



MEXICO: 2022 CIVIL SOCIETY SUSTAINABILITY INDEX

5th EDITION – SEPTEMBER 2023



CIESC

CENTRO DE INVESTIGACIÓN Y ESTUDIOS SOBRE SOCIEDAD CIVIL AC



Tecnológico de Monterrey

Cover Photo: Youth volunteers painting a school in Puebla, Mexico, during the eighth edition of the World Youth Volunteer Conference, which was organized by the Mexican Center for Philanthropy (Cemefi), the Mexican Association of Volunteers (AMEVOL), and the International Association for Volunteering Efforts (IAVE).

Photo Credit: Roberto Aguilar Franco, Mexican Center for Philanthropy (Cemefi)

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Developed by:

Centro de Investigación y Estudios Sobre Sociedad Civil (CIESC)

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Disclaimer: The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of CIESC

TABLE OF CONTENTS

- INTRODUCTIONi
- LOCAL IMPLEMENTING PARTNERii
- ACKNOWLEDGMENTSii
- MEXICO.....1
 - OVERALL CSO SUSTAINABILITY1
 - LEGAL ENVIRONMENT3
 - ORGANIZATIONAL CAPACITY4
 - FINANCIAL VIABILITY6
 - ADVOCACY7
 - SERVICE PROVISION9
 - SECTORAL INFRASTRUCTURE.....10
 - PUBLIC IMAGE12
- ANNEX: CSO SUSTAINABILITY INDEX METHODOLOGY.....14

INTRODUCTION

The Centro de Investigación y Estudios sobre Sociedad Civil, CIESC¹, is pleased to present the fifth edition of the *CSO Sustainability Index for Mexico*, covering an overview of activities pertaining the social sector during 2022.

The *CSO Sustainability Index* is an important tool that allows local civil society organizations (CSOs), governments, donors, academics, and others to understand and monitor the sustainability of the CSO sector. The Index addresses both advances and setbacks in seven key components or “dimensions” of the sustainability of civil society sectors: legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image.

The Index’s methodology relies on CSO practitioners and researchers, who in each country form an expert panel to assess and rate these dimensions of CSO sustainability during the year. The panel agrees on a score for each dimension, which ranges from 1 (the most enhanced level of sustainability) to 7 (the most impeded). The dimension scores are then averaged to produce an overall sustainability score for the CSO sector of a given country. An editorial committee composed of technical and regional experts reviews each panel’s scores and the corresponding narrative reports, with the aim of maintaining consistent approaches and standards to facilitate cross-country comparisons. Additionally, an electronic survey was carried out among active CSOs in the country in order to increase the representativeness and quality of this report where 359 CSO representatives completed the survey. Further details about the methodology used to calculate scores and produce narrative reports, including information on the electronic questionnaire, are provided in Annex A.

Numbers in 2022 indicate a slight deterioration of the overall sustainability of Mexican CSOs mainly due to philanthropy given mostly to cover individual needs instead of donating to organizations plus the lack of support for CSOs by authorities. The legal environment for CSOs continued its decline in 2022, spurred by increasingly intrusive government oversight, restrictions, and administrative burdens. However, local support in the legal environment did not allow further deterioration. In the Financial arena the disappearance of federal funding for CSOs, combined with the economic decline still influenced by the pandemic situation caused the sector’s financial viability and service provision capabilities to weaken although numbers show CSOs are in line with the national GDP and economy and the same scores prevailed in both arenas. The same circumstances drove to a deterioration in the organizational capacity of CSOs, especially in areas such as migration, though it was balanced somewhat by their resilience and effective use of technology. Advocacy declined in 2022 as CSOs were hesitant to engage in campaigns in a hostile environment although there were efforts in the political arena in the area of denouncing corruption, women’s issues and human rights. Those that did engage in advocacy efforts typically saw limited success. Public image remained unchanged; while CSOs continued to be subject to negative rhetoric from the government, CSOs were better equipped to adapt to the environment and media coverage of the sector’s work improved slightly. Numbers remained basically the same as in 2021. The infrastructure supporting Mexican CSOs not only withstood these obstacles but saw a slight improvement in 2022 as networks, coalitions, and support services continued to grow.

We hope that you will find reading this report a useful tool in your understanding of the Mexican Civil Society Sector.

Respectfully,
Jacqueline Butcher García-Colín
Director
Centro de Investigación y Estudios sobre Sociedad Civil, CIESC.

¹ Developed by: United States Agency for international Development Bureau for Democracy, Conflict and Humanitarian Assistance Center of Excellence on Democracy, Human Rights and Governance, based on USAID and FHI 360 methodology.

LOCAL IMPLEMENTING PARTNER

CENTRO DE INVESTIGACIÓN Y ESTUDIOS SOBRE SOCIEDAD CIVIL: CIESC A.C.

