Assessment of the Enabling Environment for Civil Society Organizations in Mexico
This report was prepared for the Centro Mexicano para la Filantropía (Cemefi) by Consuelo Castro and Carlos Cordourier.

Financial and technical support to prepare this report was provided through the Civic Space Initiative in collaboration with the World Alliance for Citizen Participation (CIVICUS), the International Center for Not for Profit Law (ICNL), Article 19, and the World Movement for Democracy.

This (publication/report/information material) is partially financed by the Government of Sweden. The Government of Sweden does not necessarily share the opinions here within expressed. The authors bear the sole responsibility for the content.

Opinions expressed are the responsibility of the authors and the individuals that were consulted or interviewed, and do not necessarily reflect the opinions of the Government of Sweden or those of its associates.
"Enabling Environment of Civil Society Organizations in Mexico"

Contents

I Introduction ........................................................................................................... 4
II Methodology......................................................................................................... 5
III Dimensions ......................................................................................................... 8
1. - Formation......................................................................................................... 8
2. - Operation........................................................................................................... 24
3. - Access to Resources ....................................................................................... 29
4. - Expression......................................................................................................... 41
5. - Peaceful Assembly ......................................................................................... 46
6. - Government-CSO Relations .......................................................................... 55
7. - Taxation............................................................................................................ 64
IV. References .......................................................................................................... 70

A) Bibliography and Source Materials Consulted........ 70
B) Legislation............................................................................................................ 72
C) Abbreviations..................................................................................................... 75
Annex 1. List of Participating Organizations...................... 76

Annex 2. Summary of Responses to Assessment Matrix on Perception Questions........ 79
Section I: Introduction.

This analysis presents the results obtained in Mexico as part of the international research entitled *Enabling Environment National Assessment* (EENA), promoted by the *Civic Space Initiative* in collaboration with the *World Alliance for Citizen Participation* (CIVICUS), the *International Center for Not for Profit Law* (ICNL), *Article 19* and the *World Movement for Democracy*.

Civil Society Organizations (CSO) contributions are certain not only because of the efficacy of their work on a wide range of general interest initiatives which improve the quality of life for individuals. Its importance relies not only because many of the population attended is in a state of vulnerability, but also because organized civil society contributes to reinforce the social network that permits to face the causes of public insecurity, whose recent deterioration is more concerning. We start from the premise that a society that fosters anti-social attitudes offers a higher resistance to social problems such as the growth of organized crime threatening social peace in a community, as has been the case in the country.

The field of action in which CSO’s perform, with no interest in profits and with a social role, is very diverse and ample. They are established to undertake social or philanthropic activities, as well as those of a cultural, educational, public safety, community development, environmental, scientific among other, with the purpose of contributing with the government for social development.

Given the relevant role of civil society organizations as an acknowledged actor in our society, the study of the conditions in the regulatory and institutional environments that enables their consolidation and growth is fully justified.

Following the proposal of the *Comparative Project of the Not for Profit Sector at Johns Hopkins University*, originally promoted by Lester Salamon and Helmut Anheier (1994), civil society organizations are defined as a result of the following features: *private* (that is, they are not part of a government and their board of directors are non-government dependent), *formal* (i.e., these are organizations
composed by citizens that are highly institutionalized\(^1\); autonomous (i.e., these organizations freely generate their own by-laws and organizational regulations); non-profit (i.e., they do not distribute profits among their affiliates, associates or members, but profits are re-invested in their organization\(^2\)); and voluntary (i.e., although they may have professional and paid staff, these organizations are able to bring in volunteers that participate, to some extent, in their activities). In like manner, CIVICUS defines civil society as: “the arena, outside of the family, the state, and the market, which is created by individual and collective actions, organizations and institutions to advance shared interests.”\(^3\)

Since their social purpose and the standards that regulate their incorporation and operation are different, for the purposes in this assessment CSOs do not include labor unions, trade unions, political parties or worship (religious) communities.

**Section II: Methodology.**

To assess the condition of the enabling environment, following the general guidelines for research developed by CIVICUS and ICNL, that considers its application in 16 countries in the course of two years. The research has five mandatory dimensions analyzed: (1) Formation, (2) Operation, (3) Access to resources, (4) Expression, and (5) Peaceful Assembly, since they are considered to be fundamental within all the contexts of the countries. In like manner, a proposal was made to select the following “optional dimensions”: (Government – CSO relations and Taxation.

This research stems from the central idea that institutional environment composed by formal and informal rules structuring human interaction, defines incentives, opportunities, characteristics, and possibilities of legal association in communities. In order to perform an analysis of the Mexican case, a study of the most relevant legislation that is linked to organized civil society, was made. In-depth interviews to a group of specialists, and a study on perceptions among members of civil society were performed. Ten personal interviews were

---

1 In this assessment, the term minimum institutionalism threshold indicates that organizations have an incorporation charter that allows them to perform as civil associations, or private assistance institutions, in accordance with the local legislation on civil matters.

2 It is important to note – due to the considerable confusion prevailing in Mexico with respect to the so-called Third Sector – that the not-for-profit character of this type of organization does not mean they do not properly produce economic income derived from their activities, and that their services are necessarily to be provided for free, but it means that every surplus or profit must be used to comply with the social purpose for which the institution was incorporated (for example, the protection of individuals in a condition of vulnerability, provision of educational or health services, scientific research, etc.)

conducted, plus a national consultation with an attendance of 70 individuals representing 39 organizations that was tape-recorded and transmitted via internet.

The Mexico Country Report was commissioned to the Centro Mexicano para la Filnatropía (Mexican Center for Philanthropy - Cemefi). One of the earliest activities in this research, was to select the dimensions to be analyzed. For that purpose, a ‘Panel of Experts’ was established, which was composed by 5 individuals with diverse specialties. As a result of a meeting held in which relevance in the current context, period for research, and resources for the study of the enabling environment of the sector were discussed, the following seven dimensions were selected:

1.- Formation of a Civil Society Organization
2.- Operation
3.- Access to resources
4.- [Freedom of] Expression
5.- [Freedom of] Peaceful assembly
6.- Government – CSO relations
7.- Taxes / Taxation

It is worth noting that the Panel of Experts opted to reduce the research to the seven above dimensions since, given time limits. It was preferable to concentrate on seven topics. Having picked up too many topics, would have affected the quality of the information required to achieve the purpose of the research. Nevertheless, the study of other dimensions that may be interesting for this sector is still left pending.

The research team was composed by Consuelo Castro and Carlos Cordourier, with the support of Ximena Díaz as assistant.

---

4 The Panel of Experts was composed by Aline Gras, a specialist in Fundraising and Institutional Development; Carlos Cordourier, University of Guanajuato professor; Guadalupe Hernández, Manager / Administrator for an Organization; Lydia Peinado, Executive Secretary for the Sinaloa Board of Private Assistance; and Claudia Martínez Casas, a member of various boards of directors and a specialist in organizational development.
Regarding the methodology, a proposal was made to respond to the so-called factual questions, which have a purpose to orient information on each one of the dimensions. For such purpose, existing bibliography on the legal framework and the regulations for CSO in the country, legislation and official sources statistical data were analyzed.

Additionally, in order to understand the perception, as such, that the organizations have, 10 individual interviews were performed, as well as the completion of the questionnaire contained in the document called “EENA Assessment Matrix”.

In order to facilitate the completion of the Matrix, it was converted to a surveillance format with close-ended and open-ended answers, and applied to 96 individuals from different regions of the country and various fields of action. Collaborators from all organizations could voluntarily either provide identification of the organization they work for or provide and anonymous response. The list of names of the organizations whose names were identified can be found at the end of this work, as Annex 1. Also, the result of the Matrix is hereinafter included as Annex 2. This document contains the charts with the percentage of answers that are considered in each one of the questions, the perception of the environment as enabling (green), partially enabling (yellow), and impending (red).

With full attention to all answers, this document contains some of the comments found in the boxes, which reflect recurrent or emblematic perspectives on the perception of each one of the dimensions. In order to better understand the type of answers, we invite you to review the document marked as Annex 2, mentioned above.

Although EENA methodology included Focus group discussions, they were not conducted and were substituted by transmission of the National Consultation as another way of including regional perceptions of different types of CSO’s seen the limited time and resources of the EENA project. The size of Mexico and due to the limited time and resources, and seen the size of Mexico, preference was given to an in-depth survey in order to include regional perceptions.

