



# 2021 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

MEXICO  
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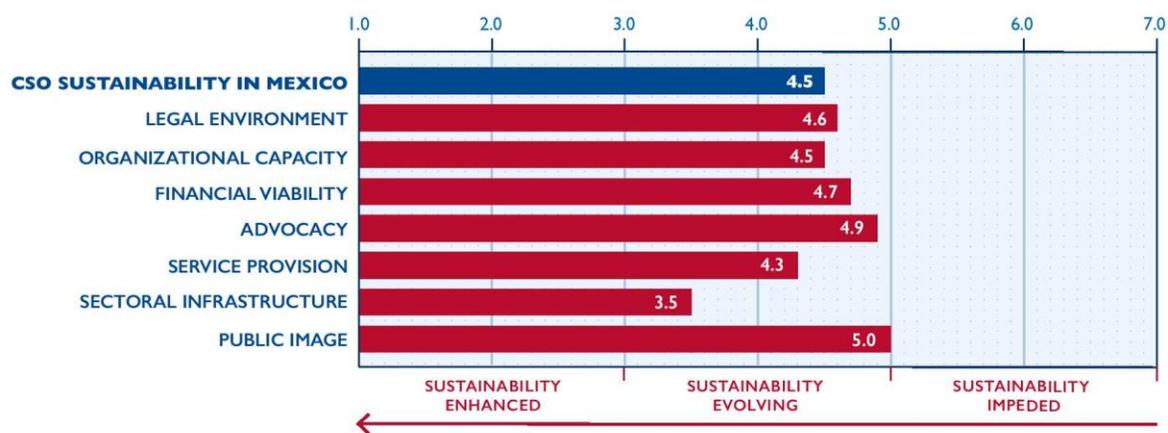
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## OVERALL CSO SUSTAINABILITY: 4.5



CSOs in Mexico operate in a context of insecurity, violence, and impunity. According to government statistics, there were 33,315 homicides in 2021, or 91 murders per day. This violence has particularly affected women. Amnesty International reports that there were 3,427 homicides of women in 2021, 887 of which were considered gender crimes. Civil society expressed its dismay towards the country's insecurity by organizing various demonstrations, including a national mobilization in November to mark the International Day for the Elimination of Violence Against Women.

Violence against journalists also continued to be a problem. The Committee to Protect Journalists documented nine murders of journalists in Mexico as of December 1, 2021, none of which have been legally resolved. Reporters Without Borders ranked Mexico as the deadliest country for journalists in 2021 for the third consecutive year. Various organizations and collectives also mobilized against this violence in 2021.

Violence against environmental defenders also increased, even though the Escazu Agreement, the first legally binding regional instrument to guarantee the rights and protection of environmental defenders, entered into force in April 2021. According to data from the Mexican Center for Environmental Law (CEMDA), in 2021, there were a total of 108 assaults against environmental defenders, 25 of which resulted in homicides.

The scope of violence in Mexico also impacted the mid-term federal elections, in which, according to data from the U.S. State Department, ninety political actors were assassinated. In light of this dynamic, the Global Organized Crime Index 2021 report ranked Mexico in fourth place in the world, behind only the Republic of Congo, Colombia, and Myanmar.

The federal government continues to adopt authoritarian and repressive measures. For example, 246 civilian tasks, including textbook distribution, construction of public works, immigration control, and airport administration, are now administered by the military, which lacks mechanisms for citizen participation, transparency, and accountability. In December 2021, the Senate approved a reform to Article 533 of the Law of General Means of Communication (Ley de Vías Generales de Comunicación) which CSOs warn will threaten the exercise of demonstrations and civil mobilization as it allows the use of force to repress civic manifestations. In December, public security forces intervened during a demonstration carried out by students of the Centro de Investigación y Docencia Económicas (CIDE), a public research center, in response to restrictions on academic autonomy imposed by the federal government.

Civic space has narrowed against this backdrop, as documented by various international watchdogs. Mexico's score on Freedom House's Freedom in the World has fallen for the past five years and was just 60 out of 100 in the 2022 edition, while the CIVICUS Monitor categorizes civic space in Mexico as repressed.

Since the beginning of the pandemic, the federal government has encouraged voluntary social distancing and other preventive actions but did not impose mandatory nationwide measures to limit the spread of the virus. Local

governments, as well as the private sector, however, did put such measures in place, which included mask mandates, bans of public gatherings, social distancing requirements, and even curfews in some states like Yucatan. Despite these efforts, the pandemic claimed 15 percent more lives in 2021 than in 2020, reaching a total of 461,561 deaths.

CSOs, the government, and the private sector worked together in 2021 to promote the vaccination campaign against COVID-19 in order to reactivate the country's economy. Corporate foundations played a key role in this regard. As a result of this collaboration, by the end of 2021, 73 million people in Mexico were fully vaccinated, and the number of hospitalized people was significantly reduced. Furthermore, the rate of vaccination allowed face-to-face activities to resume in public schools on August 31, 2021, after eighteen months of closure.