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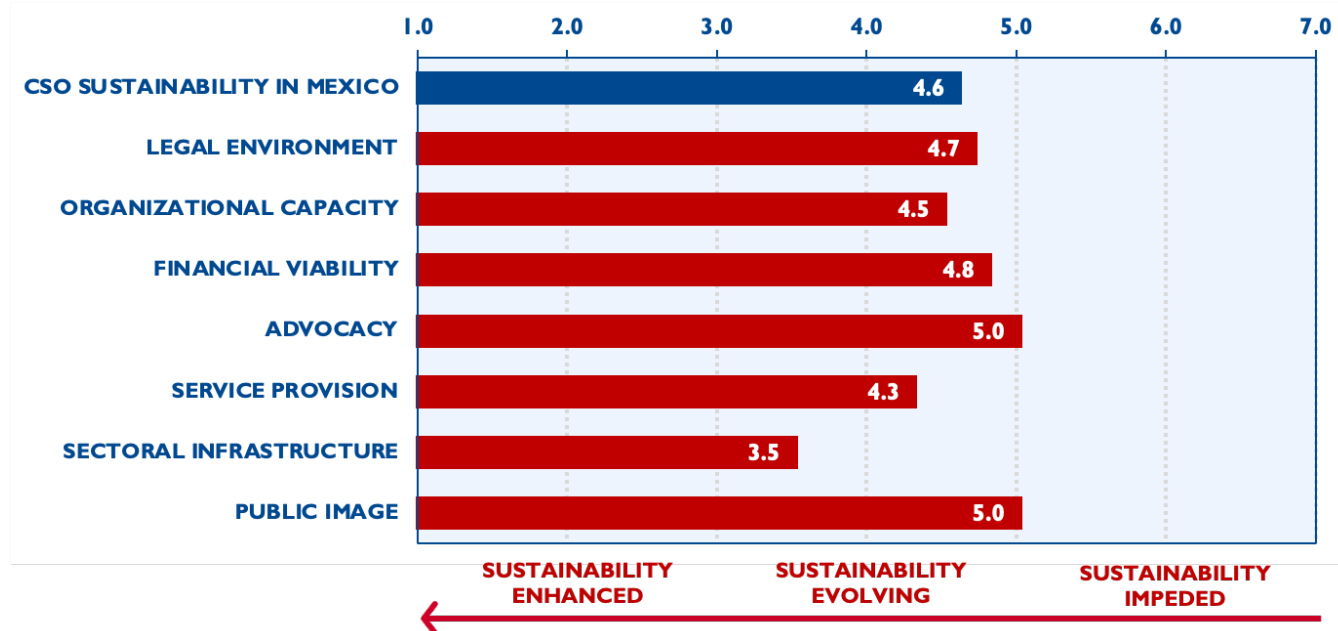
ACKNOWLEDGMENTS

A publication of this type would not be possible without the contributions of many individuals and organizations. We are especially grateful to the individuals who participate in the Expert Panel. Their knowledge, perceptions, ideas, observations, and contributions are the foundation upon which this Index is based. We would also like to thank José Manuel Malvido Escobedo, who this time around led the project's efforts at Centro de Investigación y Estudios sobre Sociedad Civil (CIESC), the local Implementing Partner on this effort. The CSO Sustainability Index for Mexico complements similar publications covering other regions.

MEXICO

Capital: Mexico City
 Population: 127, 504, 125
 GDP per capita (PPP): \$21,512.3
 Human Development Index: High (0.779)
 Freedom in the World: Partly Free (60/100)

OVERALL CSO SUSTAINABILITY: 4.6



The overall sustainability of civil society organizations (CSOs) in Mexico continues at the same level compared to 2021. Despite the fact that since 2019 the federal administration removed incentives to promote the activities carried out by CSOs, the sector has shown its resilience. In the legal dimension, at the subnational level, various entities promoted state enabling laws, as well as subsidy programs that, albeit in a very limited way, replace the federal support which was lost with the dissolution of the National Institute for Social Development (INDESOL). In the financial dimension, despite new fiscal restrictions, the contribution of non-profit institutions to the national economy decreased by only one tenth, from 3% in 2020, to 2.9% in 2021 according to the most recent report of the National Institute of Statistics and Geography (INEGI). With respect to GDP growth in 2022, according to the most recent report, GDP growth in 2022 was 3.1%, which establishes that CSOs follow a similar growth margin to the national economy.

The CIVICUS Monitor, an instrument that analyzes the degree of civic space opening in the world, classifies Mexico as a repressed space; the instrument observes the mobilization of public policy agendas that defend human rights, as well as the defense and continuity of autonomous institutions that guarantee the exercise of free elections. The leaders of the social sector and businesses maintain an agenda of local cooperation articulated by stakeholders that promote philanthropy at the national level; derived from this, it has been possible to create new community foundations in various entities of the country that promote co-responsibility relationships between communities and the private sector, in addition to the launching of initiatives to manage the continuity of the social sector, whose consolidation has required decades of collective effort.

The generalized democratic regression around the world, documented by several international organizations such as CIVICUS, World Justice Project, and Amnesty International, had several concrete expressions in the case of Mexico during the year 2022. The agenda of the legislative majority proposed several reforms to reduce

the autonomy of government agencies, including the National Electoral Institute (INE), the National Council for Science and Technology (CONACYT) and the National Institute for Access to Information (INAI). Given this political agenda, the citizenry mobilized on a massive scale throughout the country's main cities. Likewise, the opposition political parties appealed to the Supreme Court of Justice of the Nation (SCJN) to determine the legality of the reforms. The legislative majority approved a reform to increase the military control of public security, however, several civil organizations and law firms also filed 24 injunctions (amparos), and obtained the provisional suspension of the new reform.

Violence against human rights defenders and journalists has increased in the country. Nevertheless, organized civil society continues providing spaces for public condemnation, enabling citizen mobilization against these crimes and the impunity that characterizes them. During the year 2022, 12 journalists and at least 24 environmental defenders were murdered, in addition to several disappearances and aggressions.

During 2022, the total number of missing and unlocated persons reported in the National Registry of Missing and Unaccounted Persons exceeded one hundred thousand people; the Registry indicates that 25% of the missing persons are women. Given this challenge, citizens have formed more than 70 collectives to conduct search brigades for these missing individuals. However, these organizations and their leaders have been subject of harassment by criminal organizations: data from the think tank Insight Crime reported that during 2022 five searching mothers were murdered - the case of the murder of Mrs. María Carmela Vázquez Ramírez stands out, prompting the condemnation of the Office in Mexico of the United Nations High Commissioner for Human Rights.

