition to our technical assistance to develop SESNA's national declaration portal, MEPP also provided support for subnational implementation of declaration procedures. At the beginning of 2019, Mexico City's Digital Agency for Public Innovation (ADIP), the transparency unit of the country's largest state government, requested technical assistance from MEPP to design, program and create a functional electronic platform dedicated to declaration information. While the national government has specified the required data for each declaration statement, local governments may use different formats and electronic instruments to obtain the information, provided that the contents of their databases can be transferred directly to the NDP. To date SFP's research suggests that data available on the Platform is limited by incomplete disclosure, inconsistent formats and standards, as well as inter-operability challenges.

Political developments very near the end of our Program made the Mexico City (CDMX) platform extremely relevant and demonstrated the real world impact of USAID support of SNA. In late March the seven institutions that make up the SNA announced that they planned to vote (on March 21) to suspend *indefinitely* the April 30 deadline for municipal, state and federal governments to comply with *Tres de Tres* upload requirements for declarations. They explained that this decision was due to technological challenges (e.g., system requirements for 32 state governments, interoperability issues with the NDP) and legal ambiguities, (e.g., unclear terms and definitions, duplicated fields).

Having read the draft resolution, on March 20, 2019, ADIP publicly informed the SNA's Citizen Participation Committee that the CDMX government had created a new platform that resolved the legal and technological problems identified. In addition, ADIP announced that that CDMX would make the platform available for any other to use at no cost. As a result of the announcement, the SNA voted on March 21 to affirm that the new deadline for declaration information compliance would now be December 31, 2019, rather than “until further notice.” This decision is extremely important because it gives state governments sufficient time to create or adopt technological solutions (including but not requiring use of the CDMX platform). It also

prevents the SNA from “kicking the can down the road” without specifying a compliance deadline, a decision which could have effectively made “*Tres de Tres*” defunct and paralyzed the country’s anti-corruption progress.

Within a week of ADIP’s announcement almost 20 state and local governments had contacted the agency requesting guidance on how to adopt its declaration platform. At this time we cannot foresee with precision how Mexican states will comply with declaration requirements. However, as a result of MEPP assistance, every state now has access to a resource that enables them to effectively implement “*Tres de Tres*”, and to make a lasting, tangible impact on the country’s fight against corruption.

**TABLE II. DECLARATION PLATFORM INDICATORS**

	Indicator	Target	Achieved
Extension Period	Number of public oversight mechanisms created with USG support	1	1
	Number of local governments that endorse or adopt transparency mechanisms	1	1

**Pemex Code of Conduct**

In October 2016, Pemex’s legal unit began discussions with MEPP to request technical assistance for a revised, fully implemented corporate code of conduct. By December, MEPP had drafted several Scopes of Work to carry out internal research within Pemex, review international best practice and develop an intensive communications and capacity-building program to disseminate the new code of conduct throughout the company. Our technical assistance included two sub-contracts with experienced consulting firms, an independent consultant with professional experience as the general counsel of an international firm that adopted a code of conduct, and MEPP technical staff, including the COP, Deputy COP, and Communications Specialist.

Between January and June 2017, the MEPP team carried out extensive research and consultations focused on key compliance topics, including: procurement and contracting guidelines, due diligence when contracting external organizations, conflict of interest, personal and professional ethics, reception of complaints and tips related to unethical behavior, investigation procedures and formal sanctions for non-compliance and corruption. In addition, MEPP technical assistance addressed communications tools to ensure awareness and concurrence on proper conduct in each of these areas among the company’s tens of thousands of employees. MEPP participated in over 20 meetings with Pemex staff from legal, procurement, internal control, human resources, auditing and social communications divisions, reviewing technical activities and deliverables, defining next steps, and developing a broad strategy of corporate dissemination.

