



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

# ACHIEVING GOOD GOVERNANCE

USAID'S MEXICO ECONOMIC POLICY PROGRAM  
CREATES SOLUTIONS WITH IMPACT



## INTRODUCTION

From April 2013 through April 2019, the USAID/Mexico Economic Policy Program (MEPP) collaboratively generated a set of solutions to address Mexico’s thorniest obstacles to good governance. To create these solutions—including policy proposals, evaluations, manuals, and innovative open government tools—we worked closely with government ministries and agencies as well as with NGOs to strengthen public sector and civil society institutions at the national and local levels.

During MEPP’s first three years, we focused on new and improved governance policies to promote economic growth, such as private sector development, productivity and competition. For the past three years, our technical assistance has promoted public sector transparency and supported Mexico’s incipient anti-corruption agenda.

The following briefers describe 10 of these solutions, including our process of joint development with government and NGO partners and their sustainable impact on Mexican governance. We hope these briefers will be a useful resource for current and future Mexican leaders to continue promoting economic growth and government accountability.

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# PROMOTING YOUTH ENTREPRENEURSHIP AND INNOVATION

## **PROBLEM: YOUNG ENTREPRENEURS NEED SUPPORT**

Mexico City accounts for about 18 percent of the country's GDP, and its economy drives policy innovation in other Mexican states and municipal governments. The Mexico City government uses its Social Development Fund (Fondo de Desarrollo Social, FONDESOS) to help finance micro enterprises. In 2013, the Secretary of Economic Development of Mexico City requested technical assistance from USAID's Mexico Economic Policy Program (MEPP) to restructure FONDESOS and re-orient lending to promote opportunities for small businesses with the best potential for generating growth, innovation, and job creation. FONDESOS further requested MEPP assistance to design a program that encourages young and aspiring entrepreneurs in public universities to develop innovative business proposals.

## **SOLUTION: TECHNICAL ASSISTANCE THROUGH COMPETITION**

MEPP supported the design, creation, and implementation of *Atrévete a Emprender* (Dare to Start Up), Mexico City's unique business development program that encouraged young people to become entrepreneurs. Almost 400 teams, comprised of about 1,000 students and faculty, participated in the first cycle. Through the program, FONDESOS established an agreement with several of the city's main public universities, whose student population exceeds 400,000.



*Atrévete* invited teams of students, researchers, and graduates to create and pitch an innovative or high-growth potential business idea. The program promoted an approach known as “Lean Launch” in leading U.S. business schools, which puts a premium on defining consumer demand and market readiness, leaving costly technical research and prototype development for later, after commercial viability has been established. This approach makes it possible to test creative ideas without spending a great deal of time or money—an ideal approach for any entrepreneur facing financial constraints.

From 398 applications, FONDESO selected 50 teams to receive four hours of training on conducting preliminary consumer research. Several extracurricular events gave *Atrévete* teams additional opportunities to learn and network, such as the Innovation and Business Forum (organized by the Mexican business association Coparmex) and Angel Ventures TechTour, where they met with experienced Mexican and Silicon Valley entrepreneurs to pitch start-up ideas. The 10 finalist teams received intensive business development support from the Arrowhead Center—a small-business incubator based at New Mexico State University—to create innovative and commercially viable products in technology, agriculture, energy, and entertainment.

Winning projects included Neemble Innovation, which extracts active ingredients from the neem tree to produce a natural pesticide and a tea that reduces the insulin dependence of diabetes patients. EmotionBox takes flower arrangements to the next level with surprises such as live butterflies. Merca WiFi gives free internet to on-the-go customers in exchange for viewing commercials or participating in surveys. FuelMe created a device that measures exact fuel intake at gas stations via an interactive map that shows which stations are most prone to fool consumers. IXU makes a biker’s jacket with indicator lights attached for riders to signal where they are going. Producción Chia created organic chia seeds whose flour can substitute wheat.

To support the program’s long-term feasibility, the Arrowhead Center held training-of-trainers sessions for 30 project evaluators, enabling the competition to continue without further USAID assistance. Arrowhead also wrote a detailed white paper explaining the process of the program.

## **IMPACT: THREE YEARS OF START-UP PROMOTION**

The results of the program’s first cycle were so impressive that FONDESO made a 5.7 million pesos (USD \$300,000) commitment of its own resources to continue two cycles of *Atrévete* after USAID funding ended. MEPP provided assistance in training, website creation, database management, and the creation of a roadmap for future program implementers. As a result, project managers from partner organizations in Mexico were able to continue the program successfully without ongoing USAID assistance. Mexican public sector resources exclusively funded the final cycle of the program.

*Atrévete a Emprender* received over 2,500 applications and supported over 250 entrepreneurs. Finalists made headlines with aspirations in medical, agricultural, clothing, and technology sectors. In the third cycle, 1,200 students participated, and 38 percent of teams featured inter-university collaboration. The wide reach of this innovative program in Mexico’s largest city shows the impact of USAID resources on Mexican economic governance.