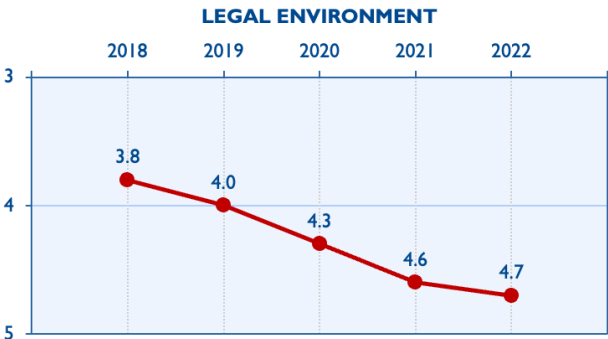
The federal government maintains an optimistic approach to the persistent violence, arguing that social programs, based on the direct transfer of resources to registered individuals, encourages a decrease in criminal activity. In November 2022, Congress approved a budget of 1.524 billion pesos to 121 social programs for 2023, a 16 percent higher amount than what was invested in 2022. A detailed analysis of the distribution of this budget shows that, while 30 percent of the resources are directed to a pension program for the elderly, only 1.9 percent is aimed at strengthening the employability of young people, and 3.1 percent to support young people studying at the university level. Therefore, the distribution of this budget does not clearly explain how social programs are oriented to the reduction of violence.

The World Justice Project's Rule of Law Index, which analyzes a total of 140 countries, ranks Mexico in 115th place. Corruption, deficiencies in the administration of civic justice, the violation of fundamental rights, as well as public insecurity, are some of the factors in which this index shows Mexico lagging below the world average. The case of greatest corruption in governmental organizations was identified during the year 2022 and corresponds to the Mexican Food Security Agency (SEGALMEX), from which almost 9 billion pesos were diverted, according to reports from the Superior Audit Office of the Federation. Despite the above, the official rhetoric assures that corruption in the country has disappeared.

The number of migrants from Latin America and the Caribbean, who pass through Mexico on their way to the United States, increased during the year 2022. Data from the Ministry of the Interior (SEGOB) indicate that whereas the percentage of people in irregular migratory situation in the country increased 44%, the percentage of deportations decreased by 18% with respect to the year 2021. These data suggest a migration crisis taking place in the interior of the country, which is gradually becoming clearer and clearer. CSOs located in border regions do not have the capacity to provide services to the high number of migrants in the country, nor have the authorities demonstrated efficient solutions to the problem. The application of Title 42, by Joe Biden's administration during the year 2022, increased the number of expulsions from the United States to Mexico, under the argument of preserving public health in the context of the COVID-19 pandemic. Discrimination against migrants prevails in Mexico; data from the National Survey on Discrimination (ENADIS) 2022 of INEGI indicate that 28.8% of the migrant population declared having been victims of discrimination.

According to the Integrated Report of COVID-19 in Mexico, issued by the federal government, Mexico registered six waves, or significant increases in the number of people affected by the disease, during the pandemic. The last three waves of the pandemic occurred during the year 2022; this year stood out for having the highest number of infections. During the fifth wave, due to the Omicron variant, the most serious cases were the lowest recorded during the entire pandemic. In addition, the number of deaths decreased by slightly more than 90% between 2021 and 2022. By the end of 2022, vaccination against COVID-19 had a coverage of 84% of the national population, with those under 18 years old being the group that had the greatest challenges in getting access to the vaccine.

LEGAL ENVIRONMENT: 4.7



In 2022, Mexican Income Tax Law (LISR) reform, which was passed at the end of 2021, became effective. The tax regulation imposed new provisions that particularly affected authorized donees (DA). The Tax Administration System (SAT), which is Mexico's tax authority, applied mechanisms to monitor the use of donations, in order to demonstrate whether they were directed exclusively to the compliance of the social purpose stated by the organizations. Among the measures applied as of January 2022, it stands out the revocation of the authorization to grant tax-deductible

receipts to DAs exceeding 50% of their annual income from activities not related to their statutory purpose. Additionally, among other measures, tougher sanctions were implemented for DAs that grant loans to their associates or have non-tax-deductible expenses.

The Mexican Center for Philanthropy (CEMEFI) estimated that the new tax provisions would not only reduce the number of DA organizations, but would also limit their income and the scope of their contribution to the solution of public problems. Data available on the transparency portal published by SAT indicate that while in 2021 the number of DA that lost authorization was 39, in 2022 this figure increased by 40%, to 99 organizations. On the other hand, the growth in the number of DA organizations increased by 7.5%, from 9,673 to 10,459.

In February 2022, the political party with the legislative majority presented a bill for an additional reform to LISR, which proposed additional regulations for CSOs receiving donations and income from abroad. The proposal argued that foreign funding to DA organizations, involved in lobbying and strategic litigation activities, constituted a transaction between organizations and corporations aligned with agendas opposed to the public interest. Although this proposal was not brought to a vote, it does evidence a declared interest on behalf of the legislative majority in implementing policies that, in the short term, hinder the activities of organizations that promote the defense of human and environmental rights through strategic litigation financed by international cooperation.

Since 2019, the policy of federal support to the activities carried out by CSOs has observed a progressive deterioration. As of December 2021, the agency responsible for implementing the federal support policy, the National Institute for Social Development (INDESOL), was transformed into the General Bureau of Welfare and Social Cohesion (DGBCS). This resulted in the loss of the budgetary and administrative structure that provided management autonomy to assist CSOs through development actions.

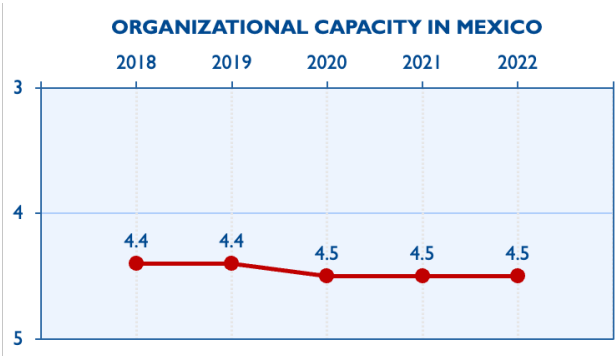
An indicator of the deterioration of this federal promotion policy is the reduction in the number of active CSOs in the Federal CSO Registry (RFOSC): only 17% of the 44,000 organizations in the RFOSC maintain their active status. To obtain this status, organizations must submit an annual report of activities to the DGBCS. During the year 2022, federal promotion activities carried out by the DGBCS were limited to providing training, as well as generating spaces for networking, hence, decreasing the incentives to maintain the status of active organization in the RFOSC, as well as the institutionalization of the participation of CSOs in public co-responsibility programs.