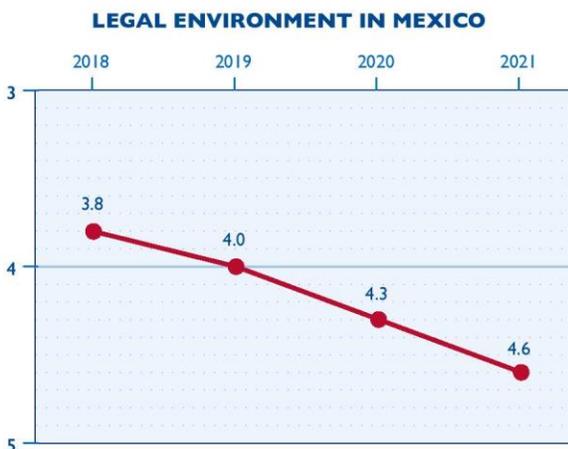
The success of the vaccination campaign also helped to fuel a slight recovery of the country's economic activities, allowing gross domestic product (GDP) to increase by 5 percent in 2021, after the 8.2 percent drop reported the previous year. The Mexican peso (MXN) also recovered value against the U.S. dollar (USD): after reaching highs of between 22 and 24 pesos per dollar in 2020, the exchange rate stabilized at rates of between 21 and 22 pesos per dollar in 2021.

In this context, overall CSO sustainability declined slightly, driven by deterioration in the legal environment and advocacy dimensions. At the same time, the infrastructure supporting the sector improved slightly as CSOs had increased access to training. All other dimensions of sustainability remained unchanged.

At the end of 2021, according to data from the Mexican Center for Philanthropy (CEMEFI), a total of 46,403 CSOs were registered in Mexico. This is the equivalent of 46 organizations per 100,000 citizens, a figure that is considerably lower than that of other countries in the region such as Brazil (170 organizations per 100,000 citizens), Argentina (270), and Chile (650).

The growth of the sector has stalled in recent years in large part because of the disappearance of government funding, which has reduced the incentives for creating new organizations. According to CEMEFI data, the number of organizations registered with the federal CSO registry (*Registro Federal de las Organizaciones de la Sociedad Civil*, RFOSC), which is a prerequisite to receive most federal grants, grew by only 0.3 percent in 2021, with only 31 organizations newly registered in 2021, compared to 185 in 2020 and 531 in 2019. The registration of organizations authorized to grant tax-deductible receipts, known as *donatarias autorizadas* (authorized donees, DAs), also stagnated, growing by less than 1 percent during the year, from 9,603 to 9,673.

## LEGAL ENVIRONMENT: 4.6



The legal environment governing civil society deteriorated significantly in 2021, continuing the trend observed over the last few years.

CSOs can register as one of several legal forms, although more than 90 percent of CSOs incorporate as *asociación civil* (civil association). While registering under this form is a rather straightforward process, it must be carried out before four different authorities: a notary public, the Mexican tax authority (*Servicio de Administración Tributaria*, SAT), the department of foreign affairs, and a state-level property registry. Registration for other legal forms, such as those reserved for religious or political associations, involve different but similarly lengthy processes. The second most common legal form, *institución de asistencia privada* (private assistance institution, IAP), is available in

half the states of the country. In addition to federal regulations, IAPs are governed by laws and oversight bodies in the state in which they register. These bodies—known as *juntas de asistencia privada* (private assistance councils)—are charged with supervising the fulfillment of IAPs' charters and supporting their development.

During the year, two major developments negatively affected the legal environment under which CSOs operate. In October, a tax reform was approved which, as of 2022, will limit the amount of deductions that individuals can

make as a result of donations to DAs. According to CEMEFI, this will likely result in the loss of approximately USD 400 million for the more than 5,100 DAs that depend significantly on donations from individuals to implement assistance programs for the most vulnerable segments of society.

Second, at the end of the year, a presidential decree was published ordering the dissolution of Instituto Nacional de Desarrollo Social (INDESOL), the federal government agency responsible for promoting actions to encourage and provide capacity building for CSOs. Between 2004 and 2019, INDESOL granted an annual average of USD 18 million to CSOs. Although INDESOL suspended its economic support to CSOs in 2019 at the instruction of President Andrés Manuel López Obrador, until 2021 the agency continued to fulfill other responsibilities assigned to it through the Federal Law for the Promotion of Activities Performed by CSOs (*Ley Federal de Fomento a las Actividades Realizadas por Organizaciones de la Sociedad Civil*, LFFAROSC). Among these responsibilities were the promotion of training and networking, management of the federal CSO registry, and follow-up on various initiatives promoting civic involvement in the solution of public problems. INDESOL's functions were transferred to the Ministry of Social Welfare beginning in January 2022.

CSOs are subject to significant state harassment. President Andrés Manuel López Obrador's rhetoric implicates CSOs of defending a coup-plotting neoliberal agenda financed by private sector interests and foreign organizations. The president's discourse towards CSOs that receive foreign funding to promote journalists' rights, human rights, the environment, transparency, and accountability discredit civil society's participation in matters of public and democratic relevance. The tax benefits received by individuals who donate to CSOs have also been the subject of criticism from the federal government. For example, the Ministry of Finance pointed out that deductions for donors represent a tax loss of USD 4.4 billion, an argument that was used to reduce such deductions for private individuals at the end of the year.