Following you will find the results of the research for each one of the dimensions in this study.
Section III DIMENSIONS

DIMENSION No. 1: FORMATION

1.1 Legal framework for the incorporation of CSOs: Civil Association and Charitable or Private Assistance Institution

According to the Federal Constitution, Mexican citizens enjoy the right to assemble peacefully and the freedom of association for any legal purpose. Therefore, individuals are freely and formally able to associate to incorporate a not-for-profit organization, in order to serve the various causes that benefit their community. For that purpose, particularly when they legally incorporate, they have the right to choose from one of two types of legal entities: as Civil Association (Asociación Civil) or as a Private Assistance or Charitable Institutions (Institución de Asistencia o Beneficencia Privada) in accordance with the legislation of the different states of the Republic (not at a national level). Each state in the Mexican Republic has its own Civil Code, and based on it, Civil Associations are established. In some states, the Civil Code opens the possibility for organizations devoted to assistance and charity, to be regulated under specific laws on the subject. Thus, some states have enacted private assistance laws, while others have not. The states that have them are the following: Campeche, Coahuila, Colima, Chihuahua, Federal District, State of México, Guerrero, Hidalgo, Jalisco, Michoacán, Nuevo León, Puebla, Sinaloa, Sonora, Querétaro, Quintana Roo, and Yucatán.

Civil Associations are governed by the civil codes of the states where their legal domicile is located. Civil Associations are incorporated “[W]hen several individuals agree to assemble, in a way that is not fully transitory, to perform a common purpose that is not prohibited by the law and which does not have a mainly economic character” (Article 2670, Civil Code for the Federal District.

Any individual is able to establish an organization, if and when such individual is of age and has the legal capability to do so. Restrictions for such purpose are: legal personality, under age, and a state of interdiction. That is, individuals whose condition does not allow them to govern themselves, take care of themselves, or manage their property, and due to such condition are subject to a guardianship by a tutor.

---

5 Article of the Political Constitution for the Mexican United States (Constitución Política de los Estados Unidos Mexicanos - CPEUM
6 CASTRO, Consuelo, Disposiciones Legales y Fiscales de las Organizaciones de la Sociedad Civil en México, CEMEFI, México, 2005
As was mentioned above, to establish an organization the local laws and regulations are to be followed. Generally, organizations are established during the life of the individuals; however, private assistance institutions may also be created through a Last Will or Testament. That is, the legacy of an individual may state that upon his/her death an institution be established in accordance with provisions in his/her testamentary will in which the person donates property or goods for charitable purposes.

While in the case of a Civil Association, two or more individuals are required to establish a CSO and, the founding members are able to state in the by-laws the requirements for association to an organization. Having a specific amount of property (capital or patrimonial) is not a requirement to obtain the legal personality or to register a CSO.

It is important to formally undersign the organizational purposes and to grant the formation, it is not necessary to provide specific categories of purposes or objectives, if and when all of them are licit. However, it is worth noting that in case that the organization wishes to enjoy certain fiscal incentives or public resources, they must necessarily perform some of the activities provided for in the legislation.

So, in case the organization wishes to have access to fiscal incentives (such as Income Tax exemption) or government subsidies, they must fit within the assumptions specified by the federal or local fiscal law that is applicable. Some of the participants mentioned the definition of their social purpose as a problem to formally be incorporated. According to the comments of some of the persons interviewed, this is due to the restrictions they have to adapt their corporate purpose to the fiscal legislation or to the promotion or development law, so when the opportunity arises, they may be authorized to receive tax-deductible donations, or be able to receive public funds.

An important topic to be considered is the name given to the organization. the power to authorize the use or change of the name of legal entities has been conferred upon the Secretariat of Economy (Secretaría de Economía) of the Federal Government. Should the name of the organization be rejected, a new name must simply be selected. Such rejection over the use of a name is due to the fact that such name has already been chosen, or could create confusion with an already existing name. In order to avoid this, a previous consultation to the application for the name can be done by visiting the following web page: www.tuempresa.gob.mx. The application is usually completed through a Notary

---

of the Public. None of the organizations mentioned having any problem for the authorization of a name to form an organization.

A civil association is established, as mentioned before by at least two founders. As a formality, the founders have to draw up a written contract and bylaws to govern the life of the organization be agreed upon. The contract that gives life to the organization is to be notarized by a Public Notary, who will, later or, registrate in the Public Registry (Registro Público de la Propiedad).

In relation to the registration in the Public Registry for the establishment of an organization, of all the organizations consulted we have no formal knowledge of any case in which such registration has been rejected, nor have we any report indicating that is was a problem.

The founding members of an organization must provide their personal data and an official ID, and a suggestion is made to individuals interested in establishing an association to previously agree on the following:

   a) Description of the social purpose  
   b) Activities to comply with the corporate or social purpose  
   c) Name of the founding members  
   d) If available, the initial endowment  
   e) Governing and administrative rules  
   f) Integration of the supreme governing body that is called the General Assembly of Associates and address.

As mentioned above, in the case of a Private Assistance Institution (Institución de Asistencia Privada - I.A.P.), the same can be established not only during the life of the individuals but also through a Will. The private assistance laws in the states that consider such legal figure, have a local governing authority called Assistance Board (Junta de Asistencia - JAP) that closely supervises this kind of institutions. The JAP authorizes the incorporation of an IAP since the establishment it provides for legal personality as of the declaration by the JAP.

Neither a civil association nor a private assistance institution have a requirement to periodically renew the CSO’s registration. To obtain the legal personality, register or inscribe a CSO, or any corporation, Notarial expenses and duties charged by the Public Registry must be paid. The cost of the process to obtain the legal personality and register a CSO represents that notarial expenditures and notarial fees must be covered, and they vary in accordance to the state where such services are required. In the Federal District, for example, they amount to an average of nine thousand pesos ($9,000 pesos MxCy), with an
approximate equivalent of six hundred and ninety two U.S. dollars ($692 USD\(^8\)). The period of time in which the first notarial certified copy of the incorporation charter is received, is approximately one month, and to have it properly inscribed in the Public Registry, it may take approximately six months.

There are cases of collaboration agreements between the Government and the Notaries to ease the way for incorporation. An agreement entered into by the Secretariat of Social Development for the Government of Mexico City and College of Notaries for the Federal District (Secretaría de Desarrollo Social del Gobierno de la Ciudad de México y el Colegio de Notarios del Distrito Federal - Mexico City), is one of them.\(^9\) It is through this agreement that notaries commit themselves to offer fee discounts to organizations. It would be desirable that such agreements were promoted both by the federal government as well as by the states governments.

In spite of the need to promote better economic conditions to incorporate organizations, it is important to note that an organization that is legally incorporated must foresee having the required resources for its operation: be able to contract an accountant, have staff contracts with the benefits provided by the law as well as those resources needed to comply with its purpose, among other. The lack of resources has been a seen as a barrier both for surveys as well as interviews.

In summary, to establish a CSO, following are the main steps that are required:

**First:** Apply before the Secretariat of the Economy (SE) of the Federal Government for an authorization to use of the Name (name) of the organization. This authorization may be required via internet. A Notary of the Public is also able to help in this process. Thus, usually the application for the use of a name is through a notary and simplifies the work of grassroot organizations that have no access to internet.

**Second:** Prepare the by-laws and obtain a notarial certification of them. This is done before a Public Notary. Before having the incorporation document registered at the Public Registry, the notary is able to provide certified copies so that the Association may continue with the fiscal process required.

**Third:** Register at the Federal Taxpayers Registry (Registro Federal de Contribuyentes – RFC) to obtain a Fiscal ID. This must be done at Local Legal Administration for Income of the Secretariat of the Treasury and Public Credit

\(^8\) Considering a rate of Exchange of thirteen pesos to one dollar.

\(^9\) This agreement can be consulted in the web page: www.consejería.df.gob.mx
(Administración Local Jurídica de Ingresos de la Secretaría de Hacienda y Crédito Público - SHCP) of the federal government pertaining to the fiscal domicile of the Association. Some Public Notaries are also able to take care of this process on a provisional basis.

Fourth: (optional): Submit an application before the Tax Administration Service (Servicio de Administración Tributaria - SAT) at the Secretariat of the Treasury and Public Credit to obtain an authorization to receive income tax deductible donations.

Apart from all that need to be complied with to formalize the incorporation of a civil society organization, organizations have to comply with specific sectorial legislation (for example, regulations related to health, education, etc.). Also, in their operations, organizations have to comply with the standards contained in various legal provisions of civil, mercantile, social, fiscal and financial nature, among others.

In relation to the perception that organizations have on how easy it may be to incorporate an organization, the survey carried out shows divided positions. On a question based on this topic, 51 per cent of participants considered that it was not difficult to form an organization. They add that when they follow the appropriate steps and requirements, it is a relatively easy process.

On the other hand, an important percentage mentioned there is lack of information and lack of professionals to give enough support to organizations in this field, there is also bureaucracy, and high cost on Notarial fees.