During 2022, at the sub-national level, support laws for CSO were passed in the states of Nuevo León and Querétaro, increasing the number of states with a support law from 25 to 27. Also, in November, the Sinaloa state congress initiated a legislative process to draft a state development law.

State support laws in Mexico face several limitations and challenges; the adequacy of their implementation depends on the one hand, on the political will of the government in power, and on the other, they depend also on policy instruments, such as budgets, consulting, and transparency mechanisms, strengthening programs, among others. As an example of this, although 27 states have legislation, only 12 consider mechanisms for CSO consultation and participation to make decisions on promotion actions; likewise, of the 27 states, only 15 have specific programs to provide economic support to CSOs.

In Mexico, CSOs can adopt various legal forms; however, 95% are constituted as Civil Associations (AC), since this is the only form that is supported by federal legislation; the rest of the legal entities, whether Private Assistance Institutions (IAP) or Private Charitable Associations (ABP), depend on local or state legislation. Both AC, IAP and ABP can obtain authorization to be tax-deductible donors, or DA. The total number of registered CSOs in Mexico is 47,880, however, only 21% are DA - this proportion has remained constant over the last four years.

ORGANIZATIONAL CAPACITY: 4.5



The sustainability of CSO organizational capacity maintained at the same level as in 2021, despite the change in the working conditions of the organizations and their collaborators. CSOs in Mexico faced the post-pandemic scenario through decisions focused on the continuity of their operations, and the achievement of organizational efficiency in a context of a greater scarcity of resources.

The Pulso OSC initiative (Pulso) published the third edition of a diagnostic report that examines the

organizational capacities and performance of CSOs. The report, built upon data provided by a survey applied to 857 organizations, demonstrates the capacity of CSOs to adapt to change. Initially, 39% of the organizations surveyed reported a decrease in revenues with respect to the year 2021. The data from this diagnoses suggests that this limitation motivated strategic decisions on the part of the CSOs, among them: the application of changes in financial planning to guarantee the operation, staff cuts, the reduction of collaborators' salaries and the management of emergency funds to mitigate losses in income.

In the new post-pandemic context, organizations face significant challenges. One of them is to install a technological capacity to meet the current demand for semi-presential or hybrid services; in the field of technical

capabilities, they also face the challenge of design interventions focused on reducing the gap generated by the pandemic in communities, in all fields, but particularly in the access to quality education, mental health services and employability promotion. The Pulse diagnostic reports that the main effects that CSOs had within their work teams were in two ways: on the one hand, the emotional problems associated with the personal losses and other experiences related to the pandemic; and on the other hand, the perception of a significant increase in the workload and responsibilities.

The use of digital skills is key to achieve operational continuity of CSOs. Data from the Pulse report indicate that 50% of CSOs count with these capabilities, however, 32% reported not having the necessary tools, and also referred to the lack of updates to optimize their use. In 2022, the Mexican Center for Philanthropy (CEMEFI) promoted the technological improvement of 339 organizations through the Digital CSO program. This program delivered 1,172 software licenses to 255 CSOs, which meant savings for the organizations of more than 80% over the commercial cost of the products.

In the area of volunteerism, particularly in the objective of achieving their reintegration and participation in the provision of CSO services, the Hacesfalta portal, dedicated to linking talent and human capital with CSOs, reported the integration of 1,288 volunteers in 185 organizations, out of a total of 2,633 published offers. The challenge of building an active volunteer base remains one of the most relevant organizational challenges for CSOs in which digital tools can play a determining role.

The administrative capacity to comply with tax regulations also plays an important role in the organizational performance of CSOs. Pulso reports that 99% of the organizations surveyed are aware of the obligations they must meet and are informed about the level of compliance they have; however, 11% of these organizations had complications when carrying out the corresponding procedures. For example, Applesseed, an organization dedicated to the legal strengthening of CSOs reported that during the year 2022 the demand for its services from CSOs increased by 54%; this increase is related to the enabling of an open access web tool, in which CSOs can perform a self-diagnosis on regulatory compliance, as well as attaining legal assistance; results of the application of this tool report that 342 CSOs received guidance services in various areas related to the performance of administrative capacities.

The exercise of effective accountability, both within and outside organizations, relies on their capacity to plan, monitor and evaluate results. For instance, Accreditation in Institutionalism and Transparency (AIT) is a service offered by CEMEFI to CSOs that apply policies to strengthen their governance, financial management and evaluation of the results of social interventions. During the year 2022, 257 CSOs were certified, among them, 212 organizations achieved the renewal of their accreditation, and 10.5% were certified for the first time.

CSOs have access to organizational capacity building services from other organizations that focus their work on promoting a more favorable environment for the work of organized civil society. For example, Fundación Merced reported that during 2022 it carried out 11 training activities that involved the participation of 912 collaborators from 160 CSOs, distributed in 20 states, through an investment of 3.7 million pesos. Likewise, the social investment department of Nacional Monte de Piedad carried out a program aimed at Sustainable Development Goal (SDG) 16 - Peace, Justice and Strong Institutions - which contributed to capacity building in 40 CSOs.

The sustainability performance of CSO organizational capacities still depends on closing gaps across several areas that were also relevant before the pandemic. Comunalía published a report in 2022 that identifies the 7 trends in philanthropy and organized civil society in Mexico. Among them, it recognizes the importance of improving working conditions in the third sector. According to this document, CSOs in Mexico have difficulties in offering decent salaries, as well as access to continuous training. Data from the satellite account of Non-Profit Institutions, published annually by INEGI, reports in its latest edition that there are 2.5 million people working in

CSOs, of which only 1.2 million are in paid employment. It also reports that the number of volunteers who collaborate in CSOs is 14% higher than the number of people who have a paid job in the organizations.