For more information, see <http://www.atreveteemprender.mx/>



# ALIGNING PUBLIC SPENDING WITH NATIONAL ECONOMIC GOALS

## PROBLEM: LOW PRODUCTIVITY SLOWS GROWTH

A central pillar of the Mexican government's economic strategy is the Democratization of Productivity Program (PDP), which directs federal spending programs to seek greater alignment with four basic economic goals: 1) Efficient use and allocation of public resources and factors of production; 2) Increased productivity of workers and enterprises; 3) Improved business environment; and 4) Stronger productivity in economically marginalized regions.

Mexico's government created a key policy program to align federal spending programs with productivity initiatives, implemented by the Economic Productivity Unit (UPE) within the Ministry of Finance (SHCP). UPE's mission was to assess how well national spending programs promote economic productivity and encourage ministries and other federal institutions to improve the process of subsidy allocation.

## SOLUTION: EVALUATE PRODUCTIVITY GOALS

USAID's Mexico Economic Policy Program (MEPP) worked with the UPE to design and develop an online tool that evaluates major federal spending programs, enabling the UPE to offer specific guidance to federal institutions and use public funds more effectively. The tool evaluated how well major federal spending programs align with principles of the PDP.

MEPP first produced a questionnaire to serve as a self-assessment tool for subsidy program managers. Respondents were asked to indicate where their programs aligned with productivity goals, supported by relevant information. The questionnaire consisted of about a hundred questions divided into five topics related to the PDP's economic goals.

MEPP worked closely with UPE to test and refine the productivity assessment tool and the information requested from government officials. UPE piloted the tool at the National Entrepreneurship Institute, one of Mexico's largest and most important spending programs. Based

on this preliminary effort, MEPP and UPE refined the tool for reliable scoring. In February 2014, after inter-agency meetings and a thorough review process, 36 federal programs piloted the productivity evaluation tool. The next year, managers from 88 federal spending programs—representing almost 14 percent of projected programmable expenditure for 2016—participated in a major workshop to present the PDP and MEPP’s online self-assessment tool, further institutionalizing the mechanism into subsidy design.

## **IMPACT: INSTITUTIONAL SUPPORT FOR PRODUCTIVITY**

The productivity assessment produced with USAID assistance gave UPE a mechanism to encourage, coax, and finally pressure Mexico’s principal subsidy institutions to align the design of their programs to basic principles of productivity. This directly supported the SHCP, which had the institutional authority to assess federal subsidy programs and provide guidance to improve their effectiveness. MEPP’s technical assistance enabled the UPE not only to create and refine its principal evaluation mechanism, but also to link responses to SHCP recommendations to align government organizations to PDP goals.

MEPP’s technical assistance included the design and implementation of the self-assessment mechanism to measure public programs’ alignment to productivity; inclusion of the assessment on SHCP’s electronic platform; application of the evaluation tool in dozens of federal spending programs and most importantly; the mainstreaming of productivity criteria in design of major federal spending programs.

The 2015 workshop signaled the institutionalization and sustainability of the productivity assessment beyond USAID assistance, as UPE Chief José Ernesto López said: “A fundamental component in Mexico’s economic growth agenda is the strengthening of the institutional capacity of public sector programs to contribute to higher and more inclusive productivity growth. In this regard, thanks to USAID’s assistance, we have been able to have an impact on the effectiveness of government programs, achieving better targeting of resources and improved inter-institutional coordination.”



# DATA-DRIVEN STORYTELLING TARGETS CORRUPTION

## **PROBLEM: JOURNALISTS NEED DATA SKILLS TO STRENGTHEN TRANSPARENCY**

Meaningful transparency needs relevant, reliable, and easily accessible data—analyzed to inform public sector performance evaluations and conclusions. Professional journalists, researchers, and NGOs have a legitimate place in the dialogue about what kind of information should be disclosed, how to interpret that information, and how to effectively share it with the public. Journalists can substantiate facts and reveal improper procedures or corrupt practices by harnessing the power of data. However, reporters rarely have the data science skills necessary to obtain data and present key findings succinctly or in a compelling way.

## **SOLUTION: EQUIP JOURNALISTS WITH DATA SKILLS**

MEPP supported the creation of an intensive *diplomado* (technical course) for reporters and NGO researchers who seek to publish articles about government accountability. MEPP grantee Data Cívica selected students through a competitive application process, based largely on their experience and ability to apply what they learn in published articles. The 96-hour *diplomado* curriculum covers the concept of open government, data sources and access to public information, the use of statistics for storytelling, data processing and mining, the creation of graphics using data, and interpreting academic writing. The course enabled journalists to obtain, evaluate, and present public sector data in print, internet, and broadcast media.

In February 2017, MEPP and Data Cívica convened an evaluation committee of public policy experts, academics, and journalists who selected 30 participants for the *diplomado*, which was launched in March 2017. Demand was high, drawing more than 120 applicants from 54 organizations. In this first iteration of the *diplomado*, the program targeted those in media and university students.