On July 26-27, MEPP and Pemex organized a two-day workshop to determine formal procedures for the company to implement its code of conduct. Pemex participants included managers from all divisions that contributed to previous research and consultations. MEPP also invited external experts from the *Centro de Investigación y Docencia Económicas*, the United Nations Development

Program, and the United Nations Office on Drugs and Crime. The workshop was a milestone in MEPP's assistance to the state-owned company, as it established specific steps, processes and criteria for Pemex to implement a legally binding Code of Conduct, including enforcement and application of sanctions. The first day focused on the implementation of surveys, anti-corruption guidelines and compliance processes; the second day covered training, capacity-building, professional acknowledgment and communications.

In late August and September 2017, MEPP held workshops with Pemex staff to review scripts, storyboards and infographics that became part of an in-depth training program, first for managers and eventually for rank-and-file employees. The workshops included focus groups with Pemex staff not familiar with the code to receive feedback, which MEPP used to make video content as inclusive as possible. Pemex provided preliminary text for videos narrated by directors, and MEPP developed that content into detailed scripts for one-minute videos, which will describe Pemex's new role as a productive enterprise and explain why each and every employee, regardless of function or rank, must be responsible for understanding and complying with the Code of Conduct. On August 28, Pemex published its Code of Conduct in *Diario Oficial de la Federación* (equivalent to the U.S. *Federal Register*). The Code incorporates research, best practice and recommendations developed with MEPP technical assistance.<sup>15</sup> Main topics include: bribery and corruption, transparency, interpersonal communications, conflict of interest, gifts and invitations, bullying and sexual harassment. The inclusion of Pemex's Code of Conduct in Mexico's official federal rules bulletin demonstrates the government's commitment to improving accountability in the country's largest government-owned productive organization, a goal supported directly by USAID assistance.

On January 15, 2018, Carlos Treviño, the new President of Pemex, approved the company's new Code of Conduct and associated online capacity-building program, both developed with significant MEPP support throughout 2017. Along with members of the Board of Directors, Treviño signed a letter of concurrence (*carta de adhesión*) acknowledging his individual commitment to comply with the Code. He also publicized the action on Twitter, stating: "Today, the entire group of directors that are part of @Pemex signed and officially adopted the new Code of Conduct and anticorruption of the company. The most emblematic company of Mexico must also be the best example of integrity and honesty."

On March 26, Pemex published 13 videos of its managing directors exhorting employees to comply with the company's new Code of Conduct, created with MEPP's technical assistance. (MEPP's communications specialist supervised filming sessions at the end of January.) The company leaders personally endorse the Code and direct others to do the same. They are also shown taking the online course that will eventually be required throughout the enterprise. The videos were displayed in common areas within the company, such as cafes and elevators. At the end of March, over 600 employees had received in-person compliance training developed with MEPP assistance.<sup>16</sup> Over the course of 2018, Pemex continued to offer in-person sessions throughout the company, and made the course available through e-learning modules developed with MEPP support.

---

<sup>15</sup> <http://www.dof.gob.mx/index.php?year=2017&month=08&day=28>

<sup>16</sup> This number is many times higher than our original target of 100. The high number reflects the fact that Pemex carried out (and tracked) training by itself after formal MEPP assistance had ended, indicating the institutionalization of capacity-building within the organization and the sustainability of USAID assistance.

As the centerpiece of Pemex’s capacity-building initiative, the videos respond to one of MEPP’s most important recommendations for effective implementation: Establish “tone at the top,” a visible commitment by the highest-level executives to personal and professional accountability. The statements by Pemex’s top managers were both symbolic and substantive. Formal adoption of the Code by the company’s new President and governing body sends a clear signal to other managers and employees about the priority the company gives to ethical behavior. It is also significant that the new leader of Mexico’s largest public enterprise explicitly supported and legitimized the Code shortly after the departure of the previous President in December 2018. His move underscored the sustainability of the code of ethics as an institutional reform whose impact will not depend on the whims of leaders who come and go with political developments.

On November 30, 2018, more than six months after MEPP assistance to Pemex had ended, staff from MEPP and USAID’s Office of Integrity and Transparency were invited to meet with the company’s general counsel and legal staff to formally close the program. Pemex officials present informed attendees that by the end of 2018, over 97 percent of non-unionized employees had taken MEPP’s e-learning code of conduct course. They also called attention to a recent article about corporate transparency in the influential business magazine *Expansión*, in which Pemex was ranked 31 out of 500—the highest ranking of any public company—and acknowledged MEPP’s contribution to this achievement. The general counsel stated, "USAID should be proud of its work in helping Pemex to become a more transparent and compliant firm. Rest assured that your investment made a difference, and it was money well spent."