FINANCIAL VIABILITY: 4.8



Financial viability of CSO remained at the same level as in 2021, except for a small decline, due to the gradual decrease in the general economic environment.

At the end of 2022, the National Institute of Statistics and Geography (INEGI) reported that during 2021, the contribution of CSOs to the national economy was 2.9% of GDP, one tenth of a percentage point lower than in 2020, with a total of 694 808 million pesos. INEGI's analysis also identified that while the national economy grew

4.6% with respect to 2020, the growth of the third sector economy grew 4.4% during 2021. The report noted that CSOs engaged in education and research had the largest share of growth.

During 2022, CSO funding conditions remained virtually unchanged from the previous year. Although the COVID-19 pandemic reoriented the dynamics of donations towards welfare causes and organizations, this not motivated a change in Mexico's philanthropic culture, and neither did it modify the barriers on access to public funding raised by federal policy since 2019. The Federal Law for the Support of Actions Performed by CSOs (LFFOSC), which has been in effect for more than 15 years, recognizes public funding as one of the conditions for cooperation between governmental organizations and CSOs. However, since the presidential order issued in 2019, also known as Circular One, federal authorities suspended public funding to CSOs.

The number of economic support actions reported in the 2022 public account to CSOs is very low. This report, published by the Government of Mexico during the year 2022, indicates that 16,270 promotion actions were carried out, of which only 161 of these actions (less than 1%) were economic support actions. The resources granted by the federal government to CSOs in 2022, based on data from the public account, amounted to 1.5 billion pesos, to a total of 130 organizations (0.2% of the total number of registered organizations in Mexico). It should be noted that 77% of the resources were granted by agencies of the Ministry of Public Education. At the sub-national level, there are also entities that promote local support policies. The civil association, Articulación Ciudadana para la Equidad y el Desarrollo (ACED) published at the end of the year 2021 the index of support to CSO activities. This research reports that at the beginning of 2022, despite the fact that 25 of the 32 states have a state support policy, only in 16% of these states the policy is applied by the authorities. The effective application of a support policy not only considers the existence of a law, but also observes that, under the framework of the policy, CSOs have access to mechanisms for political participation and financial resources through support programs. Only 15 of the 25 entities with support policies have any assistance programs, and these operate with limited budgets; between 2020 and 2021, the average budget of all support programs decreased from 38 billion pesos to 28 billion pesos.

Disparity in the distribution of available revenues for CSO funding extends to more than just public resources. In principle, of the 44,000 CSOs in Mexico, only 21% are authorized to grant tax-deductible receipts to their donors, which implies that incentives for financing philanthropy are not easily accessible for most CSOs. The

latest available data on total DA revenues was published at the end of 2021, showing a total of 211.419 billion pesos - an amount 200 times higher than the amount granted by the federal government in 2022.

In 2022, the Center for Research and Studies on Civil Society (CIESC) published the third edition of the book Generosity in Mexico (GMIII). This is research that analyzes in depth all the data that explains the dynamics of philanthropy in Mexico. Among the findings published, it stands out that only one fifth of all DAs obtain 50% of their income from philanthropy. The main source of income for DAs in Mexico does not come from philanthropy or government funding, but from the organizations' own activities that generate resources from recovery fees, investments in patrimonial assets and service fees. Tax legislation currently places restrictions on CSO self-generated income with the harshest sanctions, such as the loss of the status of Authorized Donor and registration, which discourages CSO strengthening processes and diminishes the institutional capacities of the Support Law as an instrument to reinforce the working environment of organized civil society.

Another fact pointing to the distributional disparity of funding obtained by CSOs from philanthropy is related with the distribution of donations coming from abroad. For example, the GMIII research reports that 70% of donations from the United States are concentrated in 6% of the DAs.

In the case of individual donations, GMIII reported that the average amount of these donations was three times less than those made by donor entities, whether they are foundations or companies that carry out philanthropic actions. According to this research, only 21% of Mexicans donate to CSOs, while in Asian countries such as Indonesia and Myanmar, more than 70% do so.

According to SAT data, 79% of the incentives for philanthropy offered by Mexico's tax policy are taken advantage of by corporations, while the remaining 20% corresponds to donations from individuals. Mexicans make more donations in kind and the individual monetary support is, on average, \$1,341 pesos. In total, Mexican tax policy granted deductions to individuals for a total of 1,189 million pesos, while deductions to companies were four times higher, at 3,928 million pesos. The private sector's substantial participation in tax deductions through donations has contributed to the government discourse that argues that philanthropy in Mexico is associated with tax evasion by the largest corporations.

Regarding DA income, the SAT transparency bulletin published at the end of 2022 informed that during 2021, total domestic donations to DA reached 34.3 billion pesos, while foreign donations reached a total of 6.556 billion pesos. This report indicates that the organizations that reported the highest income from donations were those dedicated to welfare activities, with 60% of donations, followed by organizations focused on education, with 12% of donations, and in third place, with 11%, those organizations that provide support to other donors.

ADVOCACY: 5.0



CSOs' advocacy for human and environmental rights continues to face challenges. The number of activists, journalists, and defenders attacked and murdered continued the upward trend of 2021. Amnesty International's 2022/23 report for Mexico on the situation of human rights in the world, reported that during the year 2022 at least 10 activists were victims of homicide, totaling 64 women land and environmental defenders murdered between 2021 and 2022. He highlighted the case of violence in the state of

Chihuahua, where a member of organized crime murdered in the community of Cerocahui two Jesuit priests who had dedicated more than 30 years to the defense of the native peoples of the Sierra Tarahumara, generating indignation and denunciation at national and international levels.