Participants—hailing from reliable Mexican news outlets including *La Jornada*, *CNN Expansión*, *Reforma*, *Milenio*, *El Universal*, *Animal Político*, *Vice*, *Noticias MVS*, *Proceso* and *El Financiero*—committed to publish an original piece of data journalism using the skills acquired during the *diplomado*. The second *diplomado* expanded its scope to reach civil society, government, and business. MEPP later took this initiative beyond the technology hub of Mexico City, bringing intensive courses to Tijuana, Torreón, and Ciudad Juarez in the state of Chihuahua. In these regional classes, the project offered accelerated versions of the *diplomado* and included more analysts, researchers, and NGOs.

Building on this work, MEPP grantee Data Cívica held six shorter courses (“sprints”) for a total of 118 reporters and computer programmers on topics such as data visualization, data science, and data programming. With MEPP support, Data Cívica continued to hold sprints on programming, digital design, and data analysis through March 2019. These courses explored principles of data journalism, statistical software, web scraping, and data visualization.

MEPP also worked with Data Cívica to create the Data Journalism Network, which connects journalists and analysts to harness their respective strengths and generate engaging stories using robust data. To promote and grow the network, MEPP held a competition that encouraged analysts and journalists to jointly develop data journalism stories.

## **IMPACT: HOLDING GOVERNMENT ACCOUNTABLE WITH DATA**

MEPP and Data Cívica delivered over a dozen *diplomados*, sprints, and intensive courses in Mexico City and border regions, training more than 280 reporters and NGO members. Reporters published 38 articles using their new data skills. The Data Journalism Network continues to connect journalists and data researchers, building partnerships that will lead to compelling, data-driven stories.

One *diplomado* graduate analyzed hospital data on gun-related injuries, finding that over 9 million people were treated in 2015, far above the Mexican government’s official number of 5 million people. Other stories tackled the epidemic of fatal violence against women (*feminicidio*), prison reform and mandatory sentencing, and senators’ improper use of public financial resources.

In the second *diplomado*, a third of the students received a 50-percent scholarship paid for by their respective organizations. MEPP and Data Cívica developed a sustainability plan to establish viable financial models for moving the program forward while ensuring scholarships for needy students. They also wrote data journalism *diplomado* syllabi to accommodate non-media students and created presentations for these courses. These adaptable deliverables will guide future implementers to continue the course without USAID assistance and expand to more states across Mexico. Equipped with data mining, analysis, and visualization capabilities, reporters can better hold government accountable and give private citizens the information they need to evaluate and engage with the public sector.

Learn more about Data Cívica’s data journalism courses here: <https://datacivica.org/>





# SHAPING A NEW GENERATION OF COMMUNITY HEROES

## PROBLEM: DISCONNECT BETWEEN CITIZENS AND GOVERNMENT

Corruption in Mexico reaches far beyond public office to affect the lives of average citizens, with economic, political, and social repercussions that create frustration and political disengagement. Over half of Mexican business owners believe corruption has affected them, and corruption drains up to a third of the earnings of those living in poverty. Without robust participation by an independent civil society, the goals of open government can be reduced to rhetoric and good intentions that do little to combat corruption.

Encouraging citizens to participate in their local communities and governments requires ground-up initiatives that get people engaged from an early age. Schools are ideal places to reach children and show them the importance of ethics and responsibility in their own lives and in the public sector.

## SOLUTION: INTEGRATE CIVIC RESPONSIBILITY INTO CHILDHOOD EDUCATION

*Escuela de Héroes* (School of Heroes) is an educational initiative that teaches kids about the importance of civic engagement and how regular citizens can help make their government better. Through fun programming involving videos, social media, storytelling, and other hands-on activities, *Escuela de Héroes* works with teachers and children of all ages to educate and inspire. The content draws upon the everyday lives of students—playing soccer, going on a hike, studying in class—and channels those experiences to make concepts like transparency and civic participation familiar and accessible.

USAID's Mexico Economic Policy Program (MEPP) was a major contributor to this initiative, providing technical assistance through its *Heroes Ciudadanos* (Citizen Heroes) grant, which produced

original content and detailed guidance for teachers to implement the program in public schools nationwide. MEPP grantee Inteligencia Publica developed informational materials, programs, and local alliances to promote the initiative across Mexico. The project also developed a virtual course that enables teachers to learn about transparency and civic action and to integrate that material into regular classes.

*Escuela de Heroes* was formally launched on April 19, 2018 with an event at the Papalote Children’s Museum in Mexico City. Students attending from local public schools received a “Citizen Hero” kit, which included a wrestler’s mask and cape—to match the Hero mascot—and stories about civic responsibility, including one presented as an interactive play. A workshop, led by local media celebrity Facundo Gomez, engaged over 120 youth, parents, teachers, and activists.

In 2018, the Ministry of Public Education (SEP) formally included *Escuela de Heroes* in its new program for independent curricula, which allows schools and teachers to select high-impact courses for their students. The course is based on innovative stories, developed by Inteligencia Publica, and associated with 40 different activities and learning goals defined in the teacher’s guide.