There may be diverse reasons explaining the difference of opinion in relation to the difficulty to form an organization. One of them may be that urban organizations may find it easier to fulfill the necessary processes which the grassroot organizations find complicated in rural areas. Another reason may be
that, in locations where private assistance institutions boards exist, ease of process may be less difficult to find, since respondents mention the support of the Private Assistance Board in the State of Sinaloa and the Jalisco Institute of Social Assistance having facilitated this process.

The capability of organizations to manage legal and fiscal requirements comes into play. An important part of those surveyed, as well as the personal interviews, show that the Public Notary whose assistance they sought, was not aware of the requirements that their by-laws must comply with according to the fiscal legislation. This lack of information was particularly referring to the description of their social purpose or object, and this created delays and additional processes to be authorized to receive tax deductible donations, which by the way are indispensable to obtain the necessary resources to fulfill their work.

- Generally speaking, what barriers do you consider can affect the establishment of a CSO?

“That there is no public organization to guide the individuals to incorporate one by explaining which the existing options are, the requirements, etc. The fact that the services of a notary willing to cooperate to prepare the incorporation documents, the necessary processes to legalize the association, quite often is expensive.”

“… most of them is not aware a prior review of the incorporation document can be done at the SAT (Taxpayers Administration Service) which results in CSO’s need to notarize their bylaws 2 or 3 times [in order to obtain the authorization to receive tax deductible donations].”

Comments received in the survey.

The difficulty of having the by-laws initially adopted by the organizations at the time of their incorporation respond to the needs in later processes, became true for the participating organizations. However, it is worth noting that one of the solutions implemented by the fiscal authority, which most certainly is unknown for many individuals, is that Model By-Laws can be found in the SAT web page: www.sat.gob.mx/terceros_autorizados/donatarias_donaciones/Paginas/autorizacion_donativos.aspx

1.2 Number of organizations and fields of action.

To be able to know the composition and dimension of CSOs in Mexico, several sources exist that give us a general idea on this sector. It is worth remembering that this paper has excluded the study of self-benefit organizations, such as
professional organizations, or chambers of commerce that can also be incorporated as civil associations. Labor or trade unions, production or consumption cooperatives, religious associations, or mutual benefit associations were not included either.

Recently some important advances in statistical information on the not-for-profit sector have been made. At the Federal level, the National Institute of Statistics and Geography (Instituto Nacional de Estadística y Geografía - INEGI), undertook in an official manner a case study on the ‘Satellite Account of Not-for-Profit Institutions in Mexico’ (‘Cuenta Satélite de Instituciones Sin Fines de Lucro de México’), published in the year 2011. The study includes a spectrum of organizations that is larger than the one studied in this analysis. However, among the most important findings in this detailed analysis of the non-profit Mexican sector, the dimension and economic impact of activities performed by non-profit organizations is found. The mentioned Satellite Account reports:

“In the year 2010, the GDP [Gross Domestic Product] of all the Not-for-Profit Institutions [ISFL - Instituciones sin Fines de Lucro] in Mexico, was 287,255 million pesos, amount equivalent to 2.30% of the national GDP. From that amount, 1.53% of the GDP of the ISFL was generated by public organizations that are ISFL, while 0.77% of the national GDP corresponds to the actions of the civil society organized in a not-for-profit manner (CSISFL, 2011).”

Other sources consulted for this study refer to the number of organizations registered in the Federal Registry of Civil Society Organizations (Registro Federal de las Organizaciones de la Sociedad Civil) and the number of organizations having authorization to receive tax deductible donations (hereinafter, authorized donees).

The Federal Registry of Civil Society Organizations was established as a result of the enactment of the Federal Law for Promotion of Activities performed by Civil Society Organizations (Ley Federal de Fomento a las Actividades realizadas por las Organizaciones de la Sociedad Civil) in 2004, hereinafter called Law on Promotion. According to this Law, the National Institute of Social Development (Instituto Nacional de Desarrollo Social - INDESOL), agency of the Secretariat of Social Development (Secretaría de Desarrollo Social - SEDESOL), is in charge of this registry. Usually, one of the requirements to

---

10 Apart from civil associations and private assistance institutions, the Satellite Account for not-for-Profit Institutions in Mexico includes, among other, religious associations, labor or trade unions, political parties, chambers of commerce, cooperatives, research centers, and universities.
compete for public funding is to have been the Federal Registry, which colloquially has been called Cluni.

In April 2014, the Federal Registry of Civil Society Organizations had 25,534 organizations registered. Table No. 1 shows disaggregate data on the number of organizations in each one of the 32 states of the Mexican Republic. On the other hand, the second column shows data on the population inhabiting each one of these states, and the third column shows the percentage represented by those state inhabitants in relation to the total population of the country. Finally, the fourth column has an estimate of the number of CSO that exist per every thousand inhabitants, in order to estimate the associative density for each state.

Table 1. Number of CSOs per state and associative density

<table>
<thead>
<tr>
<th>State</th>
<th>CLUNI</th>
<th>Number of Inhabitants</th>
<th>Associative Density (number of CSOs per 100,000 inhabitants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aguascalientes</td>
<td>306</td>
<td>1,184,996</td>
<td>25.8</td>
</tr>
<tr>
<td>Baja California</td>
<td>836</td>
<td>3,155,070</td>
<td>26.5</td>
</tr>
<tr>
<td>Baja California Sur</td>
<td>165</td>
<td>637,026</td>
<td>25.9</td>
</tr>
<tr>
<td>Campeche</td>
<td>190</td>
<td>822,441</td>
<td>23.1</td>
</tr>
<tr>
<td>Coahuila de Zaragoza</td>
<td>672</td>
<td>2,748,391</td>
<td>24.5</td>
</tr>
<tr>
<td>Colima</td>
<td>222</td>
<td>650,555</td>
<td>34.1</td>
</tr>
<tr>
<td>Chiapas</td>
<td>1,092</td>
<td>4,796,580</td>
<td>22.8</td>
</tr>
<tr>
<td>Chihuahua</td>
<td>822</td>
<td>3,406,465</td>
<td>24.1</td>
</tr>
<tr>
<td>Distrito Federal (Mexico City)</td>
<td>5,189</td>
<td>8,851,080</td>
<td>58.6</td>
</tr>
<tr>
<td>Durango</td>
<td>745</td>
<td>1,632,934</td>
<td>45.6</td>
</tr>
<tr>
<td>Guanajuato</td>
<td>721</td>
<td>5,486,372</td>
<td>13.1</td>
</tr>
<tr>
<td>Guerrero</td>
<td>536</td>
<td>3,388,768</td>
<td>15.8</td>
</tr>
<tr>
<td>Hidalgo</td>
<td>544</td>
<td>2,665,018</td>
<td>20.4</td>
</tr>
<tr>
<td>Jalisco</td>
<td>993</td>
<td>7,350,682</td>
<td>13.5</td>
</tr>
<tr>
<td>México</td>
<td>2,244</td>
<td>15,175,862</td>
<td>14.8</td>
</tr>
<tr>
<td>Michoacán de Ocampo</td>
<td>1,030</td>
<td>4,351,037</td>
<td>23.7</td>
</tr>
<tr>
<td>Morelos</td>
<td>623</td>
<td>1,777,227</td>
<td>35.1</td>
</tr>
<tr>
<td>Nayarit</td>
<td>283</td>
<td>1,084,979</td>
<td>26.1</td>
</tr>
<tr>
<td>Nuevo León</td>
<td>564</td>
<td>4,653,458</td>
<td>12.1</td>
</tr>
<tr>
<td>Oaxaca</td>
<td>1,552</td>
<td>3,801,962</td>
<td>40.8</td>
</tr>
<tr>
<td>Puebla</td>
<td>930</td>
<td>5,779,829</td>
<td>16.1</td>
</tr>
<tr>
<td>Querétaro</td>
<td>403</td>
<td>1,827,937</td>
<td>22.0</td>
</tr>
<tr>
<td>Quintana Roo</td>
<td>309</td>
<td>1,325,578</td>
<td>23.3</td>
</tr>
<tr>
<td>San Luis Potosí</td>
<td>345</td>
<td>2,585,518</td>
<td>13.3</td>
</tr>
<tr>
<td>State</td>
<td>Code</td>
<td>Population</td>
<td>Associative Density</td>
</tr>
<tr>
<td>-------------</td>
<td>------</td>
<td>------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Sinaloa</td>
<td>371</td>
<td>2,767,761</td>
<td>13.4</td>
</tr>
<tr>
<td>Sonora</td>
<td>484</td>
<td>2,662,480</td>
<td>18.2</td>
</tr>
<tr>
<td>Tabasco</td>
<td>366</td>
<td>2,238,603</td>
<td>16.3</td>
</tr>
<tr>
<td>Tamaulipas</td>
<td>316</td>
<td>3,268,554</td>
<td>9.7</td>
</tr>
<tr>
<td>Tlaxcala</td>
<td>363</td>
<td>1,169,936</td>
<td>31.0</td>
</tr>
<tr>
<td>Veracruz</td>
<td>1,842</td>
<td>7,643,194</td>
<td>24.1</td>
</tr>
<tr>
<td>Yucatán</td>
<td>416</td>
<td>1,955,577</td>
<td>21.3</td>
</tr>
<tr>
<td>Zacatecas</td>
<td>294</td>
<td>1,490,668</td>
<td>19.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,534</td>
<td>112,336,538</td>
<td>22.7</td>
</tr>
</tbody>
</table>