Despite the fact that, in 2022, organized civil society successfully brought the discussion of relevant public interest issues into the Supreme Court of Justice of the Nation (SCJN), the discredit towards any dialogue and collaboration with civil society organizations continued. During the year 2022, the federal government promoted in Congress a national security policy agenda, which proposed the reduction of the capacities of autonomous agencies and the centralization of administration and public security in the armed forces. This measure anticipated an increase in the number of cases of confrontations with the military in the territory and weakened the mechanisms of denunciation and justice in the face of abuses of force and human rights violations committed by military authorities. In response to this policy, several CSOs were able to file 24 appeals that granted a suspension against the integration of the National Guard into the Ministry of National Defense.

Civil society actions for the defense of associative spaces and citizen participation during the year 2022 included relevant social demonstrations at different scales throughout the nation. Faced with the initiative of an electoral reform that proposed the centralization and reduction of autonomy of the electoral authority, thousands of people protested in the main cities of the country. In response, the current administration called for a rally in favor of its agenda in Mexico City.

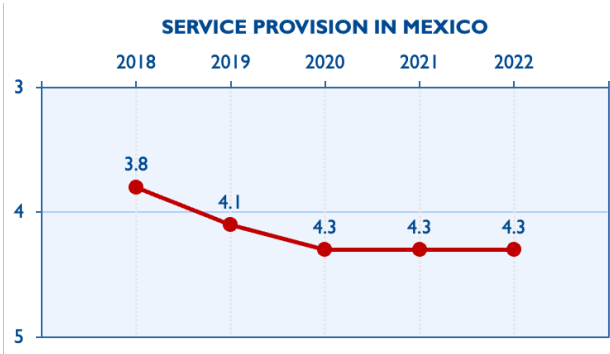
The agenda of the feminist movement in Mexico has consolidated as one of the most visible, generating support not only from opposing political parties, but also from international organizations that have stood against feminicides in Mexico. This has succeeded in pushing the authorities to implement differentiated, more agile and transparent mechanisms for the investigation of femicide as a gender-based crime.

In the case of the defense of the right to a clean environment, organized civil society has maintained strategic litigation actions against the Mayan Train project in the Yucatan Peninsula. Groups of activists, collectives of indigenous communities and academics have supported several injunctions and suspensions against the progress of a project that develops more than 1,500 kilometers of railroad tracks and promotes the growth of tourist and industrial infrastructure in vulnerable ecosystems, as well as protected natural areas. The public demonstrations have raised the awareness on the violation of the rights of indigenous peoples before the UN Working Group on Business and Human Rights, which in December 2022 called on the Mexican government to take measures to address the negative impact of the project on local communities.

A number of Mexican CSOs are mobilizing agendas to address issues related to migration. In the north of the country, displacement due to the implementation of Title 42 by the U.S. government increased the volume of settlement of national and foreign migrant populations, in Ciudad Juarez. In September 2022, networks and organizations defending the human rights of migrants emphasized the need to guarantee compliance with the rights of the migrant population. Civil society, integrated in the Action Group for the Non-Detention of Refugees, has documented violations of the rights of migrants in the temporary shelters of the National Institute of Migration.

In November, the Juarez-based organization Derechos Humanos Integrales en Acción A.C. (DIAH) established a dialogue with the State and National Human Rights Commissions regarding sanitary conditions and the risk of violence in the settlements and requested relocation to dignified spaces without the use of police forces. In Ciudad Juarez, various CSOs and collectives are promoting legal actions at the international level to protect the rights of the migrant population and to inform them of their rights.

SERVICE PROVISION: 4.3



The sustainability of CSO service provision continued unchanged with respect to the 2021 scenario. Organizations resumed face-to-face activities with greater intensity, in the context of the decrease in COVID-19 pandemic-related operational risks. However, the challenge for CSOs was greater, as they found themselves with fewer resources and facing the first year of implementation of the new fiscal regulations for DAs approved in October 2021.

The Pulso report identified that in 2022, 51% of the CSOs surveyed reported an increase in demand for their services, while 39% reported the same demand as in the previous year and 10% of the organizations reported a decrease. Despite the increase in demand for services, CSOs were forced to limit their coverage capacity due to the reduction of donations from individuals and corporations, as well as the cancellation of fundraising events. Pulso indicated that 42% of CSOs made changes in their financial planning to guarantee operations and 36% limited the scope of coverage of their programs.

One of the activities that favor CSO effectiveness in the provision of services is the needs assessment on the target public. The needs assessment is part of the application of the human rights-based management approach and helps align strategies to make evidence-based decisions during project design and implementation. During the year 2022, the Community Foundations of Canada (CFC), published the results of a series of community diagnostics applied in five Mexican entities, with the objective of finding trends in the outcomes of community foundations and CSOs that carry out social intervention projects. The Vital Signs project, implemented by the CFC in conjunction with Comunalía, applied surveys to more than 2,000 people receiving CSO services, as well as focus groups and production of narrative reports. These reports highlight that the organizations involved in such projects carried out SDG-aligned services, focused on social impact results, among them: food sovereignty, climate justice, child development and participation, migration and health.

In Tijuana, the Vital Signs diagnostic identified ten programs implemented by CSOs dedicated to serve the migrant population, providing health care services, delivering basic necessities, legal advice and promoting employability. The CSOs reported various challenges related with service provision, among them, the absence of governmental instruments to foster intersectoral collaboration towards the attention of a complex problem such as migration. Given that CSOs are in charge of most of the migrant shelters, they require to formalize partnerships with government authorities to guarantee access to various services, including preventive health programs in the areas of vaccination and addictions.

In Nayarit, the diagnostic noted that organizations dedicated to climate justice agreed that the services they offer to the public are limited by the lack of collaboration with the authorities responsible for the regulation of waste and the management of water resources. Intersectoral participation is a fundamental factor that, in this case, favors an effective provision of services to guarantee access to drinking water in communities, that is free of contaminant waste.