*Escuela de Heroes* built on the earlier success of *Heroes Ciudadanos*, which promoted public advocacy videos and GIFs to broader audiences through [www.heroesciudadanos.mx](http://www.heroesciudadanos.mx). Produced by Inteligencia Publica and developed in collaboration with popular video-bloggers SuperCivicos and Facundo, the popular viral videos explored the importance of open government. One video—in which Facundo identified and confronted gas stations that weren’t complying with gas volume measurement regulations—immediately became a viral, trending topic on Twitter and YouTube, viewed over 11 million times and shared almost 300,000 times.

## **IMPACT: YOUTH ENGAGEMENT AND AWARENESS**

By April 2019, seven public schools had adopted the *Escuela de Heroes* program. A total of 37 teachers were working with almost a thousand students in activities that explain concepts and promote practices of civic engagement and transparency. The program received key endorsements from SEP, an important indicator of sustainability given that a new president had just been elected and designated new federal ministers. In a meeting with the director of Inteligencia Publica, government officials from SEP’s extracurricular program confirmed the Ministry would continue to champion the MEPP-supported initiative to create content for primary school courses related to accountability.

Open government requires a robust relationship between public leaders and engaged citizens. USAID, through MEPP and Inteligencia Publica, reached thousands of children, teenagers and adults with civil society-strengthening themes of anti-corruption, civic engagement, honesty, and accountability. By fostering civic participation early and making it an exciting part of everyday education—as well as through popular entertainment channels—Mexico is fostering a new generation that expects transparency and honesty from communities and government.

For more information on *Escuela de Héroes* and *Heroes Ciudadanos*, see <http://www.heroesciudadanos.mx/>



# ENFORCING NEW COMPETITION LAWS

## PROBLEM: SKILLS LACKING TO IMPLEMENT REFORMS

In 2013, Mexico passed legislative reforms to increase market competition and curb monopolistic practices. The changes created the new Federal Economic Competition Commission (COFECE) and the Federal Telecommunications Institute (IFT) as autonomous regulatory agencies with much greater authority and sanctioning power than their predecessors. The reforms also created specialized judicial courts that issue rulings only on competition cases.

For these new institutions to effectively implement the law, they need mutual understanding among institutions collectively responsible for law enforcement. Investigative staffs from federal competition authorities tend to have strong analytical skills but less experience in litigation and legal processes. Conversely, federal judges have significant experience in legal proceedings as the final decision-makers in rulings, but typically lack skills to effectively assess the quantitative evidence and economic arguments presented by regulators. COFECE and the *Instituto de la Judicatura Federal* (IJF)—the training institute of the *Consejo de la Judicatura Federal* (Federal Judicial Council, CJF)—requested technical assistance from the USAID-funded Mexico Economic Policy Program (MEPP) to design and deliver a technical course (*diplomado*) on competition for regulatory and judicial staff.

## SOLUTION: SPECIALIZED, INTEGRATED TRAININGS

MEPP staff began consultations about curriculum content and design with IJF and COFECE in November 2013. MEPP collaborated with the British embassy to define modules and identify expert speakers. In August and September 2014, MEPP delivered a comprehensive first-of-its-kind technical course entitled “Competition Law and Regulated Sectors,” consisting of 12 modules and 132 hours of training. The course was divided between two regulatory audiences: a COFECE audience that contributed to or participated in the new competition tribunals, and an IFT audience focusing on telecom issues. Main topics addressed regulatory and competition law, economic models, collusion and monopolistic practices; it included in-depth case studies.

## RESULTS: FOUNDATION LAID FOR COMPETITION RULINGS

During the two-month training period, 54 high-ranking federal judicial and regulation officials received instruction on key aspects of competition law, regulation and analysis. Importantly, they were trained together, increasing institutional capacity among regulators and judicial staff to make informed decisions about applying and enforcing competition law. On February 5, 2015, the IJF held a special ceremony to recognize graduating officials.

MEPP assistance facilitated cooperation and collaboration between regulators and judges, since the content provided by the *diplomado* created a basic set of skills, analytical capacities and expectations shared by each set of institutions. The IJF and COFECE formally incorporated the *diplomado* into institutional capacity-building efforts and committed to replicate the courses.

In the words of Magistrate Jean Claude Tron Petit, the chief judge on one of the court's two competition tribunals, the *diplomado* "has been invaluable for bringing judges and regulators onto the same table, and to stay up-to-date with the world's best practices." Just as Mexico quickly established a strong legal foundation for competition law enforcement, USAID support was instrumental in helping Mexican competition authorities establish institutional capacity to take concrete actions and decisions that promote free and fair markets.





## A WINDOW FOR LOCAL REGULATORY REFORM

### **PROBLEM: OPAQUE LOCAL REGULATION MAKES CORRUPTION POSSIBLE**

Petty corruption has become a normal and expected part of the cost of doing business in most Mexican cities. The payment of *mordidas* (bribes) makes it possible to obtain or renew licenses, get permits authorized and avoid arbitrary penalties that can cost tens of thousands of pesos. Often paying a bribe is the only recourse for entrepreneurs facing closure and economic ruin.

