



USAID | **MEXICO**
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Actions Today for Less Corruption Tomorrow : Quarterly Progress Report

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DISCLAIMER

This publication was produced at the request of the United States Agency for International Development. It was prepared independently by Mexicanos Vs Corrupcion e Impunidad, A.C.

Acronyms

USAID	United States Agency for International Development
MCCI	Mexicanos Vs Corrupcion e Impunidad, A.C.
MEL	Monitoring Evaluation and Learning
PIRS	Performance Indicator Reference Sheet
CPI	Corruption Perceptions Index
NAS	National Anti-Corruption System
SAS	State Anti-Corruption Systems
PGR	General Attorney's Office
SEDESOL	Secretary of Social Development
SME	Small and medium-size enterprises

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1. Executive Summary (max 1 page)

Activity Name	Actions Today for Less Corruption Tomorrow
Activity Purpose	Reduce corruption and impunity in Mexico through an integrated approach that links investigation and analysis with public participation and strategic litigation to push systemic change and evidence-based public policy reforms.
Activity Description	<p>MCCI's holistic approach to tackling corruption will use all of its available resources and expertise. The key to this approach is not only to expose corruption through journalistic investigations and research, but also to propose public policy alternatives, disseminate these proposals to the public, and conduct necessary legal work to advance reforms. MCCI will involve and integrate input from different allies in the public, private and social sectors in order to enhance the potential to generate the necessary change sought through this activity. All efforts are focused around three primary approaches:</p> <ol style="list-style-type: none"> 1. Involvement of the general public in the fight against corruption by making empirically evident the costs and consequences corruption has on their lives, as well as by initiating an open and ongoing nationwide conversation on the subject. 2. Strengthened institutional capacity through the promotion of legal initiatives and reforms, including working hand-in-hand with government anti-corruption authorities in order to guarantee that they have the required resources and tools to operate; and 3. Impunity reduced through the introduction of public policies and institutional reforms that limit space for corrupt actions within the political and economic systems and ensure effective access to an independent and impartial judicial system for all. <p>The activity purpose will be achieved through four complementary components: <i>Investigative Journalism, Applied Research, Strategic Litigation/Legal initiatives and Communication/Mobilization.</i></p>
Geographic Areas	The activity is being implemented primarily in Mexico City. Nonetheless, some of our research, journalistic investigations and strategic litigation cases may involve some specific states, cities or municipalities around Mexico.
Reporting Period	FY18 Q4: July 1 to September 30 2018

2. Context Analysis

Corruption and impunity in Mexico are recognized as two of the main problems that undermine the country's development, institutions, values and, ultimately, the quality of democracy. Corruption is nothing new, but it is hard to think of a time when there were so many emblematic cases unveiled in such temporal proximity. Just in the past few years, fourteen governors from all parties were either jailed, fugitive or under investigation for corruption.

Eighty percent of Mexicans see corruption as the second most significant challenge¹ the country faces (only behind general violence and insecurity). In the last thirteen years, Mexico fell 71 places in the Corruption Perceptions Index (CPI) ranking of Transparency International, plummeting from 64th in 2004 to 135th in 2017. Additionally, the Global Corruption Barometer Report, which measures direct personal experience of corruption in citizen's everyday lives, shows that corruption has significantly

¹ Mexico's National Statistics Office (INEGI). Encuesta Nacional de Calidad e Impacto Gubernamental 2015.

increased in Mexico over the last half decade. From 2011 to 2013, the percentage of Mexicans from whom a public official requested a bribe rose from 31 to 51%.² In the 2016 report, one in two people reported having to pay bribes when they accessed public services in Mexico, leaving the country with the largest bribery rate across the Latin American and Caribbean region, followed closely by the Dominican Republic and Peru.³

The same can be said about access to justice. Impunity is illustrated in the 97% of all reported crimes that go unresolved and the fact that over half of the incarcerated population is in jail for minor offenses that do not surpass a penalty of US \$267, while four out of ten convicts remain imprisoned without sentence. Therefore, it is no surprise, that in 2017 the Global Impunity Index, which surveyed a total of 69 nations, ranked Mexico fourth to last (the worst ranked country in the Americas).⁴

In the last years, Mexican civil society has secured notable achievements in the fight against corruption and impunity -- most notably in the form of constitutional and legal reforms that established the National Anti-Corruption System, but impunity, non-transparency, and a lack of accountability continue to be significant issues for the country. Additionally, at the national-level civil society organizations, and their journalist colleagues, have been successful in identifying and exposing corrupt actors, but Mexico lacks a more systemic approach to push forward the legal, regulatory, and institutional reforms that will be required to build an empowered and effective anti-corruption system.