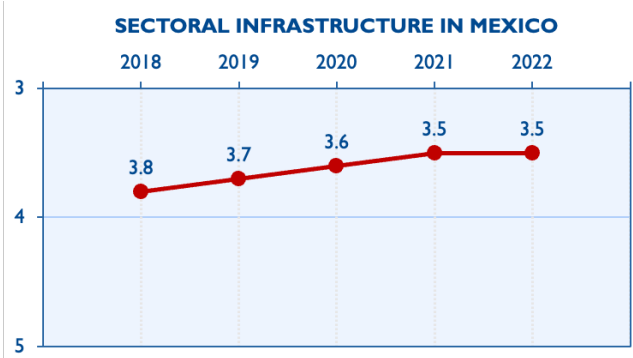
In Querétaro, a high level of poverty, inequality, lack of access to drinking water and school dropout rates were identified. In this entity, Fundación Vértice implemented a scholarship and community service program for young people, which favored the academic, human, economic and labor development of 21 people, with an investment

of 1.3 million pesos. In addition, the Red de Mujeres Emprendedoras de Colón A.C. held a bakery workshop for businesswomen and entrepreneurs in the region, as well as the installation of 90 food gardens in four communities. The diagnosis identified that the CSOs in the region can increase their effectiveness and the results on the people by following up capacity-building projects.

By encouraging activities that support grassroots development, Comunalía financed 38 projects in 2022 in collaboration with local actors, with an investment of 12 million pesos. Some of the results of the services provided by these organizations include the installation of water purification filters, family gardens, installation of community centers and pregnancy support services for indigenous women. Comunalía's annual report indicates that these services contribute effectively to the consolidation of associative capacities in the communities, as well as the strengthening of leadership in the self-management of social projects.

The provision of services by CSOs in Mexico remains welfare-oriented. According to the study Generosidad en México III, published in 2022: 63% of the DAs provide assistance services, while 14% focus their services on education, the rest are distributed in other areas of attention in limited proportions. On the other hand, the 2022 Public Account report informs that CSOs focused on social assistance receive 60% of donations, while the rest of the areas of attention, such as education, cultural promotion, health, among others, are also distributed in margins of less than 12%.

SECTORAL INFRASTRUCTURE: 3.5



The infrastructure that provides a support network to CSOs kept the same level seen in 2021. This dimension is notable for been the one that contributes the most to the sustainability of CSOs in Mexico. The CSO support network is mainly made up of other DA organizations that, in addition, offer specialized consultants' assistance in strengthening CSO institutional capacities, carry out training activities, and encourage good practices through the delivery of recognitions and awards. These organizations are recognized as strengthening agents, and according to

the study on CSO capacity building, Rutas para Fortalecer, carried out by the Centro de Investigación y Estudios de la Sociedad Civil (CIESC), there are 292 in Mexico.

Fundación Merced is among the main organizations that lead the support networks for the third sector. This organization is an DA that offers training services to CSOs, specialized consultancy in capacity building, and awards recognitions for good practices. In the area of training, Fundación Merced invested 12.8 million pesos in 2022 for the benefit of 160 DAs distributed in 20 states of the country. With regard to the recognition of good practices, in 2022, for the twenty-second time, Merced held the Razón de Ser awards ceremony. The awards consist of economic support in categories of good practices that are chosen according to the social, political and economic context in which CSOs operate. In 22 years, this award has benefited 76 organizations, and a total of 14 million pesos have been granted. The delivery of resources is possible thanks to the collaboration with other corporate foundations that provide economic resources, generating a virtuous circle of support and promotion of the activities of leading CSOs.

Nacional Monte de Piedad is a foundation that also contributes significantly to the integration of a support network for the sector's infrastructure. During 2022, this foundation carried out actions that directly benefited

563 CSOs, likewise, it played the role of articulator of alliances with other third sector actors, which achieved the launching of 9 initiatives oriented to the fulfillment of various objectives in the United Nations sustainable development agenda. The foundation reported the channeling of 15 million pesos during 2022 to these initiatives, as well as the donation of 27.1 million pesos from other actors to the projects it promotes.

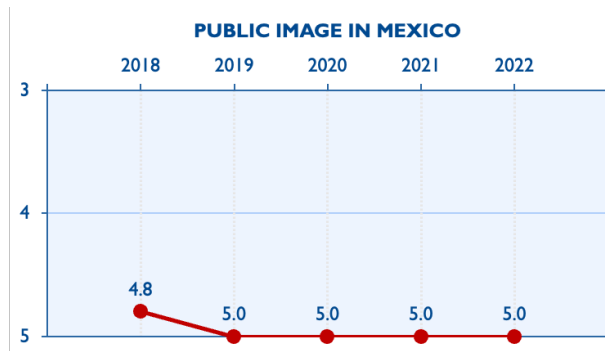
The Mexican Center for Philanthropy (CEMEFI) carries out various actions to support the infrastructure of the third sector in Mexico. CEMEFI has succeeded in the articulation of a network in which more than 1,500 actors participate, including CSOs, companies, universities, leaders and volunteers. CEMEFI's activities include promoting the establishment of a learning community through various forums and webinars, which in 2022 attracted almost 3,000 people, as well as legal counseling services that provide solutions to help CSOs comply with their fiscal obligations. CEMEFI presents the Reconocimiento al Compromiso con los Demás (Commitment to Others Award), which distinguishes individuals and organizations that promote philanthropy in Mexico. In 26 years, this award has recognized 86 individuals and 46 CSOs - in 2022, this recognition was given to the Alliance of Community Foundations (Comunalia).

Community foundations have stood out for providing a model of support for the development of the third sector in various entities of the country. These foundations are characterized for their intersectoral ties between community leaders, CSOs, the private sector, academia and, in some cases, governmental actors. A study by the organization Alternativas y Capacidades reports that Mexico is the Latin American country with the highest number of community foundations. These foundations have managed to integrate into Comunalia, which brings together 16 community foundations distributed in 15 states of the country.