Mexico's national statistics agency (INEGI) found more than 70 percent of businesses seeking to open encountered some difficulty with local government, and 60 percent of those reported lack of information as the main cause of their problems. In fact, 7 out of 10 small entrepreneurs reported paying a bribe to comply with a process or requirement. Making local regulations transparent—and the officials who enforce them accountable—would radically improve public sector integrity.

### **SOLUTION: GIVE STATES A LEADING ROLE IN THEIR OWN IMPROVEMENT**

Mexico's National Regulatory Improvement Commission (Conamer) works with state governments to make their regulations clear, necessary and less costly. To hold local governments accountable for progress in regulating business, Conamer needed an objective indicator to evaluate regulatory progress, as well as reliable data provided by Mexican states themselves that can be used to make

those evaluations. Conamer turned to USAID's Mexico Economic Policy Program (MEPP) and the Business Coordinating Council (CCE), one of Mexico's leading private sector associations.

MEPP provided foundational support for the creation of the National Regulatory Improvement Observatory, a multi-stakeholder forum and electronic database that has become the country's most important resource for local regulatory transparency and governmental efforts to strengthen accountability. The Observatory collects, assesses and presents regulatory information for all citizens while building the capacity of states to voluntarily improve regulations.

MEPP designed and implemented three operational elements of the Observatory:

1. A *regulatory improvement indicator* to evaluate three key aspects of local government regulation, including policy and legal framework, public institutions, and implementation tools.
2. Rigorous *questionnaire* (LigaMR) for public sector regulatory officials.
3. *Electronic platforms* to organize and disseminate 10,000-plus responses and thousands more data files.

MEPP tapped user experience strategies to turn LigaMR into a game, tailored to generate friendly competition and spark the interest of civil servants responsible for filling out lengthy questionnaires.

## **IMPACT: HEAVY PARTICIPATION AND PUBLIC COMMITMENTS TO DATA-PROVEN REFORM**

Response rates for the survey averaged 90 percent, including all 32 states. In 2017, 32 municipalities also shared regulatory information required to produce the Subnational Indicator for Regulatory Improvement. This pilot generated such positive feedback that the number of participating municipalities jumped to 126 to produce the indicator in 2018, with all agreeing to adopt the Observatory's recommendations and publicly commit to achieving specific goals related to transparency and efficiency.

In 2019, the government of Baja California Sur (BCS) requested MEPP's help to create an electronic platform to obtain and organize regulatory information from all BCS institutions with regulatory authority. This platform will give BCS citizens and small business owners greater certainty about state government regulations and related costs.

The success of the Observatory was leverage for Mexico's Congress to approve 2018's General Law on Regulatory Improvement. Drafted by Conamer, the new legislation requires Mexico's 32 states (and strongly encourages their municipalities) to align their regulatory frameworks and institutions with key provisions of the national law.

USAID was an essential player in enabling Mexico to create a new institution to make local regulations respond to citizens' needs rather than exploit their vulnerabilities. Thanks to MEPP's creative, data-driven approach, most Mexican states have adopted regulatory reform as a top priority and made public commitments to specific reforms. Businesses, private sector associations and NGOs can monitor progress over time and hold local governments accountable for their promised actions.

For more information on the Observatory, see <http://www.observatoriomejoraregulatoria.org/>



## ACHIEVING OPEN PROCUREMENT

### PROBLEM: INADEQUATE FEDERAL PROCUREMENT SYSTEM

Mexico's main federal government procurement tool is an electronic platform through which over 150,000 contracts—from purchases of aspirin and manila folders to bridges and buildings—are bid and awarded each year, representing more than USD \$25 billion in federal spending. However, a significant proportion of government purchases were happening outside CompraNet, excluding potential competitors and resulting in higher prices. More seriously, the platform did not systematically capture or organize data from before or after contract award. As a result it had become a gigantic virtual parking lot of information that simply displayed the identity of contract winners and basic contract data. By relying only on CompraNet data, it was therefore impossible to evaluate the competitiveness of bids or (potentially costly) changes that occur after the award is made.

### SOLUTION: SURVEY PRIME USERS TO IDENTIFY GAPS

In early 2016, the Ministry of Public Administration (SFP) began planning for USAID's Mexico Economic Policy Program (MEPP) to carry out a diagnostic of CompraNet and propose reforms to make the system more transparent and efficient. Following a change in leadership, in early 2017, the SFP recognized MEPP and two of its NGO partners—the Mexican Competitiveness Institute (IMCO) and Mexico Evalua—as members of the multi-stakeholder Working Group on Public Purchases and selected the Organization for Economic Cooperation and Development (OECD) to coordinate the multi-stakeholder process.

To guide the diagnostic, the MEPP team created a survey of the platforms' two main stakeholders: public servants throughout the federal government who carry out procurements through CompraNet, and private companies that use the platform to identify opportunities and win

contracts. Survey questions elicited data on actual use of the platform during the contracting process; reliability of security controls; usefulness in informing aspiring providers about business opportunities; and the effectiveness of training on the platform. Respondents included 148 public servants (including 115 heads of departments) and 50 companies.