In order to move forward, investigations and research must be targeted in way to enables the identification of the underlying vulnerabilities to corruption, both in government and private sector, and then translated into plain language for the public. But this awareness-raising on its own is not sufficient. In order to truly effect change, investigative findings must apply to the development of evidence-based public policy recommendations that are backed by a broad base of Mexican citizens and clearly communicated to government actors.

Also, we have to consider that Mexico is living a unique moment in history, on July 1st 2018, Andres Manuel López Obrador a leftist candidate, was elected president of our country in a landslide victory that upended the nation's political establishment and handed him a sweeping mandate to reshape the country. The chronic ills -amongst them corruption- that Mr. López Obrador railed against during his campaign, are now his problems to solve. The president elect has been short on details about how he intends to confront the problem, but said he would lead by example: He has said that his professed honesty and ethical cleanliness will flow downward through the ranks of his government and help change the nation's culture. Other details on how he will translate his promises into policy remain sketchy. However, with his party now holding a majority in both chambers of Congress, he will have more chances to do something than many of his predecessors, if he chooses to do so. We will have to wait and see what really happens after he takes office in December.

3. Indicator Progress

See attached indicator summary table (Annex Tab 1)

² "Are Mexicans Imagining their Corruption Problem" Available at: <http://www.americasquarterly.org/content/are-mexicans-imagining-their-corruption-problem>

³ "About 1 in 3 people using public services in LA and the Caribbean paid a bribe in past year" Available at: https://www.transparency.org/news/pressrelease/about_1_in_3_people_using_public_services_in_latin_america_and_caribbean_pa

⁴ IGI 2017, UDLAP. Available at: http://www.udlap.mx/cesij/files/IGI-2017_eng.pdf

4. Accomplishments and Overall Status

Component 1: Investigative Journalism

Activity 1.1: During this first trimester our team of journalists held diverse meetings in order to discuss and define the strategic areas and themes in which they will focus their investigations during the upcoming months. They decided it was best to focus on specific national and/or regional issues that cover corruption in both the public and private sectors, considering the importance of focusing in issues related to the outgoing administration while keeping an open eye for all the new developments and actions the new government may take. These guidelines follow the premise that all the investigations produced under this contract should seek to expose corruption schemes and networks that help raise awareness of the magnitude of the problem of corruption and impunity in our country.

Sub-Activity 1.2.2: The first edition of MCCI's journalism scholarship was launched with an invitation to journalists from all around the country to present their investigation projects related to corruption within Mexico's Judicial Power. On July, 4 teams composed by 11 journalists (9 women and 3 men) from Nayarit, the State of Mexico, Puebla and Coahuila were selected as the winners of the 5-month scholarship. On August 13th and 14th, all 11 journalists attended a workshop in Mexico City which was organized and conducted by MCCI's team. The focus of this workshop was to share with them all available techniques and tools in order for them to effectively conduct financial investigations, legal advice, data journalism and investigative journalism on corruption and impunity. Also, they shared with them useful methodologies and techniques to investigate the Mexican justice system, specifically, prosecution and defense lawyers, courts and prisons. As a result, and with the help of MCCI, the journalists were able to produce a detailed workplan that will help them reach their objectives in an organized manner within the next five months. After the workshop was done, the journalists went back to their states to start working on their investigations. *(Pictures and workshop materials may be found in Annexes. Tab 2)*

Component 2: Academic Research

Activity 2.5: During the first trimester our team of researchers worked alongside our communication team (specifically our programmer and designer) on producing an online interactive platform that allows users to identify in a simplified manner the different advances each state has made in establishing their own State Anti-Corruption Systems (SAS). The platform includes different maps that show: the status of anti-corruption prosecutors by state and how they were selected (by open invitation or by direct designation), the number of reforms each state has passed to introduce the necessary legislation and the status of the pending designation needed to correctly establish their SAS. This platform was published in MCCI's Newsletter on September 20th:

<https://comovasna.contralacorrupcion.mx/#>.

Activity 2.6: Our team is currently working on the full report that will include all the results and a thorough analysis on the status of the quality and publicity of the integrity policies of the 500 biggest companies in Mexico. The report will be published as part of this activity in December 2018. It is important to highlight that three articles regarding IC500 and its importance were approved to be published in the November issue of Expansion, along with the 2018 ranking. Based on the results we have so far, we can say that firms do care about this analysis and are willing to listen and participate. Comparing to 2017, the overall average increased by 10 points (47/100), which indicates that if we

keep talking about corporate integrity and its importance more firms will cooperate and work towards improving their anticorruption policies.

Activity 2.7: During this trimester our team started treating 4 big data official datasets based on a compound of notes of corruption. To help with this, a specialized programmer was hired. Also, in September they participated in a collaborative hackathon-meeting organized by the Tec de Monterrey University called "MECATE" in their Queretaro Campus. This meeting included the participation of engineers, mathematicians, social science specialists and experts on corruption. Two more meetings will take place in November 2018 and January 2019. Following this meeting, the Tec de Monterrey showed interest in our project and offered the possibility of creating a strategic alliance.