The president's animosity towards the civil sector also took legal form in 2021. For example, a senator from the ruling party proposed new legislation to restrict CSOs' access to international funding and implement control mechanisms supervised by the Financial Intelligence Unit (UIF) of the Ministry of Finance. Although this bill was not approved during the year, the idea is still of interest to the ruling party, and therefore continues to present a major concern to the third sector. At the local level, a rule was approved in Mexico City's Criminal Code that identifies directors and administrators of CSOs that receive public financing as public officers in cases of corruption investigations. This means that they may be subject to harsh sanctions in case of any legal controversy.

To some extent, legislation at the local level that has favored civil society has been a counterweight to the federal government's restrictive approach to the sector. During 2021, some entities successfully strengthened and created norms to promote CSO sustainability. The states of Chihuahua, Hidalgo, Jalisco, Nayarit, and Nuevo León, for example, presented initiatives that in most cases were approved and strengthened the legal framework of CSOs. Notably, in Jalisco, a reform recognizing networks and collectives as actors eligible for promotion actions was approved; the measure also guarantees CSO participation in the definition of budgetary rules aimed at strengthening CSOs.

Beginning in 2021, DAs were subject to a new regulation that established a 50 percent cap on income from activities unrelated to the activity for which the organization received DA status. This fundamentally limits those organizations' ability to carry activities aimed at mobilizing resources, including fundraising events.

Some organizations, like Centro Mexicano Pro Bono and Appleseed México, offer high-quality pro bono legal advice to CSOs. Appleseed conducted eighty-nine trainings for the staff of 6,267 CSOs in 2021 and developed a digital tool that was used by 424 organizations to self-diagnose their legal compliance with tax, corporate, labor, personal data protection, and money laundering prevention regulations. Additionally, with funding from USAID, it published manuals on the defense of CSO employees' labor rights and the fulfillment of tax regulations approved in 2020 and 2021. According to Appleseed, the administrative issues that most concern CSOs today are tax restrictions and the development of legal instruments to strengthen their relationship with the private sector.

## ORGANIZATIONAL CAPACITY: 4.5

Organizational capacity in the CSO sector remained unchanged in 2021. The most recent report of the National Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía*, INEGI) on the productivity of nonprofit institutions in Mexico indicated that the sector's productivity dropped by 10.1 percent in 2020 as a consequence of the pandemic, which is 2 percent greater than the contraction in the national GDP. While the situation was not as dire in 2020, CSOs had few opportunities for growth in 2021.

For more than half of CSOs, the pandemic resulted in a decrease in operating income and a reduction in the number of donors. CSOs maintained remote operations until schools and major business resumed on-site activities in August 2021, forcing many organizations to cancel programs and projects, modify their service delivery models, or decrease the number of participants in their programs. In an effort to reorient the focus of their programs, some organizations implemented assistance activities, which often entailed significant changes in their strategic planning and relationships with participants in their programs.

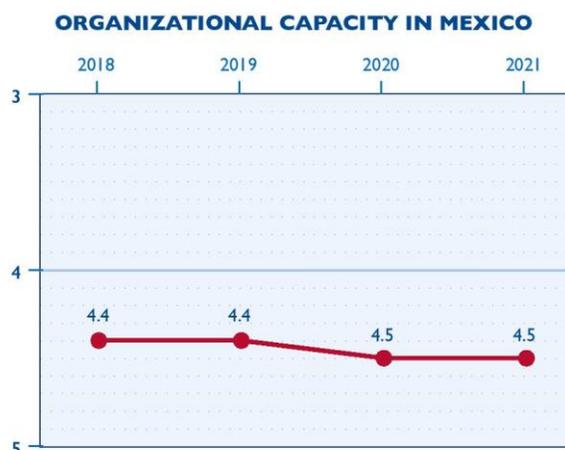
In September 2022, Pulso OSC (PO), a group of twelve donors and CSOs, published the second edition of a report on the vulnerability of CSOs in the context of the COVID-19 pandemic crisis, which covered the situation in 2021. Using the same sample of 424 CSOs that were included in the first edition, the report found that 32 percent of CSOs reported an increase in demand for their goods and services during 2021. This indicator portrays the resilience and recovery of CSOs' relationships with their constituents after a year of the COVID-19 pandemic. PO's 2021 report also finds that 62 percent of surveyed CSOs implemented measures to adapt and respond to the crisis. Some of the main actions in this regard were changes in the scope of services and budget adjustments. In addition, this report indicates that the percentage of CSOs exhibiting a medium level of vulnerability fell from 77 percent in 2020 to 52 percent in 2021 as conditions for the operations of CSOs improved. Only 2 percent of surveyed organizations reported a high level of vulnerability in 2021, with the remaining 45 percent reporting low levels of vulnerability.

CSOs in Mexico face various administrative requirements that demand robust organizational capacities. Faced with the loss of income and the consequent layoffs of staff during the pandemic, they now find it especially costly to comply with these obligations. For example, CSOs are required to submit annual activity reports to maintain their registration in the RFOSC. However, only 28 percent of registered CSOs submitted reports in 2021, indicating that in the absence of government support, a significant number of organizations no longer see the benefit in complying with this federal requirement to report on their activities.