The above Table shows that the largest number of CSOs is found in the Federal District, with 5,189 organizations. Next are, the State of México with 2,244, Veracruz with 1,842, Oaxaca with 1,552 and Chiapas 1,092. Considering the population criteria through the associative density indicator (i.e., the number of CSOs for every 100,000 inhabitants) the Federal District ranks first with over 58 organizations per 100,000 inhabitants, followed by Durango (45.6) and Oaxaca (40.8).

The map above shows how entities such as Mexico capital, Mexico City (Distrito Federal) at the center has a large concentration of organizations with 5,189 that have Cluni or the Federal Registry with 58.6 of associative density (number of CSOs per 100,000 inhabitants).
The following chart provides an idea not only of the geographical distribution, but also of the amount of organizations that have registered as *inactive*, and considered as such until they comply with the obligation to submit their annual report to INDESOL.

Chart 1.

As mentioned before, another relevant source is the number of authorized donees (*donatarias autorizadas* - DA), organizations or trusts that have been authorized by the Tax Administration Service (SAT) of the Secretariat of the Treasury and Public Credit (SHCP) to receive tax deductible receipts.

To obtain such authorization associations must devote themselves to specific activities described in the fiscal legislation within the areas of assistance (*charities*), education, environment, human rights, scholarship grants, scientific and technological research, culture, entities that provide economic support to other organizations. In order to offer an idea of the growth on the number of donees, Table No. 2, below, reports the series for fiscal years 1995-2014.
Table 2.  
Authorized Donees for the Fiscal Year (1995-2014)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Authorized Donees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>1,426</td>
</tr>
<tr>
<td>1996</td>
<td>2,714</td>
</tr>
<tr>
<td>1997</td>
<td>3,421</td>
</tr>
<tr>
<td>1998</td>
<td>3,948</td>
</tr>
<tr>
<td>1999</td>
<td>4,594</td>
</tr>
<tr>
<td>2000</td>
<td>5,044</td>
</tr>
<tr>
<td>2001</td>
<td>5,531</td>
</tr>
<tr>
<td>2002</td>
<td>5,681</td>
</tr>
<tr>
<td>2003</td>
<td>5,600</td>
</tr>
<tr>
<td>2004</td>
<td>5,432</td>
</tr>
<tr>
<td>2005</td>
<td>5,430</td>
</tr>
<tr>
<td>2006</td>
<td>5,754</td>
</tr>
<tr>
<td>2007</td>
<td>5,996</td>
</tr>
<tr>
<td>2008</td>
<td>6,364</td>
</tr>
<tr>
<td>2009</td>
<td>6,853</td>
</tr>
<tr>
<td>2010</td>
<td>7,004</td>
</tr>
<tr>
<td>2011</td>
<td>6,589</td>
</tr>
<tr>
<td>2012</td>
<td>7,632</td>
</tr>
<tr>
<td>2013</td>
<td>7,902</td>
</tr>
</tbody>
</table>

Source: Tax Administration Service (SAT), Secretariat of the Treasury and Public Credit (SHCP), Federal Government, Mexico.

Chart No. 2 shows that from the year 1995 to the year 2000, the number of authorized donees had clearly ascending rates of growth. In contrast, the last decade, from 2000 to 2010, the trend had a more unstable behavior, even suffering a decrease in their total number for several years. This may be explained by several factors: on the one hand, the change in administrative standards established by the fiscal authority has represented a larger amount of obligations, whose non-compliance, for several reasons, has had as consequence that some organizations have lost, either temporarily or definitively, their prerogatives. As an example, late in the year 2005, it took almost six months to obtain the authorization to become a done and, as can be seen, the amount of donees shows a significant decrease. It is worth noting that year after year, the authorization system has improved quite considerably in such a way that presently it may take approximately one month and it can be done electronically, something that can be reflected in the increasing growth.

The administrative changes reflect in the variation in the amount of authorized donees. For example, in year 2011, the obligation of an annual notice changed to be presented by electronic means instead of a written document. Therefore, there was a negative impact at the time such that, due to ignorance about the new provisions, many organizations lost their authorization to receive tax deductible donation.
The following table shows the distribution of these organizations according to the field of action they cover. As can be seen, most of them, over two thirds, are performing charitable purposes.

**Table 3.**  
**DA distribution by type of service**

<table>
<thead>
<tr>
<th>Service</th>
<th>Total</th>
<th>Relative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charity Organizations</td>
<td>5246</td>
<td>66.4%</td>
</tr>
<tr>
<td>Educational Organizations</td>
<td>1116</td>
<td>14.1%</td>
</tr>
<tr>
<td>Scholarship Granting Organizations</td>
<td>142</td>
<td>1.8%</td>
</tr>
<tr>
<td>Cultural Organizations</td>
<td>564</td>
<td>7.1%</td>
</tr>
<tr>
<td>Libraries open to the Public</td>
<td>10</td>
<td>0.1%</td>
</tr>
<tr>
<td>Museums Open to the Public</td>
<td>34</td>
<td>0.4%</td>
</tr>
<tr>
<td>Scientific and Technological Organizations</td>
<td>185</td>
<td>2.3%</td>
</tr>
<tr>
<td>Environmental Organizations</td>
<td>223</td>
<td>2.8%</td>
</tr>
<tr>
<td>Organizations devoted to conservation or reproduction of protected or endangered species</td>
<td>8</td>
<td>0.1%</td>
</tr>
<tr>
<td>Entities exclusively devoted to provide financial support to other authorized</td>
<td>275</td>
<td>3.5%</td>
</tr>
</tbody>
</table>
According to the above Table, it is obvious that the largest number of authorized donees is performing activities of a charity type (66.4%). In a country where the largest number of people is in a situation of poverty or various types of vulnerability, it is not surprising that efforts and activities of the organizations are precisely directed to support the relief of such population.

Table 4 shows a disaggregation of the number of authorized donees existing in each one of the states of the Republic, for the year 2013.

**Table 4.**

<table>
<thead>
<tr>
<th>State</th>
<th>Donees 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aguascalientes</td>
<td>89</td>
</tr>
<tr>
<td>Baja California</td>
<td>249</td>
</tr>
<tr>
<td>Baja California Sur</td>
<td>56</td>
</tr>
<tr>
<td>Campeche</td>
<td>28</td>
</tr>
<tr>
<td>Chiapas</td>
<td>106</td>
</tr>
<tr>
<td>Chihuahua</td>
<td>366</td>
</tr>
<tr>
<td>Coahuila</td>
<td>208</td>
</tr>
<tr>
<td>Colima</td>
<td>76</td>
</tr>
<tr>
<td>Distrito Federal (Mexico City)</td>
<td>2299</td>
</tr>
<tr>
<td>Durango</td>
<td>49</td>
</tr>
<tr>
<td>Guanajuato</td>
<td>263</td>
</tr>
<tr>
<td>Guerrero</td>
<td>50</td>
</tr>
<tr>
<td>Hidalgo</td>
<td>97</td>
</tr>
<tr>
<td>Jalisco</td>
<td>542</td>
</tr>
<tr>
<td>México</td>
<td>623</td>
</tr>
<tr>
<td>Michoacán</td>
<td>255</td>
</tr>
<tr>
<td>Morelos</td>
<td>123</td>
</tr>
<tr>
<td>Nayarit</td>
<td>32</td>
</tr>
<tr>
<td>Nuevo León</td>
<td>493</td>
</tr>
<tr>
<td>Oaxaca</td>
<td>135</td>
</tr>
<tr>
<td>Puebla</td>
<td>209</td>
</tr>
<tr>
<td>Querétaro</td>
<td>192</td>
</tr>
</tbody>
</table>
The largest number of authorized donees is found with a fiscal address in Mexico City, followed by the State of Mexico, Jalisco, Nuevo León and Chihuahua.