Activity 2.10: For this activity we hired a group of specialized consultants experienced in the issues related to the functioning of the health sector in Mexico to work alongside MCCI's team. With their help, we worked in integrating two reports, (1) one that includes 5 separate investigative sections (including a deep-dive analysis of the National Universal Immunization Program), each with specific public policy recommendations and (2) a separate report on the Public Private Partnerships model implementation for public hospitals in Mexico. The consultants' work included the evaluation of public records, national surveys, analyzing public administrative information and conducting diverse interviews. The idea is to present both reports in October 2018.

Component 3: Strategic Litigation and Legal Initiatives

Activity 3.2: During this first trimester, our legal team focused on six specific cases. Each of these intends to promote the Rule of Law in our country and, when possible, to establish judicial and legal precedents for future corruption and impunity cases. The issues covered include corruption cases at the federal and state levels, lack of transparency of some institutions, detected irregularities in some processes and the diversion of public resources. Additionally, and benefiting from the work of our journalists, some of the cases derived from the findings included in their journalistic investigations. One of these cases that, unlike the others was made public, was the criminal complaint that was filed before the PGR, in collaboration with "TOJIL" organization, for the alleged diversion of public resources in social programs by the Secretary of Social Development (SEDESOL).

Activity 3.3: As part of our first Mentoring Program, during this trimester we were able to finalize the mentee-mentor match for 12 companies (6 large companies and 6 SMEs). On August 23rd we had our kick off meeting, where mentee-mentor companies were able to meet in person and start working together. Twenty-four people (in addition to MCCI's team) attended the meeting. To start, two lectures on corruption and corporate governance were delivered by invited speakers and afterwards the different teams worked together to get to know each other and jointly produce their workplan and commitments for the next couple of months. After the meeting, we have been acting as facilitators of the mentoring, specifically: (i) we have assisted several meetings with the teams, (ii) have followed up on their commitments and touched base to confirm that they feel comfortable, (iii) have made recommendations to their working plans, and (iv) have prepared and sent them important information on compliance and anti-corruption controls for them to consider.

(Pictures and workshop materials may be found in Annexes. Tab 3)

Component 4: Communication, Advocacy, and Information Dissemination

Activity 4.1: As part of our communication and advocacy strategy, during this trimester we supported the other teams to ensure that their work reaches as many people as possible. On top of the dissemination made via Twitter, Facebook and through our Newsletter, we helped in the design of the different materials used for the events of Activities 1.2.2 and 3.3. as well as the design and programming of the online platform for Activity 2.5. Additionally, in coordination with our legal team, we released a petition to raise awareness of the criminal complaint filed before the PGR for the alleged diversion of public resources in social programs and asked the public to join and demand the authorities to do something, up to this moment we have gathered 2,249 signatures of support to our petition: <https://contralacorrupcion.mx/exigecastigoculpablesestafamaestra/>

6. Problems and Delays (and/or Lessons Learned)

MCCI only started implementing our project in July 2018 (one trimester). Nonetheless, after three months, we have been able to identify a few challenges related to some of our activities.

Regarding Activity 2.7 (Unmeasured Corruption: Interactive Dashboard), we have identified that the completion of a functional application (interactive platform) that includes all the specifications and information we need to truly provide the final user with a tool to measure the size of the economic, political and social impact of corruption in our country, will be a more complex task than we originally anticipated. In this sense we believe we may have to delay the launch and full-deployment of the APP to May 2019 (it was originally planned to be released on October 2018).

Additionally, as for Activity 3.3 (Corruption in the Private Sector - Mentoring), we have encountered difficulties with one of our six mentoring groups. We have not yet been able to help this group to put in paper the objectives and deliverables of the mentoring program. The person in charge of the program (business receiving the mentoring) believes they already have most of the essential elements of a compliance program, and is a bit resistant to receive the mentoring. Also, and even though our target date to finalize the program was January 23, 2019, we anticipate that most of the mentees will need extra time to finish their deliverables. As such we expect them by late February or early March 2019.

7. Major activities or corrective actions

Since our activity recently started, up to this moment we have not been able to identify implementation problems and, in this sense, there is not yet a specific plan in place to mitigate any problems or delays.

8. Updates on Evaluation and Learning plans or activities

Since our activity recently started, up to this moment we do not have any lessons learned or evaluation findings for all the activities we have planned to implement throughout the next months.

10. Annexes

Tab 1. [Indicator Summary Table \(progress\)](#)

Tab 2. Activity 1.2.2 “MCCI Scholarship: Promoting Journalism in Mexico” workshop

Tab 3. Activity 3.3 Mentoring Program kick-off meeting