Another data point that provides evidence of organizational capacity to comply with the federal government's administrative requirements is CSOs' maintenance of their accreditation as DAs. According to a report by SAT, during 2021, sixty-nine organizations had their DA status revoked for various reasons, including lack of current legal provisions, missing documentation, and failure to comply with tax obligations.

During 2021, many CSOs strengthened their monitoring and evaluation efforts through capacity-building programs offered by national foundations. For example, Nacional Monte de Piedad financed several CSO impact evaluations of interventions in areas such as social re-insertion of incarcerated persons, community development, distribution of perishable food, and employability skills training. These evaluations better enabled these organizations to communicate about their social impact. Fundación Merced offered training to more than 500 CSOs in monitoring and evaluation, increasing their capacity to learn and develop based on evidence.

Weak management structures remain the norm among Mexican CSOs. Smaller organizations with modest operations frequently lack a division of responsibilities, with staff members and volunteers fulfilling several roles at once and boards only existing on paper. As most organizations struggle with understaffing and underfunding, they do not prioritize the development of internal management structures or protocols. Fiscal rules disincentivize



investment in administrative capacity and overhead costs, and donors seldom support this kind of investment, instead focusing on project-based support.

According to the reports provided to SAT, 48 percent of DAs do not have a consistent workforce, while another 32 percent have teams of less than twenty collaborators. Many CSOs engage help on a consultant basis, without providing social security benefits. According to INEGI's 2020 annual report, which was published in December 2021, the number of jobs in CSOs decreased by 9.3 percent in 2020, and volunteer participation dropped by 20 percent.

During 2021, CSOs continued to utilize digital platforms to facilitate organizational operations, particularly in the fields of communication and staff training. Causas Ciudadanas, a group of twenty-one CSOs seeking to improve the sector's enabling environment, conducted a study in 2020 that found that 53 percent of CSOs had migrated to virtual operations since the onset of the COVID-19 pandemic. According to the study, 60 percent of surveyed organizations reported that they have computer equipment for their personnel, and 74 percent reported having the necessary platforms to facilitate virtual operations. While data for 2021 is not available, the situation is thought to have remained largely unchanged.

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## FINANCIAL VIABILITY: 4.7



The overall financial viability of the CSO sector did not change significantly in 2021 as negative factors, such as the suspension of federal governmental funding and fiscal restrictions on DAs, were balanced out by positive developments, such as the active role of corporate foundations in mitigating the impact of the pandemic and the availability of funding from local governments for the smallest CSOs. During the first half of 2021, the pandemic restricted the activities of many organizations, significantly affecting their funding levels. PO's 2021 report indicates that only 40 percent of surveyed CSOs had emergency funds in 2021, and 55 percent of those organizations had to use these funds to survive.

According to data from the Ministry of Finance, DAs received 7.8 percent more resources in 2021 than in

2020. In total, these organizations received donations in cash and in kind valued at USD 2.6 billion; 23 percent of this amount was granted by individuals, 71 percent by legal entities or private organizations, and 6 percent by governmental agencies.

The private sector focused its philanthropy on meeting the needs of the pandemic. Of particular note is the case of the coalition *Juntos por la Salud*, an intersectoral national program created to strengthen the country's health-care response capacity during the most critical moments of the pandemic, in which corporate philanthropy played a fundamental role. This coalition, which operated from April 2020 until June 2021, contributed USD 76 million, which was channeled to 600 hospitals around the country, in addition to in-kind support in the form of equipment for first responders. The Temporary Hospital Unit COVID-19, with 618 beds and 90 ventilators, was created with the support of the Carlos Slim Foundation. In addition to these initiatives, corporate foundations donated spaces to expand the logistical and infrastructure capacity of the national vaccination campaign. For example, using the facilities of the Nemesio Diez soccer stadium in Toluca, 28,934 vaccines were administered in just three days in May.

Data from the National Survey on Solidarity and Voluntary Action (ENSAV) from 2020 reveals that people prefer to donate directly to individuals, the church, or other community projects, rather than through DAs or other CSOs. According to a survey conducted by *Alternativas y Capacidades*, Mexicans who donate to CSOs are generally driven by trust and empathy built on personal past experiences or those of relatives during volunteer activities: 58 percent of respondents stated that their motivation to make donations was for their own well-being, while 42 percent were motivated by a desire to contribute to the well-being of others.

While not widely used in Mexico yet, crowdfunding is growing in popularity. Fifteen crowdfunding platforms work together through *Asociación de Plataformas de Fondeo Colectivo* (AFICO) to promote good practices and support research to improve public understanding of the benefits of using crowdfunding to channel individual contributions to worthy causes.