The organizations registered at the Federal Registry compared with those that have a character of authorized done, the highest concentration is located in both cases in Mexico city. Nevertheless, it is outstanding that while the largest number of organizations with the Federal Registry (Cluni) is found in the states of Veracruz, Oaxaca and Chiapas, the largest number of authorized donees is located in the main cities of the country: the Mexico City, the State of Mexico, followed by Jalisco, Nuevo León and finally Chihuahua.

We could venture to develop some hypotheses on the reasons for such occurrence. For example, the regime for authorized donees implies compliance with multiple fiscal obligations that those organizations lacking a certain developed capability and infrastructure find difficult to comply with. One of them is the obligation to submit a fiscal report prepared by an auditor authorized by the Secretariat of the Treasury. Now, it can be said, that this obligation will be eliminated next year. On the other hand, the fact that being able to survive by donations and offer the incentive that such donations be considered tax deductible for donors, when this area has no donors interested in tax deductibility, makes more sense for donors that are located in large cities. Nevertheless, these possibilities open new opportunities for study in future research projects.

Another comparison that is significant is the growth of donees compared to the organizations having the Cluni registration (see Chart No. 3). Starting with an analysis of data for the 2005-2013 data, it is evident that the rate of growth has been more evident in the organizations inscribed at the Federal Registry.
(organizations that have the Cluni inscription) with respect to the evolution of the number of authorized donees. Part of an explanation of this situation is found in the requirements for access to public resources, since access to federal government public resources invitations specify the requirement to have a Cluni registration.

Chart No. 3.
Comparison of CSO growth with donee status to those with Cluni (Sole Registration Code (Clave Única de Registro - Cluni), 2005-2013.

<table>
<thead>
<tr>
<th>Year</th>
<th>CLUNI</th>
<th>Donatarias</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>2958</td>
<td>5430</td>
</tr>
<tr>
<td>2006</td>
<td>4403</td>
<td>5754</td>
</tr>
<tr>
<td>2007</td>
<td>6133</td>
<td>5996</td>
</tr>
<tr>
<td>2008</td>
<td>8435</td>
<td>6364</td>
</tr>
<tr>
<td>2009</td>
<td>10772</td>
<td>6853</td>
</tr>
<tr>
<td>2010</td>
<td>11803</td>
<td>7004</td>
</tr>
<tr>
<td>2011</td>
<td>16621</td>
<td>6589</td>
</tr>
<tr>
<td>2012</td>
<td>19995</td>
<td>7682</td>
</tr>
<tr>
<td>2013</td>
<td>25810</td>
<td>7902</td>
</tr>
</tbody>
</table>

Source: Internally prepared based on data by the Tax Administration Service (SAT) and the National Institute for Social Development (Indesol), Federal Government, Mexico.

Starting with these data that allow an approach to the composition and size of the not-for-profit sector in the country, we may conclude that even with the significant progress that the past few years has shown in public acknowledgement to this sector, for instance through the Federal Law on Promotion and fiscal incentives granted through the authorization to receive tax deductible donations, these data refer to a sector whose size is still small to serve the needs and challenges of a country with the dimensions of Mexico.

Decisive policies to favor a higher involvement by organized citizens in the public area is required. To establish the bases for growth, development and consolidation of this sector, the need to have a legal and fiscal framework that promotes and facilitates the creation and sustainable development has been identified; such framework includes having the Law on Promotion be a
homologous and harmonized law amiable with other regulations such as the labor laws; expansion of the social purpose in organizations that may become authorized donees by the Federal Income Tax laws such as organizations devoted to actions to adapt and mitigate the environment; and a more general acceptance of the Federal Registry called Cluni for various processes at the federal public administration.

Also considered is the importance of promoting associationism and civic participation at all levels of government, not only the federal government. In this sense, the state and municipal levels require better institutional frameworks capable of fostering, in an effective way, the involvement of citizens in the public sphere.

Conclusions

In conclusion, it is essential to have promotion and fostering be translated into a favorable institutional environment in the three levels of government (federal, state and municipal), by means of laws, public policies and actions that provide for the necessary conditions to produce a strong, professional and committed sector that can collaborate with the government in the construction of a fair, prosperous and solidary country.

Summary of Key Topics

- The need to have guidance, financial support, training to form organizations by professionals and governments.
- Replicate the experience of best practices carried out in some States to promote the incorporation of new organizations.
- The need to expand collaboration or the Colleges of Public Notaries for instance in collaboration with public entities, to reduce the cost of the incorporation of an organization.
- The need to expand agreements of the various governments with Public Notaries with the purpose of distributing information on the requirements that organizations need to comply with before the various agencies.
CSO regulations in Mexico are not only extensive and diverse but also scattered in various laws, codes, etc. To discuss the way an organization operates, as mentioned in other sections, it is necessary to highlight the constitutional freedom of association right.

To have a better understanding of the existing regulations that pertain to the subject of organizational operation and the way in which the government intervenes, or not, it is important to discuss the differences between the regulations of Civil Associations and Private Assistance Institutions, since there are significant differences.

a) Civil Associations
For a Civil Association, the supreme governing body is the General Assemblies of Member Meetings. The organization enjoys a higher degree of independence in terms of administration with no interference of the government in issues such as the appointment of its internal government bodies, such as the board of directors.

In general, Civil Associations are not required to report to the government on their General Assemblies Meetings or the board of directors meetings unless required by a specific legislation for a certain purpose. Their by-laws establish the guidelines for their operation, such as the way to call for meetings, how to conduct meetings, and the topics to be discussed. Apart from what is indicated in the by-laws, the Civil Code indicates that the members may call an Assembly meeting according to the bylaws, and in extreme cases, as whenever a request is made by at least five per cent of the members, should it be the case, by a Civil Judge.

Although in principle, organizations have no requirement to notify the government on their meetings, their Meeting Minutes need to be certified by a Public Notary.

b) Private Assistance Institutions
In the case of Private Assistance Institutions (Instituciones de Beneficencia o Asistencia Privada - IBP or IAP), in accordance to the State law, founding members commit their assets to create one or several institutions. The by-laws also define the Board of Trustees (patronos), since they may be in charge of the legal representation and the administration or management of the institutions.

The activities of the Board of Trustees are clearly outlined in the law. Founding members themselves may also act as Board of Trustees. Other possibility is that
the by-laws indicate which mechanisms are to be used for the appointment and substitution of Board of Trustees. Nevertheless, in some cases the Private Assistance Board (*Junta de Asistencia o Beneficencia Privada - JAP*), that is a local government entity, may appoint and remove the Board of Trustees; for example in the case that a person has been appointed to a position in the public administration.

In relation to their meetings, they also need be certified before a Public Notary and must be notified to the JAP.

The JAP is the local state body empowered extensively to influence the internal government of a private assistance institution, since it is the agency empowered to oversee and control them. It may even appoint delegates, inspectors, auditors, or temporary or permanent inspectors that are to visit and inspect the institutions.

To be able to perform a considerable number of operations or activities, IAPs are subject to authorization or approval by the JAP, and this condition may yield as a result a constant intervention in the life of the institution, given the multiple powers that the law on the subject has granted the JAP. IAPs must submit all kinds of periodic reports to the local government.

c) **Government Reports**

Depending on their activities, and on the legislation on the subject, organizations must submit reports to the authorities. For example, all individuals as corporations being considered tax payers they must, in principle, comply with all fiscal obligations contained in the legislation on the subject before the Tax Administration Service of the Secretariat of the Treasury and Public Credit (S.H.C.P.).

Those organizations having authorization to receive tax deductible donations (authorized donees), regardless of the legal figure they have adopted, either AC or IAP, must file reports of various kinds, some of them annual and some monthly, as well as submit an audited report prepared by an S.H.C.P. authorized certified public accountant. Very important is that authorized donees have an obligation to submit a *fiscal opinion (dictamen fiscal)* whenever their income rises above the two million pesos. However, as the year 2015, this obligation will disappear given that SAT systems are every day more precise in processing information received by electronic means, and the fiscal authority trusts that for its fiscal vigilance no external audits will be necessary.

During the months of November or December of each year, authorized donees must make available to the general public all information related to
transparency, as well the use and destination of donations received during the fiscal year immediately ending. This must be done through an electronic platform.

On the other hand, in accordance with the fiscal legislation, they must publicly display at their offices all information related to the authorization as done such as by-laws, accounting, evidence (or certificate) of operations, as well as all information on financial statements and a roster of all managers and employees.

They must also notify of any change or modification on their by-laws, legal representative, or any other requirement that was considered to grant such authorization. This provision is not new, and organizations are familiar with this obligation.