**TABLE 12. PEMEX CODE OF CONDUCT INDICATORS**

	Indicator	Target	Achieved
Option Period	Number of governance changes endorsed by federal government	3	3
	Number of GOM officials trained	100	629
Extension Period	Activity not continued		

### 3. Implementation Problems

During the Option and Extension periods, MEPP supported several activities that ultimately had less than the expected impact in transparency and anti-corruption efforts in Mexico. In each case, the main reason was the unexpected departure or inaction by our main government counterpart/implementation partner.

#### Corruption reporting platform

*Activity.* Beginning in late 2016, MEPP worked with the National Entrepreneurship Institute’s (INADEM) Office of Business and Entrepreneurship Advocacy to create an electronic platform that enables business owners to publicly report instances of regulatory corruption. MEPP and our partner C230 carried out consultations with INADEM and other government officials to define the scope of the mission and the authority of the new advocacy office. MEPP also carried out consultations with stakeholders with the potential to provide information to SMEs, including:

municipal officials who serve as federal regulation liaisons, local business chambers, and university students. Perhaps most importantly, the MEPP team, which included a programmer and communications specialist, created and tested the design and software for the new platform. MEPP conducted numerous interviews and focus groups to test conceptual ideas and the functional prototype to ensure that the output was intuitive and relevant for intended users. On October 6, 2016, INADEM launched the platform at a major public event during National Entrepreneurship Week. Presenters included INADEM President Enrique Jacob, U.S. Ambassador Roberta Jacobson, and Business Coordination Council (CCE) representative Emilio Carrillo.

*Deliverable.* The website, called the Map of Corruption ([www.mapadecorrupcion.mx](http://www.mapadecorrupcion.mx)), provided user-friendly content and guidance regarding typical regulatory requirements at the local government level, as well as an interactive function through which users could provide testimony about their own experiences. The portal was available to any Mexican citizen seeking to report local government regulatory abuse or corruption. It classified different regulatory problems and enabled website managers to carry out data analytics that pinpoint opaque processes and requirements that open doors to predatory practices, as well as to identify specific regulatory areas that merit a public policy response.

*Implementation Problem.* Despite an extended effort by the MEPP team, the Map of Corruption did not receive the counterpart support it needed, and fizzled out after its public presentation. Lacking publicity to encourage businesses to report, and also lacking staff to analyze any data received, the initiative did not advance. The root of this failure was reliance on INADEM's advocacy office to operate and publicize the website, as well as to evaluate the data collected. As originally conceived, INADEM would be responsible for collecting, analyzing and reporting information related to local government regulatory practices. This meant that the new unit's main resource was *information* that it could use to provide guidance, make referrals and influence public opinion. Unfortunately, this plan derailed in early 2017 when INADEM's leaders left their positions to participate in a state election campaign, leaving the initiative without implementers.

*Lesson.* MEPP's major misstep was to allow INADEM to assert complete ownership and control over the platform that we created. During the process of designing the website, INADEM was an ideal partner, with significant participation and input from every level of the organization. Indeed, we viewed INADEM's commitment as essential to the sustainability of the platform once it became operational. However, we did not anticipate that INADEM's entire leadership would leave the organization suddenly and simultaneously. Making matters worse, even with its major officials gone—they were technically on a leave of absence—MEPP did not have clear legal rights to transfer control of the platform to another organization; indeed, INADEM explicitly asserted its sole ownership of the platform. The Business Coordination Council (CCE) had expressed keen interest in the website and possessed the resources and mandate to manage it. After INADEM was dissolved following the December 2018 installation of a new administration, MEPP did indeed transfer formal control of the platform to CCE. As our Program's closure occurred three months later, we are not able to support or report on this transition.