Foreign donor funding increased from USD 270.3 million in 2020 to USD 301.9 million in 2021. According to CEMEFI, the major private foreign donors during 2021 were the Bill & Melinda Gates Foundation, Feeding America, and the Silicon Valley Community Foundation. According to the Organization of Economic Co-operation and Development (OECD), Mexico received a total of USD 198 million in 2020 in official development assistance, only a small portion of which benefits CSOs directly, a decrease of more than 50 percent in comparison to 2019. However, USAID funding increased from USD 47.7 million in 2020 to USD 51.4 million in 2021. The major priorities of foreign funders in Mexico include humanitarian assistance, human rights, policy development, and low emission planning development in land use. However, it should be acknowledged that only 20 percent of CSOs in the country—those with greater organizational capacities, transparency, and legal compliance—benefit from these resources.

Domestic funding has decreased significantly since the federal government suspended assistance activities through an internal presidential order issued in 2019, commonly known as Bulletin One (Circular Uno), that claimed there was discretionary allocation, opacity, and corruption in the process. This has particularly affected small and recently created organizations which, in many cases, rely on local or state funding programs for support as they have limited access to financial support from individuals or companies since they do not offer donors the same tax incentives as DAs. Data from the federal government shows that the organizations receiving federal funding are largely government-organized non-governmental organizations (GONGOs), such as sports federations, that are misguidedly recognized by the government as CSOs. In 2021, the federal government reported the distribution of USD 83.5 million to these organizations.

Alternativas y Capacidades states that out of the thirty-two states in the country, nineteen have financial assistance schemes for CSOs. In 2021, local governments provided support to CSOs in amounts ranging from USD 980 dollars per organization in entities such as Tlaxcala and Baja California, to USD 30,000 per organization in entities such as Nuevo León and Chihuahua.

Community foundations have also become an important source of financing for small CSOs, helping to replace the loss of federal assistance. Community foundations are characterized by the exercise of joint philanthropy, in which the participating communities contribute their own resources in an exercise of shared investment with third parties from the private sector. In 2021, the Coca-Cola Mexico Foundation invested USD 600,000 and fifteen community foundations within the Alianza de Fundaciones Comunitarias de México (Comunalía) contributed USD 4.1 million to develop forty-two initiatives in thirty-five different communities. These projects, which benefited a total of 39,000 people, focused on the empowerment of women and youth, humanitarian aid, access to water, and support for small businesses.

While no comprehensive and up-to-date information is available regarding the extent to which CSOs obtain income from services, products, or rent from assets, data recently published by the tax authority (SAT) indicates that half of the income of 2,220 DAs (which represent 23 percent of the total number of registered DAs) was self-generated in 2020. Major sources for these revenues included fees for services and interest on their own funds, while income obtained from property rentals, as well as shares and bonds placed in investments were less commonly used. The total revenue earned through these activities was USD 7.8 billion. While the amount of revenue generated in this manner is significant, it only benefits a small portion of the sector; the other 77 percent of DAs and CSOs without DA status do not issue reports indicating the amount of self-generated income they earn.

Professional financial management and accounting remain the exception among CSOs. Most organizations lack the resources and expertise to meet their current financial obligations, let alone those required to successfully apply for grants from large international donors. According to PO's 2021 report, while the majority of CSOs comply with their legal and tax obligations, they do not have complete information on the regulations to which they are subject. Knowledgeable accounting services are rare. As even experts and relatively well-resourced organizations struggle to comply with administrative requirements, many CSOs face costly consequences for simple and innocuous errors, such as filing inaccuracies.

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## ADVOCACY: 4.9

CSOs' capacity to advocate, participate in, defend, and promote public policy agendas in Mexico deteriorated moderately in 2021. The federal government has replaced the channels of institutional dialogue with discursive confrontation, restrictive legislation, and authoritarian excesses demonstrated by the assignment of several civilian tasks to the army. Further, President López Obrador's routine verbal attacks on the press and CSOs creates an unfavorable environment for cooperative work between government agencies and CSOs.

The federal government's reluctance to implement mechanisms to include third sector considerations in the fiscal reform approved in October 2021 and the dissolution of INDESOL in December sent a clear signal that the federal government has no intention of considering the interests of CSOs in public policy decision making. For example, various civil society actors called for dialogue with the federal government regarding the tax reform, with more than 600 CSOs signing a press release to this effect. However, the call for dialogue was ignored by legislators who approved the reform that, as of 2022, will considerably limit the amount that individuals can deduct through donations to DAs.

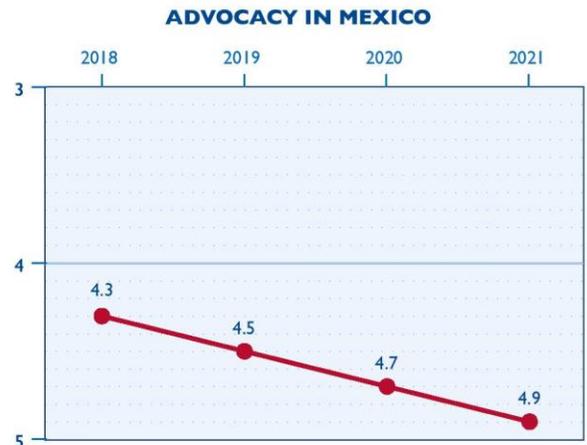
Although the Consejo Técnico Consultivo (CTC) is tasked with providing advice to the government on civil society promotion policy, during 2021 this body's meetings were dedicated to the review of bureaucratic procedures and other issues, rather than being a space for advocacy and defense of the budget for the promotion of CSO activities.