## **IMPACT: CREDIBLE DATA MAPS AREAS FOR REFORM**

In the preliminary analysis of the findings, IMCO found that CompraNet was not used throughout the entire contracting process (as it should be) but rather mainly during initial stages; public servants had insufficient controls on who could use the platform; training for both public servants and the private sector was insufficient; and the private sector was concerned about the security of information uploaded. CompraNet was essentially a passive repository of contract information. The platform did not systematically gather and present information on the process before or after contracts were awarded, severely limiting the usefulness of information disclosure.

In January 2018, SFP Secretary Arely Gomez publicly presented the report “Review of the Mexican e-Procurement System: Developing a Roadmap for Upgrading CompraNet” at a press conference. She also made an explicit commitment to pursue the report’s 34 recommendations and instructed SFP officials to devote necessary resources to carry out short-term recommendations. In May 2018, the OECD updated members of the Working Group on Public Purchases about government progress toward achieving short-term goals. These included SFP’s agreement to establish open data formats within CompraNet and to publish all data on the [open contracting website](#). SFP also agreed to generate machine-readable data files to ensure searchability and enable independent actors to carry out contract evaluations.

Following the 2018 national elections, SFP presented the Working Group’s history and recommendations to the transition team, to maintain the group’s momentum and promote implementation of CompraNet reforms. In early 2019, Mexico’s new government acknowledged the recommended reforms and stated its serious consideration of them in a major public forum.

By designing an effective survey of key stakeholders and working closely with influential civil society organizations, USAID and MEPP became recognized leaders in a highly public, credible dialogue on public procurement that will influence both the current administration and the next.

Read the CompraNet report: <http://www.oecd.org/mexico/estudios-de-la-ocde-sobre-integridad-en-mexico.htm>

For more details, see <http://www.oecd.org/mexico/>, <https://imco.org.mx/home/> and <https://www.mexicoevalua.org/>





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# PROMOTING ETHICS AT STATE OIL GIANT

## **PROBLEM: UPDATING ANTICORRUPTION REQUIREMENTS AT PEMEX**

Mexico adopted energy reforms in 2014-15 that significantly affected the governance of the country's state oil company *Petroleos Mexicanos* (Pemex), which historically was fraught with corruption, bribes, and partisanship. Legislative changes transformed Pemex into a government-owned "productive enterprise" (*empresa productiva*), a new legal entity that allows the company to enter into international deals to discover and produce oil. It also requires Pemex to operate as a free market actor focused on maximizing efficiency and financial viability. The company's leadership prioritized internal changes to signal transparency and accountability to the global energy sector and associated legal authorities.

Starting in 2016, the government also required that virtually every public sector institution adopt key elements of the new National Anticorruption System (Sistema Nacional de Anticorrupción, SNA). Pemex needed assistance implementing new procedures, evaluating levels of ethics violations, and identifying best practices.

## **SOLUTION: A COMPANY-WIDE CODE OF CONDUCT**

USAID's Mexico Economic Policy Program (MEPP) worked with Pemex to adopt and implement a comprehensive Code of Conduct. The project helped Pemex managers distinguish high-level corruption from petty malfeasance and learn to train personnel on compliance and ethics. It also designed a legal framework for implementing compliance accountability, as there was previously no way to fire or sanction officials proven to be corrupt.

The MEPP team carried out extensive research and consultations on key compliance topics such as procurement, contracting, due diligence, conflicts of interest, ethics, investigation procedures, and formal sanctions. Through collaborative workshops with Pemex staff, featuring surveys, capacity-building activities, and trainings, MEPP developed a new Code of Conduct and created one-minute videos reinforcing the importance of ethics at every level of the company. The videos describe Pemex's role as a productive enterprise and explain why each employee, regardless of function or rank, must understand and comply with the Code of Conduct.

On August 28, 2017, Pemex published the Code of Conduct in Mexico's federal register (*Diario Oficial de la Federación*). The code covers bribery and corruption, transparency, interpersonal communications, conflict of interest, gifts and invitations, bullying and sexual harassment. With MEPP's technical assistance, Pemex also published 13 videos that showed its managing directors taking the online course that will eventually be required for every employee and urging employees to comply with the Code.

## **IMPACT: FAR-REACHING INSTITUTIONAL REFORM**

Six months after the e-learning course's launch, 97 percent of personnel *de confianza* (employees with sensitive or higher-level positions) had taken the course, totaling about 20,000 people. Pemex anticipates that in three years, 100 percent of all employees—over 100,000 people—will have completed the training. Pemex has also continued to offer in-person sessions throughout the company. Informational videos, overseen by MEPP's communications specialist, were displayed in common areas within the company, such as cafes, bathrooms, and elevators.

As the centerpiece of Pemex's capacity-building initiative, the videos respond to one of MEPP's most important recommendations for effective implementation: establishing "tone at the top," a visible commitment by the highest-level executives to personal and professional accountability. The statements by Pemex's top managers sent a clear signal to all employees about the priority the company gives to ethical behavior. Despite a change in leadership in December 2018, Pemex is still actively supporting the the Code, showcasing it as a sustainable institutional reform and signaling consistency. "Foreign businesses want to do business with us after seeing the compliance project," said Jorge Kim Villatoro, the company's former Legal Director.