There are other administrative requirements that affect the operation of CSOs. For example, authorized donees, in principle, must allocate all their assets exclusively to the fulfillment of their social purposes, and cannot distribute benefits among its members or to any person. Nevertheless, donations to other organizations are permitted, if and when they have been authorized to receive tax deductible donations, or are in payment for services truly rendered by individuals or corporations. This means that such individual or business had been contracted to provide specific services.

At the time of dissolution of the organization, the endowment must be transferred to other entities that have been authorized to receive tax deductible donations.

Another provision establishes that organizations must not exceed 5% of the donations received in administrative expenses. Although there have not been reported any authorization to receive donations revoked\(^{11}\).

CSOs that are registered at the Federal Registry (Cluni) are also required to offer information. Therefore, CSOs must submit an annual report on their activities and the use of public resources received, as well as on any change in their address, by-laws reforms, or changes to their internal governing body (Board of Trustees, or Board of Directors).

It is worth noting that there is no obligation for a civil association to be a authorized donee or to be registered in the Federal Registry (Cluni). Nevertheless, should any organization choose to be in any of these cases, such CSO must be aware of the obligations it bears.

\(^{11}\) Article 110 of Income Tax Law Rules - Reglamento de la Ley del Impuesto sobre la Renta)
CSOs must periodically notify the government for a myriad of other reasons, for example, whether they have obtained public funding or because their activity so demands.

As much as organizations are created out of the will of participants, generally speaking they may also be terminated for such reasons.

The reasons for a Civil Association to be dissolved or extinguished are due to the following:

a) The impossibility to achieve the purpose cannot be achieved according to the by-laws.

b) General agreement by the members.

c) The conclusion of the term provided by for its duration, and that it has fully complied with the social purpose it was created for.

d) For a decision ordered by the competent authority through a judicial process.

In the case of a Private Assistance Institution, there are various causes for which it may be extinguished; such as the case in which the purpose becomes obsolete; or when the property involved is not enough to fulfill its purposes. However, above and beyond the decision of the founders or the board of trustees of a private assistance institution, the JAP Private Assistance Board, has the power to modify or extinguish it. The JAP may declare the authorization to dissolve an institution, whether by reasons considered in the Law, or by request of the Board of Trustees. In the case of extinction, another private assistance institution is to receive the property transferred, taking into consideration, as possible, the decision of the founder.

From the individual interviews we understand there is a concern that, although private assistance institutions are able to support the incorporation of an organization, their participation in the internal governance of an organization may be quite ample. In the words of one of the individuals interviewed, “there is no respect for their autonomy”.

Nevertheless, the considerations regarding each of the legal figures, 55% of the persons that participated in the survey, consider that documents requested by the government to permit operations is reasonable. And, in accordance with the following chart on perception of those interviewed, mostly oscillating between a level of moderate and mild surveillance, it indicates a 26%; that is, almost a third of them considers that government supervision is high.
The difference in opinions may be due to the fact that respondents are speaking as members of a private assistance institution, a charity, or a civil association. The former have less autonomy, since they must request authorization from the state’s entity called JAP (Private Assistance Board) on all kind of aspects, such as budgeting, entering into contracts, and even the dissolution, whereas civil associations do not have such limitations.

Conclusions

In Mexico there are two legal figures for incorporation: Civil Associations and Private Assistance Corporations. The former have a higher organizational autonomy whereas the latter are under strict surveillance and supervision by a government entity of the states where they are located (16 out of 32) having laws on the subject. Depending on the type of organization in case, organizations indicate a higher level of government supervision and surveillance.

Summary of Key Topics

- Organizations require guidance and professionalization for an improved operation and awareness of their rights and obligations.
- They need improved training on the regulations under which they operate.

<table>
<thead>
<tr>
<th>What level of supervision or surveillance does the government have over CSOs?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate 40%</td>
</tr>
</tbody>
</table>
DIMENSION No. 3: ACCESS TO RESOURCES

Mexico’s regulatory framework permits CSOs in Mexico to raise funds from the most diverse origins, whether private, public, national or international. This dimension is regarding access to resources mainly donations although we must be aware of the possibility that, apart from donations or funds, these organizations are able to have income from other sources, such as interests, leasing, or even commercial activities.

Upon the question of trustworthiness or consistency to obtain funds from government sources or private donors, the perception is that first place is taken by private donors.

Which is a more trustworthy or more consistent source of financing?

Please find hereafter some peculiarities of each one of these sources that have been considered relevant.

a) Philanthropy

Philanthropic activities referred to in this section include not-for-profit activities directed to benefit the community. In this document, it is considered philanthropic organizations which are not created for the self-benefit of its founding members. Their purpose is to open its benefits to the population in general, and not to designate any beneficiaries in particular. In this sector it is possible to find organizations devoted to diverse fields of action, such as education, scholarship granting, culture, community development, science and technology, environmental, human rights, among many others. In Mexico there are corporate foundations but also there are corporate foundations, and also corporate philanthropic programs that, being part of a corporation, either provide resources to philanthropic organizations aiming to contribute significantly to the communities and are not considered profitable.

However, in order to have development supported by citizens, there must necessarily be a philanthropic culture. That is, individuals must be willing to offer
their resources, not only of an economic nature but also of their time and talent. In this sense, from the organization’s point of view, as can be seen in the following chart, in our country there are significant challenges.

<table>
<thead>
<tr>
<th>Is there a tradition of philanthropy in Mexico?</th>
</tr>
</thead>
<tbody>
<tr>
<td>🟢 Yes 20 %</td>
</tr>
<tr>
<td>🟥 To some extent 47%</td>
</tr>
<tr>
<td>🟢🟢 No 33 %</td>
</tr>
</tbody>
</table>

CSOs in Mexico are allowed to receive funding not only from corporate philanthropy but also from individuals. Tax exemptions are granted to those developing philanthropic activities; in accordance with the field of action of the organizations they may be eligible of income tax exemption on their profits, as well as being able to receive tax deductible donations as will discussed in the section regarding the Dimension No. 9: Taxation System.

In order for organizations to receive tax deductible donations or grants, they need to be authorized by fiscal authorities and comply with all the specific requirements according to fiscal regulation. On the one hand, there is a limit on the percentage that can be tax deductible, whether the donor is an individual or a corporation. The percentage is restricted to 7% of profits\(^\text{12}\).

\(^{12}\text{Income Tax Law §27, I}\)
“Many sources of funding require that the CSO has been in operation at least for the past five years, and recently established CSOs, which are the neediest, are thus excluded.”

“The image of institutions causes that people prefer to donate directly to the individual in need than to donate to an institution.”

“The percentage that corporations are able to deduct due to donations is very low for all present day needs.”

Comments obtained from our survey.

b) Government Funding

Governments, both federal and local, support CSE with public resources such as subsidies, donations, or any other type of economic support. Local support is very low and in some cases is provided jointly with the federal government. Regarding federal government support is generally provided by the Secretariats or Ministries. Among them we can mention Secretariat of Public Education (Secretaría de Educación Pública - SEP), Secretariat of Social Development (Secretaría de Desarrollo Social - SEDESOL), Secretariat of Economy (Secretaría de Economía - SE), Secretariat of the Environment (Secretaría de Medio Ambiente - SEMARNAT), Secretariat of the Treasury and Public Credit (Secretaría de Hacienda y Crédito Público, - SHCP), to mention some of them.

The possibility to access public resources for CSOs is not new. Nevertheless, in the past decade, when the Federal Law for the Promotion of Activities Undertaken by Civil Society Organizations (The Promotion Law) was enacted in 2004, it served as a basis for granting federal public resources.

The Law establishes that organizations must be fostered and be able to access to public funds. As a matter of fact, in order for organizations to have access to federal public resources, a compulsory requirement in many of the public fund calls is to have been registered at the CSO Federal Registry (Cluni). Nevertheless rules of operation for public programs dictate specific criteria for the granting of resources by the various secretariats.

Also, in adherence to provisions in the Promotion Law, the Commission to Foster Activities by Civil Society Organizations (Comisión de Fomento de las Actividades de las Organizaciones de la Sociedad Civil) \(^\text{13}\), composed by

\(^\text{13}\) The spirit of the Law to Foster is to facilitate the conditions for a better dialog among the sectors, government and CSOs. Thus the Law provides for the establishment of two dialog bodies that are key for transparency during the when applying the Law to Foster: the Commission to Foster the Activities of Civil
representatives from Secretariat of the Treasury and Public Credit, Secretariat of the Interior, Secretariat of Social Development, and Secretariat of Foreign Affairs must prepare and publish an annual Report on Fostering Actions and the Support and Encouragement Granted in favor of CSOs abiding by such Law. The report prepared by that inter-secretarial commission is also included as a section of the Annual Report that the President of Mexico delivers to Congress of the Union on the state of the nation.