After decades of political harassment, however, the sector has developed significant resilience, as demonstrated by the fact that CSOs achieved some significant advocacy accomplishments in 2021, despite the difficult conditions. For example, the civil association GIRE challenged the constitutionality of the criminalization of abortion in the state of Coahuila in the Supreme Court of Justice of the Nation (SCJN). In another example, the civil association Tecnologías Indígenas Comunitarias (TIC A.C.), which operates a mobile telephone network for indigenous people in Oaxaca, successfully defended the digital rights of indigenous communities. In response to a TIC-initiated case, SCJN exempted communities with a high degree of marginalization from fees for the use of radioelectric space.

In another notable advocacy success, Pacto por la Primera Infancia, an advocacy coalition made up of more than 470 CSOs, succeeded in encouraging various governmental actors, including governors and municipal presidents, to sign an agenda with commitments to improve public policy for early childhood. As a result of these efforts, the coalition reported an increase of 3 percent in the budget for early childhood development.

CSOs also made noteworthy achievements in their opposition to the Tren Maya infrastructure megaproject in the Yucatan peninsula. Organizations such as Mexicanos Contra la Corrupción y la Impunidad (MCCI) and CEMDA successfully used strategic litigation to increase national and international visibility of the human and environmental rights violations of this project, including its failure to comply with international standards in public consultation processes with indigenous peoples, the lack of environmental impact studies, and the obstruction of access to justice for environmental defenders. Through public statements, interviews with the media, demonstrations, and other strategies, these organizations have increased public support for more than twenty-five lawsuits filed by various groups defending the right to territory, housing, and consultation. In the face of these accusations, the federal government has involved the military in the construction process, arguing that it is a work of national security. This move has also created concern among international organizations and watchdogs.

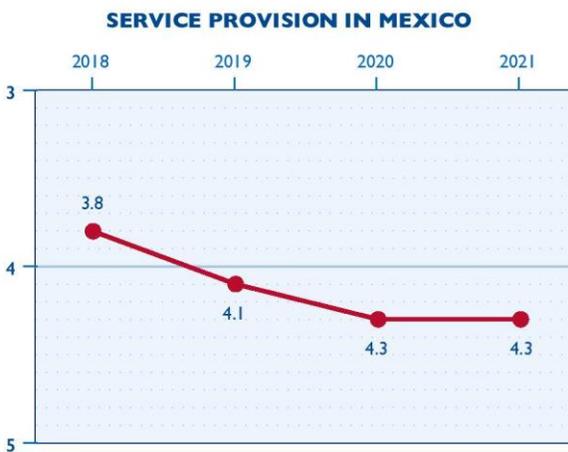
The situation surrounding a shortage of oncological medicine is illustrative of the way in which CSOs are able to raise public awareness of concrete problems in society. The shortage of oncology medicines began in the first year of President López Obrador's administration, when the government modified the rules for the public supply of medicine in order to avoid practices that favored overpriced purchases. However, after the regulations were modified, the Mexican Social Security Institute (IMSS) began to register an increase in the number of prescriptions



that were not effectively filled. The shortage was denounced by the media and CSOs, and the *Colectivo Cero Desabasto*, made up of sixty-eight CSOs, was created to analyze and report on the problem through a digital platform.

At the local level, in February 2021, the Congress of Jalisco approved a reform to the Law for the Promotion and Participation of CSOs in response to advocacy carried out by various local organizations. This reform stood out for recognizing networks and collectives as eligible recipients of public funds. In addition, an agreement was reached in Jalisco to allow civil society representatives to participate in the processes that define the rules of operation of state support programs for CSOs.

## SERVICE PROVISION: 4.3



CSOs' capacity to provide goods and services remained unchanged in 2021, despite adverse regulatory, financial, and political conditions and the restriction of on-site activities during the pandemic.

Mexican CSOs provide a diverse range of services to the communities they serve. CSOs must carry out at least one of nineteen possible activities to be listed in the RFOSC. In 2021, the five most common focus areas remained educational, cultural, artistic, scientific, and technological promotion; social assistance; community development; indigenous people's development; and economic development. For DAs, social assistance; education, culture, and social development; and grantmaking were the most important activities.

According to the American Council of Social Sciences (CLACSO), Mexico ranks third in Latin America in terms of the number of initiatives dedicated to mitigating the effects of the pandemic, just after Chile and Argentina. CLACSO's regional mapping identified twenty-three relevant initiatives implemented by CSOs in Mexico to provide assistance to migrants and refugees, child protection, distribution of food and essential items, defense of women's human rights, and other activities supporting various vulnerable groups.