The invitation to collaborate with Mexico's national oil company represented an unprecedented opportunity for USAID, given the size and economic impact of Pemex as well as its influence over other institutions seeking to adopt and implement anti-corruption measures. MEPP's creative approach to communications and collaboration with Pemex top brass led to impressive uptake throughout the company.

Read more about the Pemex Codes of Conduct and Ethics: <http://www.pemex.com/etica-e-integridad/>



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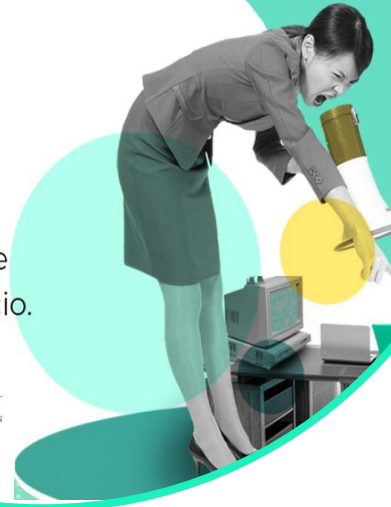
**SESNA**

SECRETARÍA EJECUTIVA DEL  
SISTEMA NACIONAL ANTICORRUPCIÓN

# CORRUPCIÓN ES:

Aprovecharte de un cargo de poder sobre otros para tu beneficio.

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## COMMUNICATIONS FOR ANTI-CORRUPTION INSTITUTIONS

### PROBLEM: CITIZENS AND CIVIL SERVANTS DO NOT UNDERSTAND THE NEW SYSTEM

In 2016, Mexico adopted the basic legal framework for its new National Anticorruption System (*Sistema Nacional Anticorrupción*, SNA). The Executive Secretariat of the SNA (SESNA) is the government body responsible for coordinating actions and communication among the federal government’s SNA organizations, between federal and state-level institutions, and between the SNA and the general public. The body works extensively with the Citizen Participation Committee (CPC), which gives local officials the legitimacy, credibility, and civic demand to take concrete actions. SESNA is also tasked with implementing and operationalizing the National Digital Platform (NDP), a central repository of public data that was limited by incomplete disclosure by public officials, inconsistent formats and standards, and inter-operability challenges.

The SNA faced fundamental problems in communicating to both citizens and government workers. In the public side, surveys showed that less than 10 percent of citizens knew what actions their local governments are taking to fight corruption and few even knew what SESNA did. Limited or inaccurate information about SNA institutions and unrealistic expectations about short-term goals jeopardized the system’s effectiveness. On the government side, legal reforms now required every national, state and municipal employee to upload “declarations”—detailed information about their income, assets, taxes, and potential economic interests—to the National Digital Platform. Yet at the end of 2018 civil servants were widely confused about or unaware of these requirements, while the Platform itself did not effectively present declaration data to the public.

## **SOLUTION FOR PUBLIC COMMUNICATION: RE-DESIGNED WEBSITE WITH ACCESSIBLE CONTENT**

USAID's Mexico Economic Policy Program (MEPP) leveraged insights and collaborations generated from technical assistance to redesign the federal SESNA's online platform and create a strategic communications plan to explain to the general public what state SESNAs are doing to fight local-level corruption and why it matters. The strategy includes content and guidelines for SESNA to effectively communicate with the public and enhance the credibility of Mexico's anti-corruption institutions.

MEPP continued to work with SESNA through March 2019 to produce a revised communications strategy and website design and a guide to accessible and efficient writing. MEPP also proposed text for SESNA's Wikipedia entry and contributed content for the online platform, including informational videos, educational infographics, and social media guidelines for SESNA staff. A comprehensive report presented survey findings on the public's knowledge and perceptions of the SNA.

## **SOLUTION FOR DECLARATION: RE-DESIGN OF NATIONAL DIGITAL PLATFORM**

MEPP helped SESNA design and implement the declaration features of NDP, which aggregates government data at all levels and enables citizens to easily visualize trends. MEPP worked through its social enterprise partner Gobierno Fácil (GF) to assess and provide recommendations for improving the NDP. It also created a user guide for public servants responsible for data upload and a technical installation guide for administrators. GF also re-designed the declaration website, making structural changes to the visualization and presentation of civil servant declarations to make it more user-friendly, intuitive and easily searchable. The improved platform was installed on the SESNA server in early 2019.

## **IMPACT: NEW MECHANISMS FOR TRANSPARENCY AT ALL LEVELS**

SNA's interactive institutional and data-aggregating websites will help state anti-corruption officials build transparent and effective local institutions. As a result of MEPP assistance, all 32 Mexican states are expected to provide required information about anti-corruption institutions and activities on the SESNA website before the end of 2019. MEPP's support has guided SESNA's digital strategy, ensuring ongoing, timely public updates to connect citizens across Mexico with transparency initiatives and share SNA achievements. MEPP also developed snapshot pages for state governments to provide updates on anti-corruption achievements and legislative progress. These SESNA-hosted pages are strategically important given the prevalence of state and municipal corruption and the limited human and financial resources of local governments to develop and maintain individual websites.