As mentioned before, in principle there are funds that have been earmarked in the federal budget for specific programs which are subject to the rules of operation approved by the Legislative body, and according to which those resources can be allocated by means of public bidding. Those rules of operation can be consulted in the web page: www.coerresponsabilidad.gob.mx

Nevertheless, there are other items in subsidies and donations that remain open to discretionary spending by the agency of government unit, and which are not subject to the rules of operation.

Following, please find information contained in nine Annual Reports of the federal government with respect to the number of civil organizations supported and the amount of public resources received.

### Table 5.
**Number of Cluni registered Organizations that benefitted and federal public resources channeled 2005-2013.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Cluni registered organizations that benefitted</th>
<th>Resources channeled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>7707</td>
<td>$1,232,992,843.06</td>
</tr>
<tr>
<td>2006</td>
<td>3124</td>
<td>$1,659,599,255.00</td>
</tr>
<tr>
<td>2007</td>
<td>2155</td>
<td>$2,201,282,340.00</td>
</tr>
<tr>
<td>2008</td>
<td>4493</td>
<td>$4,842,004,109.00</td>
</tr>
<tr>
<td>2009</td>
<td>3229</td>
<td>$3,199,205,283.00</td>
</tr>
<tr>
<td>2010</td>
<td>4110</td>
<td>$4,350,397,799.00</td>
</tr>
<tr>
<td>2011</td>
<td>5211</td>
<td>$4,565,365,343.00</td>
</tr>
<tr>
<td>2012</td>
<td>6016</td>
<td>$6,249,125,131.00</td>
</tr>
<tr>
<td>2013</td>
<td>9700</td>
<td>$5,408,922,719.00</td>
</tr>
</tbody>
</table>

Source: Internally prepared based on Annual Reports of Actions to Foster, and Support and Encouragement granted in favor of Civil Society Organizations, 2005-2013.

Society Organizations and the Technical Consulting Board (Consejo Técnico Consultivo) for CSOs. The Commission was established to facilitate the coordination of the design, execution, follow-up, and assessment of actions and measures to Foster CSO’s activities.
Data registered in Table 5, nevertheless, requires clarification: not all resources reported by the federal government were allocated to not-for-profit civil society organizations. Amounts reported by the federal government also include resources to support different kinds of organizations engaged in agricultural, fisheries, producers, microenterprises among other fields. However, for CSO, generally speaking CSO must have the inscription of the Federal Federal Registry in order to be able to participate in certain bidding processes of the federal government. In this sense, it is necessary to take rather cautiously the data derived from reports in order not to over-size the true magnitude of public resources received by civil society organizations.

With the purpose of approaching more precise information on federal public resources received by the not-for-profit sector, following is a chart showing the evolution of financial amounts reported by the Secretariat of Public Development, one of the most important entities in the public federal administration to lead public policies for enhancing the not-for-profit sector. As can be seen, in spite of being the branch of budget that provides most of the support to organizations, the amount of resources allocated had had registered a gradual annual increase which abruptly declined since the Promotion Law was enacted.

Chart No. 4
Financial support by the Secretariat of Social Development to organizations having Cluni registration (2005-2013)

Apoyos de la Secretaría de Desarrollo Social = Support provided by Secretariat of Social Development
Source: Internally prepared based on Annual Reports of Actions to Foster granted in favor of Civil Society Organizations, 2005-2013.

The additional information that may well help to identify resources channeled to civil society organizations that are the purpose of the Promotion Law, are the resources distributed by the National Institute of Social Development (Instituto Nacional de Desarrollo Social - Indesol), which is dependent on the Secretariat of Social Development. This Institute has reported to have granted organizations the total amount of 290,167,950 in the course of the last year for (2013), which represents over one hundred million less than was distributed during 2012, when such amount reached 397,858,238 pesos.

It is important to mention that one of the main resources delivered to CSO is precisely through the Social Joint Investment Program (Programa de Coinversión Social) by the National Institute for Social Development as the responsible administrative unit. For the 2013 program, the total amount for CSOs added up to the amount of 322 million pesos, which provided support to CSOs in an average subsidy of $350,000.00 pesos per organization.

Within the institutional support provided by the Federal Government, apart from financial resources offered as subsidies and donations in cash, donations in kind, training, and consulting services are also considered.

The fifth article of the Promotion Law lists the following organization activities which, on adherence to the Law, must be encouraged.

I. Social assistance
II. Food support
III. Civic activities
IV. Legal assistance
V. Rural and indigenous development
VI. Promotion for gender equality
VII. Services to social groups with disabilities
VIII. Community development
IX. Support and promotion to human rights
X. Sports promotion
XI. Health care services
XII. Environmental protection
XIII. Educational, cultural, artistic, scientific and technological fostering
XIV. Improvement of economy for the relief of the poor.
XV. Participation in civil protection activities
XVI. Support to organizations creation and strengthening
XVII. Promotion and defense of consumers’ rights
XVIII. Strengthening of the social fabric and public safety

Nevertheless, the sector’s perception is that resources are insufficient and the donations and subsidies budget needs not only to be increased, but they also need to be subject to more transparent rules of operation and mechanisms for accountability. Another important issue is related to the timing in which resources are delivered and the period for the project to be implemented. When any financial support is approved, it must be spent in the course of the same year in which resources were received. However, resources are usually delivered with considerable delay, and very little time for project execution is provided. This can affect the efficiency and effectiveness of the results. Therefore, the need quite often expressed by organizations is to have resources applied in a trans-annual basis. That is, that such resources need not be applied precisely in the course of the year in which they were received by the organization.

The perception is that support is limited or non-existent as shown in the following chart, where 45% of those surveyed indicate that funding is limited and a 20% indicate they are non-existent, although one third referred to have received government funding.

Apart from the Federal Law to Foster, as framework Law for promotion and regulation of CSOs, it is worth indicating that the main Law governing donations, subsidies and supports to CSOs in the Federal Law on Budget and Treasury Responsibility (Ley Federal de Presupuesto y Responsabilidad Hacendaria). For all purposes of federal government budgeting, the legal basis to prepare it is the above mentioned Law. Article second of this Law discusses donations, subsidies and supports to CSOs; thus this regulations must also be taken into consideration when analyzing the way in which the federal governments allocates resources to organizations.

In relation to the possibility of having organizations subject to public contracting, those cases would be subject to the same rules and regulations that any individual or corporation would be subject to, when a contract is assigned.
The fact that organizations are able to receive public funding, does not mean that CSOs are obligated to align their activities with the government priorities according to the objectives and goals included in the national, state or municipal development plans. However, if it is expected to obtain government subsidies or resources, the CSO projects have to be subordinated to government priorities and framed within the plans, programs and projects defined in accordance with the rules of operation, the criteria, guidelines or terms of calls for bids offering public resources, which are linked to budget development plans and budgeting objectives.

Complaints by organizations that have been expressed in surveys as seen in these answers, clearly pinpoints the conditioning for funding only a limited type of projects, and the decrease of resources. It is worth noting that this coincides with figures in Chart No. 4.

"[Governments] issue calls for bids although they do not have the necessary budget to support institutions submitting good projects."

“Every time there are less government resources to support CSOs, and requirements to access them are, every time, broader.”

“Associations are seen as expenses objects and not as the work that the government should be doing.”

Comments obtained from survey applied.

c) International Funding

Another mean that organizations have to finance their activities, is to obtain resources coming from overseas. In our country, CSOs also look for the possibility to access international grantmaking if and when they are licit. Thus, there is no additional criteria or requirement to access overseas funding sources.

There are no legal barriers to apply for international funding. Reporting requirements and recordkeeping should be complied with according to fiscal legislation. For instance, the donation receipts issued by authorized donees, are the same for whether it is a domestic or foreign donation.

On the other hand, it is important to mention there are very few bilateral or multilateral agreements facilitating access to international funding for CSOs. As of January 1994, Convention of the United States of America and the Government of the Mexican United States is one of them.
Article 22 of this Agreement provides for the possibility to have either individuals or corporations residing in the United States grant tax deductible donations to a not-for-profit Mexican institution, if and when deducted amounts come from income obtained in Mexico.

Although the opportunities offered by the Agreement have not been fully taken advantage of, it is taken into account by United States grantmaking foundations.

According to Reports by Authorized Donees (Reportes de Donatarias Autorizadas - RDA) official figures made public by the Secretariat of the Treasury and Public Credit have had a modestly ascending behavior, moving from a relative participation with respect to the total amount of donations mobilized of 5.15% to 6.7%, for fiscal year 2012 (RDA 2013).