As a result of the ongoing health risk, many organizations continued to modify their provision of services to meet the needs of their constituencies by redefining the functions of their personnel, reducing their geographic coverage, suspending in-person activities, and adjusting the focus of development-oriented interventions towards care and assistance centered approaches. Fundación Tarahumara José A. Llaguno (FTJAL), an organization that implements programs to improve access to education for the native peoples of the Sierra Tarahumara, stands out as a good example in this regard. The challenges faced in the communities in which this organization works were complex, as schools in rural indigenous populations also function as temporary residence facilities; as a result, when the schools were closed, thousands of indigenous students not only lost their access to education, but also the food and housing provided by the lodging facility. FTJAL implemented an emergency program to provide support to 215 students through the distribution of notebooks, food supplies, and on-site educational counseling in fourteen indigenous communities in the Sierra Tarahumara. This program was suspended when the school boarding houses reopened their doors in August 2021.

Another sector of the population particularly affected by the pandemic were the elderly. The World Health Organization (WHO) estimated that more than 40 percent of the deaths from COVID-19 occurred in nursing homes and other care facilities. According to INEGI data, 1,068 organizations are dedicated to the care of more than 10,000 elders in Mexico. The National Geriatrics Institute surveyed these organizations to identify their capacity to respond to the COVID-19 epidemic. According to the survey results, 79 percent of organizations received infection control training and 75 percent had a pandemic response protocol. CSOs also provided mental health care to the elderly. During 2021, for example, AVU Foundation provided 365,000 minutes of phone-based mental health support to 400 elders with the support of 843 volunteers from different corporate social responsibility (CSR) programs.

While some CSOs were able to adapt to the changing environment imposed by the pandemic, this took place in the context of restricted civic space, with no federal government support for the provision of services by smaller organizations. For instance, organizations dedicated to the promotion of community radio in indigenous communities faced barriers to receiving public funding; there are just twenty-three concessions for indigenous radio stations throughout the country, while there are more than one hundred organizations and collectives with radio initiatives in the country. As described elsewhere in the report, local governments were more likely to provide support for CSO services.

## SECTORAL INFRASTRUCTURE: 3.5

The infrastructure supporting Mexican CSOs improved slightly in 2021. In particular, there has been a notable increase in the supply of training content for CSOs.

According to a 2020 study conducted by the Center for Research and Studies on Civil Society (CIESC), there are 292 agents (known as *fortalecedoras*) in Mexico dedicated to the strengthening of CSO capacities. Half of these are CSOs, and a quarter are consultants. These *fortalecedoras* offer a wide array of training opportunities; the five most widely available focus areas are strategic planning, networks and alliances, fundraising, project monitoring and evaluation, and organizational affairs.

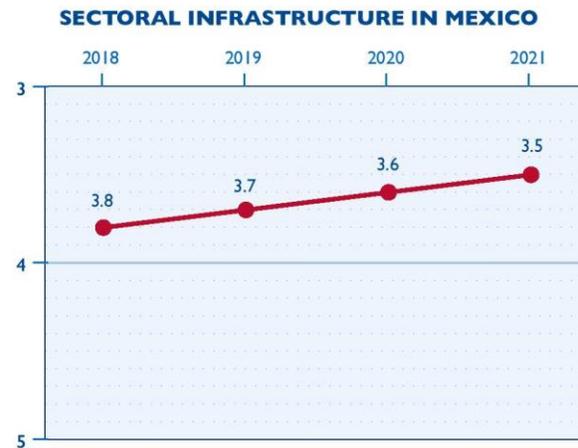
Slightly more than a quarter (27 percent) of the capacity-building agents identified by CIESC are foundations that, in addition to their funding, provide capacity-building support to a larger number of CSOs. Among these organizations, Nacional Monte de Piedad stands out, as it invested USD 15.7 million in 2021 in various initiatives to generate better opportunities for quality assistance and the promotion of sustainable development. As a result of this investment, thirty-eight CSOs strengthened their capacities, and a learning community consisting of twenty-eight CSOs from around the country was formed. Similarly, Fundación Merced, with the support of a digital platform, provided training for 608 CSOs based in twenty-four states on topics such as strategic planning, design of intervention models, theory of change, and evaluation.

The sectoral infrastructure has been strengthened in recent years through initiatives that seek to unite capacity-building agents. For example, in 2021, CIESC launched the virtual platform *Rutas para Fortalecer*, which enables networking and collaboration between capacity-building agents and CSOs. Red Grupo Mexico trained more than 22,000 people belonging to CSOs in 160 online workshops. This effort involved the participation of thirty-four *fortalecedoras*, as well as collaboration with business foundations and socially responsible companies.

The project Red de Actores Estratégicos para el fortalecimiento de la Sociedad Civil Organizada (Strategic Actors Network for Organized Civil Society Strengthening) began in 2018 with the participation of eighty-six capacity-building agents located across the country. In 2021, Alternativas y Capacidades published an analysis of the results achieved by this initiative, finding that the project enhanced citizen confidence in CSOs, promoted advocacy activities to ensure an enabling legal environment, promoted strategic social investment initiatives with a long-term vision, and finally, strengthened CSO capacities to engage in public problems.