SESNA's online public portals will enable journalists and active citizens to play a key role in government accountability and access data on topics like government contracts, public spending, and sanctions. MEPP support supplied SESNA with the tools to produce and maintain communications that are effective, transparent, engaging, and accessible, making it easier for both governments and citizens to report corruption risks and hold public officials accountable.

*For more information, visit the National Digital Platform's beta site: <https://plataformadigitalnacional.org/>*





# FUERZA MÉXICO

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## ACCESSIBLE OPEN DATA ENABLES CIVIC ACTION AND DISASTER RESPONSE

### PROBLEM: FEW USING BUDGET TRANSPARENCY PORTAL

One of Mexico’s most ambitious transparency tools is the web portal of the Ministry of Finance (SHCP) on public works budgeting and spending. Launched in July 2011 under the government’s commitment to the Alliance for Open Government, “Transparencia Presupuestaria” (Budget Transparency) gives basic information about financial allocations for almost 200,000 projects that receive federal funding, including state and municipal projects supported through federal transfers.

But in 2015, the International Budget Partnership ranked Mexico 66 out of 100 countries in the “Open Budget Index” and 44 out of 100 in citizen participation, suggesting the site was having a limited impact on transparent budgeting—and user data showed little interaction. The Ministry sought MEPP technical assistance to improve the portal’s user experience and interactivity, especially the ability to report irregularities, problems and evidence of corruption.

### SOLUTION: BOOST USER-FRIENDLINESS AND INTERACTIVITY

From January through March 2017, MEPP partner Gobierno Fácil analyzed the portal’s usage and effectiveness and found numerous weaknesses, including a lack of a tool for citizens to report irregularities or anomalies about the physical state of public works projects—especially those suggesting misalignment between reported construction progress and expenditures. GF employed user-centered design principles to improve the browser, data filters and overall visual display, as well as budget data presentation. GF also organized data on the backend through an application programming interface (API). A key feature enabled the portal to geo-reference all information, so

users could create maps and obtain fiscal and operational data by clicking projects of interest. Other improvements included a more robust project search engine using key words, location, year, state or municipality and other visual enhancements, so users can obtain specific information from searches. Finally, a platform upgrade made the portal interactive, allowing users to directly report visual observations about public works construction.

To publicize these improvements, in March 2017, MEPP and the NGO Social Tic collaborated with the SHCP to organize the “Data in the Streets Rally” (#DatosenlaCalle). Using the platform, the rally asked citizens, working in teams of two to five people, to identify, visit, and inspect public works that had received federal funding. A group of judges evaluated 30 teams in 15 states across the country and announced three winners on March 4, International Open Data Day. Through another MEPP initiative, *Heroes Ciudadanos* (Citizen Heroes), the NGO Inteligencia Publica developed and posted its first GIF as a call to action in the rally, reaching over 85,000 people throughout the week.

In July 2017, MEPP and Gobierno Fácil met with Ministry of Finance staff to track progress and upgrades to the portal. SHCP staff realized the platform could now accommodate, at low cost, different kinds of public sector data with the potential to be adapted by diverse governmental organizations that awarded or managed contracts for goods and services.

## **IMPACT: ADAPTABLE INTERFACE TRACKS AND MAPS ESSENTIAL DATA—INCLUDING AFTER DISASTERS**

The popularity of the site soared in the months after MEPP’s improvements: 204,581 individual sessions, versus 115,002 over the same period in 2016, a 78 percent increase. Visits to the open contracting site more than doubled with 19,433 visits compared to 6,411 the year before. Average session times shot up 110 percent to 5:04 minutes. Page visits per session rose from 1.95 to 2.47, a 26.5% increase.

Unexpectedly, the adaptability of this budget transparency tool took on dramatic, lifesaving impact following the September 19, 2017 earthquake, which caused extensive destruction in Mexico City and surrounding states. Technical emergency experts feared many buildings that did not actually collapse during the quake had been structurally compromised and could fall without warning. Days after the quake, the Ministry of Finance Transparency Unit began coordinating relief efforts with the Ministry of Interior (SEGOB), the National Disaster Fund (FONDEN), the government’s two main public health care providers (IMSS and ISSSTE), and the Ministry of Education (SEP). Together they launched the platform *Fuerza México* (Mexico Strength) to give up-to-date information on safe and damaged infrastructure as well as international technical and financial assistance.

To get *Fuerza México* up quickly, FONDEN and SHCP used the API that MEPP had created for the transparency portal. The template enable the site to generate maps “without the need for IT systems to get involved,” said Lorena Rivero, director of SHCP’s transparency unit, noting that the mapping application saved crucial time. Ministry of Finance information officer Aura Martinez added: “Before the map application, we didn’t have a tool that allowed us to publish information of public interest that was visual, clear and agile. Now we can geo-reference the damage, and soon we’ll provide information on how relief efforts are applied to reconstruction.”

For more information, see [www.transparenciapresupuestaria.gob.mx](http://www.transparenciapresupuestaria.gob.mx) and <https://www.gob.mx/fuerzamexico/>