## Regulatory reform in Hidalgo

*Activity.* In January 2017, MEPP team and our subcontractor C230 began working closely with the Hidalgo Secretary of Economic Development (Sedeco) to define technical assistance to improve the transparency and accountability of the state's core business regulations, including business start-up, zoning permits and authorization for construction. Based on preliminary research and the most recent World Bank *Doing Business* report, the Sedeco explained these procedures subject businesses (and aspiring entrepreneurs) to uncertainty, unexpected costs and delays, and widespread public sector corruption. For the next several months, the MEPP sub-contractor C-230 Consultores reviewed documents, web portals and existing legislation related to opening and operating a business, in addition to extensive in-person interviews with local government employees and managers.<sup>17</sup> The research revealed a troubling picture: Requirements and sanctions related to business operations were poorly defined and arbitrarily applied, and in some cases even lacked a clear legal foundation. Even routine procedures—getting a business license or a zoning or construction permit—were held up by a labyrinth of offices that did not communicate with each other, and were subject to the discretion of local authorities. As a result, Hidalgo businesses faced long waits, arbitrary delays and uncertainty that made planning impossible and created unexpected costs that threatened financial viability.

*Deliverable.* MEPP partner C230 produced a comprehensive regulatory assessment of Hidalgo's administrative and regulatory procedures for opening a new business and obtaining zoning and construction permits. The report included a detailed proposal to reform the business startup processes through administrative and regulatory improvements. The assessment included a regulatory map of procedures and documents, including a step-by-step description of actions that each business must take in order to comply with local government rules. The report also presented an empirical assessment of how well this documentary description corresponded with realities experienced by real business owners. Finally, the report offered a series of practical recommendations for the Sedeco to improve the regulatory processes underlying business opening and operation, including greater transparency and certainty regarding requirements, costs and deadlines. Recommendations addressed the need for clarity, objectivity and transparent disclosure of business regulations. They prioritized consolidating, streamlining and in some cases eliminating requirements that impose unnecessary burdens on entrepreneurs.

*Implementation problem.* On June 7, 2017, C230 and Hidalgo's Secretary of Economic Development presented the diagnostic at a meeting convened by state's Governor, which included most of the cabinet. The Governor applauded the recommendations presented and instructed the Secretary to begin implementation with the state's top managers, including heads of finance, public works, and land registration and water service. He stated that he expected to see results by the end of the year. He also thanked USAID for its contribution to his top economic policy priority. Yet despite continuous communication and interaction with the Sedeco over the following six months, the state demonstrated little substantive progress toward adopting or implementing the main recommendations generated by the MEPP team. Consultations with the

---

<sup>17</sup> Because many business procedures are under municipal jurisdiction, we also worked with the government of Pachuca, the state's largest municipality, securing an explicit commitment from the city's mayor in April.



Sedeco revealed that adopting those reforms involved a much lengthier political process than originally anticipated. By the end of 2017 the Sedeco did report adoption of two recommendations: 1) removal of a permit authorization bottleneck by giving approval authority to more officials; 2) authorization to use e-signatures in construction permit applications. While these achievements were real and led to some improvement, they fell short of MEPP's expectations and of the Governor's personal exhortations to his cabinet.

Lesson. It would be difficult to surpass the explicit statement of support and instructions to managers that the state's Governor provided. In principle, most reforms were under executive control and could be adopted directly with the Governor's instruction. However, in practice, those reforms were subject to political and bureaucratic negotiations that became significant obstacles in the reform process. As part of its regulatory research, C230 and the MEPP team could have delved deeper into the political and authorization processes that major reforms entailed. In particular, we could have made a greater effort to go beyond the Sedeco office to learn about the perspectives and constraints faced by other cabinet-level organizations whose active cooperation was required to achieve greater impact.