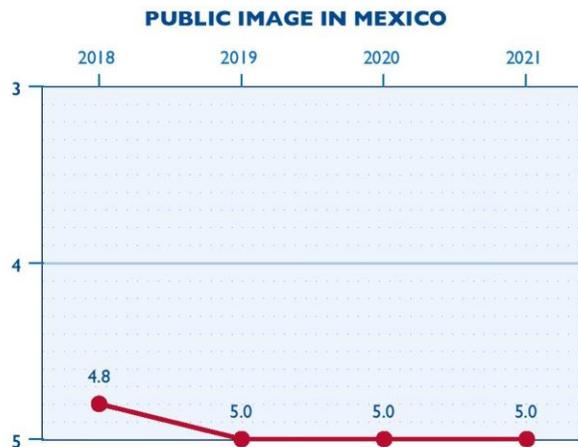
Another achievement of the Strategic Actors Network project was the creation of three thematic groups of capacity-building agents. The first group is focused on creating enabling conditions for advocacy at the local level; the second group is focused on improving CSO financing mechanisms and practices; and the third group is aimed at data collection and narrative building to better communicate CSOs' contributions to solving public problems.

Three-hundred CSOs came together in November 2021 at the National Meeting of CSOs to discuss the suspension of federal support to CSOs, as well as recent tax reforms limiting incentives for donations to DAs. This meeting focused on the relationship between CSOs and the federal government and the proposal of possible paths to mitigate the risk of greater restrictions to civic space in the short term. Although this meeting convened a



significant number of CSOs in substantive discussions, it did not result in the opening of a dialogue with the federal government. The CSO Focal Group on Business and Human Rights, on the other hand, did engage in a dialogue with the government, in which an official from the Ministry of the Interior presented its National Human Rights Program and committed to guaranteeing spaces for dialogue with CSOs.

## PUBLIC IMAGE: 5.0



The public image of the CSO sector remained largely unchanged in 2021, despite President Andrés Manuel López Obrador’s rhetoric against CSOs through his morning press conferences. While this campaign has damaged the sector’s image, its continuation has also led both the private sector and the media to provide support and attention to the sector in the face of the seemingly endless harassment. For instance, in response to the legislation that proposed a reduction in tax deductions for individual donations in October 2021, a coalition of 225 CSOs implemented a digital media campaign using the hashtag #EiSietelImporta (#SevenMatters). This campaign demanded that individual taxpayers continue to be allowed to deduct donations up to 7 percent of their income. The coalition achieved the support of journalists, as well as coverage by several mass media. In spite of

this, the tax deduction for donations was eliminated..

CSOs were also part of the public debate in 2021 on other issues, such as denouncing the ecocide happening during the development of the Tren Maya project, the shortage of oncological medicine, and the unstoppable violence against women, journalists, and environmental and human rights defenders. Although the federal government did not engage in any dialogue with CSOs regarding these important issues, CSOs’ engagement helped increase public awareness about these policies. The visibility that the media and opposition political parties gave to the shortage of oncological medicine, for example, allowed several small CSOs focused on providing assistance to children with cancer to articulate campaigns that raised a significant amount of funds in 2021. For example, Casa de la Amistad para de Niños Cáncer raised USD 2.6 million; the Asociación Mexicana de Ayuda a Niños con Cáncer raised USD 1 million; and Nariz Roja raised USD 900,000. Indeed, two of these three organizations exceeded their annual fundraising goals. This case shows that even in the face of challenging conditions, CSOs can build trust with the public, particularly when the media and opposition political groups increase their visibility.

For many decades, the public has viewed CSOs largely as organizations with good intentions. This image of the third sector in Mexico is inherited from its historic ties with charity and the culture of ecclesiastical beneficence. However, political groups, most notably the López Obrador movement, or so called, “Obradorismo,” criticize this image, as they strive for a similar moral quality and popularity. López Obrador even issued a moral booklet called the Moral Constitution, and he repeatedly refers to himself as an official who exercises power out of love and his commitment to service to others. Through his press conferences, the president promotes a narrative that contrasts the moral quality of his government with that of the alleged neoliberal and pro-coup interest groups that finance CSOs.

In this context, third sector actors and collectives began to develop strategies to change the way the public sees and talks about CSOs’ work, with a focus on their defense of the fundamental rights that a democracy relies on to survive. In October 2021, Alternativas y Capacidades launched a social media campaign through the hashtag #SiConLaSociedadCivil to highlight CSOs’ work to promote and defend human rights, as well as their efforts to strengthen civic space. The collective DECA - Equipo Pueblo launched the National Campaign for the Recognition of CSO Rights and an Enabling Environment in December 2021. That campaign, endorsed by seventy-two CSOs, highlights the role civil society plays in advocating for the right to freedom of association, freedom of expression, political dialogue, and civic involvement in public issues.

The transparency of CSOs is limited. A 2020 study by Arellano, Diaz, and Titova reported that out of a sample of 100 organizations, 43 percent report publicly on the sources of funding for their activities, and only 9 percent present annual transparency reports on their websites. While there are important opportunities in this regard, there are also effective mechanisms in operation to narrow these gaps. Since 2004, CEMEFI has been promoting its institutional and transparency certification, which validates the organizational performance of CSOs in various areas, including the use of transparency and accountability mechanisms. In 2021, CEMEFI granted accreditations to 225 CSOs, bringing the total number of organizations with current accreditation to 425.

**Disclaimer:** *The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.*

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