During 2022, Comunalia allocated a fund of 12 million pesos jointly with 11 community foundations which benefited 38 projects with a direct impact on 5,000 people. It should be noted that 61% of these resources were contributed by the communities, through local leaders and CSOs. The projects were oriented to the Sustainable Development Goals (SDGs), particularly SDG4 (Quality Education), SDG5 (Gender Equality) and SDG8 (Decent Work). Although this alliance has achieved co-responsible financing of projects that favor the sustainability of CSOs, the partnership acknowledges that it has faced complex challenges, including the difficulty that communities have in operating in accordance with previously defined schemes and plans, as well as the process of cultural adjustment to the uses and customs of each locality.

One of the leading community foundations in the country is the Fundación del Empresariado Chihuahuense (FECHAC), which, during the year 2022, invested more than 390 million pesos in 464 projects that were implemented in various locations in the state of Chihuahua. FECHAC is considered a leading foundation because it achieves the articulation of projects that integrate the private and governmental sectors. During the 2022, this foundation carried out negotiations with state authorities achieving the investment of 127 million pesos in 150 programs, involving 49 CSOs and the work of governmental organizations. The case of Ciudad Juárez stands out, where the CSO collective, Asamblea de Organizaciones, facilitated the articulation of an alliance between FECHAC and the municipal authorities, for the approval of a co-investment fund of 20 million pesos, aimed at health, education and risk prevention projects. In the area of promoting the management of evidence-based intervention models, in 2022 FECHAC launched the Social Observatory - a virtual platform that provides CSOs with tools to generate reports based on official social development indicators.

PUBLIC IMAGE: 5.0



The public image of CSOs maintains the highest level of hindrance of all the dimensions of the index for the fourth consecutive year. The lack of support for the work of CSOs by the current administration has continued. The greatest discrediting is towards organizations that receive funds from international cooperation agencies for the defense of human rights; however, collective expressions and citizen movements that demonstrate in opposition to the policies promoted by the Mexican authorities have also been the object of

criticism. One example of the above was the discrediting to the UN Committee on Enforced Disappearances in April 2022, which presented a report with 85 recommendations to the Mexican authorities, aimed at preventing human rights violations and reducing impunity of the armed forces.

CSOs in Mexico have succeeded in raising awareness on the most relevant political disputes in the country and have driven litigation actions that have led to changes in various policies carried out by government authorities; however, as these actions advance, criticism of the government, as well as measures implemented to publicly discredit CSOs, also increase. The current administration's discrediting of associative expressions ties citizen claims with the financing of opposition political parties, as well as neoliberal international agendas. This positioning distorts the public's perception of organized civil society and its role as a counterweight to the exercise of power, defense of the right to free expression and promotion of democracy.

During the year 2022, the Manifiesta collective was created with the purpose of promoting campaigns to increase the visibility of the work carried out by CSOs. This collective is made up of 22 organizations. Another collective articulated in 2022 was Sélvame del Tren, made up of environmental activists and a group of artists who promoted a media agenda to denounce the environmental impact of the rail infrastructure project in the Yucatan Peninsula, known as the Tren Maya. The collective Sélvame del Tren has publicly denounced the logging of more than 10 million trees, as well as the destruction of the existing aquifer in the area where the Tren Maya project is being developed. The Regional Indigenous and Popular Council of Xpujil (CRIPX), a local association in the jungle region with more than 25 years of public experience, was the first to file a lawsuit against the project for failure to comply with the process of indigenous consultation and citizen participation. In spite of the judicial advances in the processes of defense of the territory carried out by various collectives, the current administration qualifies these actions as a legal sabotage carried out by enemies of the development of the communities, who are being financed by the political parties opposing the project.

With regard on the explanation and search of more than 100,000 missing persons in Mexico, the organization Centro Prodh accused that the Attorney General's Office (FGR) did not comply with the commitment established since 2019 to create a National Forensic Data Bank. Families of missing persons and more than 70 search collectives promoted the #IdentificacionYa campaign on social networks and public rallies in more than nine states of the country. These demonstrations led to the symbolic closure of the FGR on August 30, International Day of the Victims of Enforced Disappearances. In October 2022, this organization obtained a Judiciary Order that directed the FGR to implement the procedure to create this instrument for the identification of victims. During October 2022, a hack and leak of documents from the Ministry of National Defense (SEDENA) was made public, which was identified as Guacamaya Leaks. The information contained in the leak indicated that SEDENA considered Centro Prodh as a political pressure group, along with feminist collectives and anarchist groups.

The discredit of greater impact to the denunciation campaigns promoted by the organized civil society in Mexico was expressed in a demonstration in support of the electoral reform initiative. The rally, promoted in governmental media, mobilized thousands of supporters of the official party in Mexico City, on November 27. Fifteen days before, more than 50 CSOs, integrated in a collective called Frente Cívico Nacional (National Civic Front), as well as the political parties opposed to the electoral reform, organized the Democracy Rally. This demonstration was considered by many media as the largest citizens' mobilization against the federal government's political agenda. The social demand was considered by the government discourse as an expression promoting the corruption of the electoral institutions, as well as racist and classist interest groups.

Political polarization generates an environment that conditions public confidence in CSOs. The affectation of the public image of CSOs limits the scope of the efforts aimed at motivating Mexican society to orient its solidarity actions towards the philanthropic sector. Data from the Generosidad en México III study, published in 2022, reports that Mexicans' willingness to donate to CSOs is low, at the same time that they perform generous actions in other solidarity activities. The remittances sent by Mexican migrants in the United States to Mexico, for example, have reached their highest point in 2022, with a total of 58.5 billion dollars - an amount five times greater than the amount sent to Mexico by all international cooperation organizations.

ANNEX: CSO SUSTAINABILITY INDEX METHODOLOGY

The methodology utilized in this report can be found by accessing this link: <https://rutasparafortalecer.org/wp-content/uploads/2023/08/csosi-methodology-2022.pdf>

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