### ***Evaluation of Federal Trust Funds***

Activity: MEPP supported research carried out by a technical expert to evaluate the transparency and accountability of national trust funds (*fideicomisos*). While trust funds provide advantages such as flexibility and multi-year planning, they typically operate under opaque rules with little or no information disclosed to the public. In addition, over 300 federal trust funds control trillions of pesos in a wide range of policy domains, such as infrastructure, insurance, entrepreneurship, education and poverty-reduction. Although every federal trust fund is formally approved by the Ministry of Finance (SHCP), the ministry does not typically track performance and resource allocation of these financing instruments over time. As a result, there are no transparency standards by which to assess the quality and relevance of information provided by trust funds that manage so much of the federal government's budgetary allocations.

Deliverable. MEPP produced the report *Transparency Obligations of Public Trust Funds: Challenges of the New Transparency Model* in October 2017. The research revealed that between 2014 and 2016 the Mexican government reformed several laws to guarantee greater transparency of federal management of financial resources and instruments, including trust funds. While these reforms were potentially useful, many obstacles still must be overcome for federal trust funds to become meaningfully transparent and reliably disclose useful information to citizens. Two legal frameworks apply to federal trust funds. First, a budgetary framework, managed by the Ministry of Finance under the Federal Budget and Financial Responsibilities Law (FBFR), prioritizes efficient use of public funds. Second, an accountability framework, managed by the National Institute of Transparency and Access to Information (INAI) under the Federal Transparency and Access to Information Law (FTAI), prioritizes access to information and the fight against corruption. The FTAI was adopted in 2015, while the financial responsibility law dates from 2006, creating the need to ensure complementarity between the two. The study concludes that in order to guarantee the transparency of federal trust funds, regulators must coherently implement and enforce these legal frameworks.

Key recommendations include:

- SHCP and INAI should coordinate efforts to standardize the information they require from federal trust funds.
- The Financial Responsibility Law should include a mechanism to ensure the reliability of information reported (as the more recent access to information law does).
- While the FTAI applies to all three levels of government, the financial responsibility law applies only to federal institutions. Accordingly, state transparency frameworks should be reformed to reflect budgetary controls that exist at the federal level.
- INAI should ensure the new National Digital Platform -- which will store all the information that trust funds provide -- operates with sufficient budgetary, technological and human resources to comply with international practices in data management.

*Implementation problem.* When MEPP began the activity, our main partner was the Ministry of Finance Budget Transparency Unit, which supported the goal of better information standards for federal trust funds. Although MEPP produced and delivered a high-quality report near the end of 2017, the Ministry of Finance indicated that it did not possess the authority to formally endorse recommendations about federal government transparency. The appropriate institution was deemed to be the National Institute for Access to Information (INAI). However, with the national political campaign just heating up in late 2017, federal agencies typically avoid making major policy reform declarations to minimize complaints about campaign interference.

*Lesson:* MEPP could have carried out more explicit consultations with partners at the Ministry of Finance at the outset of the activity to avoid this outcome. Had we better understood the political constraints that would come into play, we would have completed the deliverable much sooner, thereby avoiding the campaign window that complicated federal government participation.

### Civil society budget monitoring in Jalisco

*Activity.* At the end of 2016, MEPP entered into a partnership with the Jalisco-based NGO Nuestro Presupuesto (Our Budget), whose mission is to inform citizens about the use of state resources and propose recommendations to improve the accountability of the state's 2017-18 budget plan. To achieve this goal, Nuestro Presupuesto adopted a spending evaluation methodology developed by the policy watchdog FUNDAR. MEPP committed to support Nuestro Presupuesto with grants-under-contract funding to enable state residents to view, understand and comment on government budget data.

*Deliverable.* The principal deliverable was to be a budget analysis platform that could receive and organize data and reports from members and collaborators who volunteered their own efforts to track various aspects of the budget, such as public works, purchases of goods and services and salaries. MEPP also committed to provide complementary assistance to organize capacity-building workshops for Jalisco civil society organizations.

Implementation problem. MEPP's local partner was the NGO Nuestro Presupuesto. Notwithstanding productive consultations and a project agreement, in early 2017, the NGO ultimately decided to dedicate its time and resources to state political issues. After numerous requests to produce inputs and carry out planned activities for platform deliverables, MEPP discontinued the activity and did not disburse the grant funding. As a result of the discontinuation, MEPP was unable to deliver training to the expected 30 members of civil society organizations that promote budgetary transparency.

Lesson. In this case MEPP carried out consultations with a prospective partner and secured an explicit agreement to carry out specific work. Even in hindsight it is not clear what more we could have done. Even the NGO members themselves were probably unaware of the political developments within Jalisco that would create unexpected demands on their attention and resources, making it impossible to proceed with the budget monitoring activity. It should be noted that MEPP did not dedicate any financial USAID resources to this activity, but rather only the extra time of our own staffers.

## Annex A: MEPP Targets and Achievements for Option Period

Components and Activities	T = Target for Option Period						A = Achieved as of March 31, 2018							
	USAID (F)						Open Government				Civic Engagement			
	F1 --- Number of mechanisms for public resource oversight		F2 --- Number of people trained from NGOs		F3 --- Number of people trained from govt		OG2 -- Number of local govts that adopt accountability mechanisms		OG3 --- Number of governance changes endorsed by federal govt		CE1 -- Number of open govt articles published		CE2 --- Number of organizations that support MEPP transparency initiatives	
	T	A	T	A	T	A	T	A	T	A	T	A	T	A
<b>CIVIC ENGAGEMENT FOR OPEN GOVERNMENT</b>														
Open Data for journalists			100	198							15	21	2	4
Citizen Heroes													3	8
State budget civic oversight			30	0									3	0
<b>BUSINESS REGULATION TRANSPARENCY</b>														
Anti-corruption reporting platform									1	1				
Regulatory Improvement Law	2	2											1	1
State level business regulation							2	2					1	
<b>PUBLIC PROCUREMENT REFORM</b>														
Compranet re-design	0	1							5	7				
SHCP transparency portal									3	3				
Open Contracting Data Standard			30	42	15	52	3	3						
Public Contracting Tools	3	3	25	24										
<b>IMPLEMENTATION OF SNA</b>														
Pemex Code of Conduct					100	634			3	3				
State level legal reform	1	1					10	21						
Trust funds									1	0				
<b>TOTAL</b>	<b>6</b>	<b>7</b>	<b>185</b>	<b>264</b>	<b>115</b>	<b>686</b>	<b>15</b>	<b>26</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>21</b>	<b>10</b>	<b>13</b>

## Annex B: MEPP Targets and Achievements for Extension Period

Components and Activities	T = Target for Extension Period						A = Achieved as of April 15, 2019					
	USAID (F)				Open Government				Civic Engagement			
	F1 Number of mechanisms of public resource oversight		F2 No NGO members trained (including reporters)		F3 Number of government officials trained		OG2 Number of local govts endorse or adopt transparency mechanisms		OG4 Number of public schools adopt Escuela de Heroes		CE1 Number of open govt articles published	
	T	A	T	A	T	A	T	A	T	A	T	A
<b>CIVIC ENGAGEMENT</b>												
Diplomado			50	85							15	17
Escuela de Heroes									5	7		
<b>STATE REGULATORY REFORM</b>												
Observatory Platform	1	1			75	327						
State Platform (BCS)					10	48	2	1				
<b>PROCUREMENT REFORM</b>												
Nuevo Leon Diagnostic	1	1					1	1				
<b>SNA INSTITUTIONALIZATION</b>												
SESNA Communications	1	1										
State SNA Platform							5	17				
Digital Platform Diagnostic	1	1										
NDP Declarations	1	1					1	1				
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>50</b>	<b>85</b>	<b>85</b>	<b>375</b>	<b>9</b>	<b>20</b>	<b>5</b>	<b>7</b>	<b>15</b>	<b>17</b>

## Annex C: MEPP Training Achievements, Disaggregated

### Number of People Trained during Option Period, disaggregated by gender

	F2 --- Number of people trained from NGOs	F3 --- Number of people trained from govt
Female	120	275
Male	144	411
<i>Total</i>	264	686

### Number of People Trained during Extension Period, disaggregated by gender

	F2 --- Number of people trained from NGOs	F3 --- Number of people trained from govt
Female	37	176
Male	48	199
<i>Total</i>	85	375