Table 6.
Total donations coming from overseas, as reported by authorized donees. Reports by Donees 2009-2013.

<table>
<thead>
<tr>
<th>RDA</th>
<th>Total donations (overseas)</th>
<th>Total Donations</th>
<th>Percentage of overseas donations with respect to total reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1,696,945,600.00</td>
<td>$32,977,175,369.00</td>
<td>5.15%</td>
</tr>
<tr>
<td>2010</td>
<td>$1,551,868,754.00</td>
<td>$22,463,950,832.00</td>
<td>6.91%</td>
</tr>
<tr>
<td>2011</td>
<td>$1,942,502,357.00</td>
<td>$26,368,196,443.00</td>
<td>7.37%</td>
</tr>
<tr>
<td>2012</td>
<td>$2,037,440,707.00</td>
<td>$24,936,254,804.00</td>
<td>8.17%</td>
</tr>
<tr>
<td>2013</td>
<td>$2,207,583,751.00</td>
<td>$32,918,825,671.00</td>
<td>6.71%</td>
</tr>
</tbody>
</table>

Source: Internally prepared based on reports by authorized donees, 2009-2013.
Tax Service Administration (SAT),
Secretariat of the Treasury and Public Credit (SHCP)
Federal Government, Mexico

The “Federal Law for Prevention and Identification of Transactions with Funds from Illegal Sources” (Ley Federal para la Prevención e identificación de Operaciones con Recursos de Procedencia Ilícita) was recently enacted as well as the rules based on it. This implies there is a need to comply with new standards requiring donors, either individuals or corporations of domestic or foreign origin, to provide ample information, not previously required. Thus, for example, the legal representative of an overseas foundation must submit a copy of his/her ID (whether a passport, driver’s license, or any other). In case the organization is unable to obtain such information or document, the donation
must be rejected according to article 21 of the above mentioned law. It is still too soon to determine the way in which resources obtained overseas will be now affected, and we hope donors will not object to providing the necessary information to support this new process.

“Actually, the anti-money laundering law, although acceptable in spirit, has determined that ALL donors willing to give donations in the amount considered within the concept of “vulnerable activities” and therefore are subject to extraordinary requirements.”

“International frameworks that are based on indicators are not in accordance with our realities in Mexico.”

Comments obtained from survey applied.

Organizations sense, according to the following chart, that the legal framework to mobilize resources is not favorable to them. In spite of the regulatory framework in which donations, funding obtained from other sources, activities permitting tax deductibility due to donations by corporations, and the flow of international resources is permitted, only 18% considered that the legal framework is enabling.

On the other hand, the scope on the future of the financing environment is split, as can be seen in the following chart, although it is biased towards a negative perspective of the scope.
Conclusions:

One of the most important factors for which organizations find it difficult to maintain or sustain their work, is the lack of philanthropic culture in the country. Mobilization of philanthropic resources has diminished as well from overseas. On the one hand, there is a need to strengthen development skills or capabilities within the organizations for fundraising, whether individual, corporate, or foundation donations of a domestic or foreign origin. Government subsidies and donations need to be increased. And CSO are compelled to find other sources of income as well.

Summary of Key Topics

- Strategies to promote a larger national philanthropic culture.
- CSO training in fundraising skills and strategies from domestic and foreign sources.
- Increase public funding: Revert the process of federal and state public resources decrease for CSOs projects
- Increase government funding
- General granting of public funding, subject to CSO’s operation regulations
- Opportunities for support with resources to recently established organizations.
- Trans-annual funding by the government.
- Transparency and accountability in the granting of public funding
- Short, mid, or long term financing by national and foreign donors
- Creation of alliances by the corporate and the not-for-profit sectors for public purposes
• Earmarked funding by foundations and government for limited specific areas.
DIMENSION No. 4: FREEDOM OF EXPRESSION

The topic on CSOs possibility to freely express their opinions, as well as the regulations that guarantee this right, including access to internet, is discussed in this dimension.

In this sense, the Political Constitution of the Mexican United States guarantees the right to freedom of expression by any means, whether printed, by any electronic means (including internet). Transcribed hereafter are articles sixth and seventh of the agreement to the reform by means of decree that was published in the Official Journal on June 11, 2013.

Article 6. Expression of ideas shall not be submitted to judicial or administrative inquiry, except for the cases when such expression of ideas goes against the moral or third party’s rights, or causes perpetration of a felony, disturb law and order. The right of reply shall be exercised according to law. The State shall guarantee the right of information.

In order to guarantee the right to information, the Federation, the states and the Federal District, according to their powers, shall be ruled by the following principles:

I. All information in custody of any federal, state or local authority, entity or organ, is public. It may be reserved only temporarily due to public interest and according to the law. The principle of maximum disclosure shall prevail when interpreting this right.

II. Information regarding private life and personal data shall be protected according to law and with the exceptions established therein.

III. Every person shall have free access to public information and his personal data, as well as to their rectification, without the necessity to argue interest or justification.

IV. Free mechanisms to access information and review procedures shall be established. These procedures shall be formalized before specialized and impartial agencies, which shall have operational, managerial and decision making independence.

V. Government agencies shall keep their documents in updated administrative files, and shall disclose, through electronic media, the
complete and updated information about the indicators of their management and the use of public resources.

VI. The law shall establish procedures for governmental agencies to disclose information concerning the use of public resources paid to natural or artificial persons.

VII.- Failure to comply with these dispositions shall be penalized according to the law

The seventh article of the Constitution grants freedom of expression, very much like the sixth article above transcribed does, except that it refers to the freedom of writing and publishing any writ on any subject, with the condition that morals, third party rights, and public order be preserved. It is hereinafter transcribed:

Article 7. Freedom of writing and publishing writings on any subject is inviolable. No law or authority may establish censorship, require bonds from authors or printers, or restrict the freedom of printing, which shall be limited only by the respect due to private life, morals, and public peace. Under no circumstances may a printing press be sequestrated as the instrument of the offense.

The organic laws shall contain whatever provisions may be necessary to prevent the imprisonment of the vendors, newsboys, workmen, and other employees of the establishment publishing the work denounced, under pretext of a denunciation of offenses of the press, unless their guilt is previously established.

No law or authority may establish a prior censorship, nor can they restrict the freedom to distribute information, which has no other limitations than those provided for in the sixth article of this Constitution. In no case are goods employed for the distribution of information, opinions and ideas to be sequestered as an instrument of a crime.

Mexico has also ratified international treaties that also constitute important foundations on the public freedom of expression. This is how, in accordance with provisions in article 19th of the 1948 Universal Declaration of Human Rights, as of June 7, 1951, this date has been declared as the Day of Freedom of Expression in Mexico. Also, the International Covenant on Civil and Political Rights was adopted by Mexico in accordance with decree published in the Official Daily of the Federation on January 9, 1981, as well as the regional treaties on Human Rights.
Nevertheless, the right of freedom of expression may be restricted in certain circumstances to protect the rights and reputation of others, public morals, and public order. It is for such reason that the sixth article of the Constitution highlights that the expression of ideas must not be subject to any judicial or administrative inquiry, except in the case of an attack to morals, private life, or third party rights unless it is an offense or disturbs public order.

Thus, in principle, legal barriers on the right of expression for CSOs are minimal. Nevertheless, in accordance with bibliography consulted threats and other actions, including disappearances to hinder the information work have been denounced by media reporters.

It is also important to note that recently a Constitutional Reform in Telecommunications and Broadcasting has taken place, in order to strengthen the freedom of expression and information rights, and it was published in the Official Daily of the Federation on June 11, 1213. Among the regulatory reforms that took place ever since, the Federal Institute of Telecommunications (Instituto Federal de Telecomunicaciones – IFT) was created. The Institute has a multi-sectorial composition and has the capacity to establish the technical criteria, and has powers to govern contents in the media. In the month of June of current year, discussions have taken place to decide on the regulations (secondary laws) to telecommunications laws.

Some civil society movements have participated in public opinion as well as on discussions to this reform. We find here collectives such as Free Internet for All (Libre Internet para Todos) (please visit http://internetparatodos.mx/) and #yosoyred (please visit http://yosoyred.com/). Their goal has been to avoid this reform imply a decrease on the freedom of expression related to issues like content censorship and blocking internet, twitter hashtags, blogs, or communities alleging national security reasons.

Organizations are, on the other hand, seeking that communications regulations permit the possibility to surpass the information technology and communication (tecnologías de la información y comunicación- TIC) gaps existing in Mexico.

The topic of freedom of expression has for the past years been affected by circumstances that are not necessarily related to legal aspects. In spite of the constitutional guarantees mentioned above, the international treaties of which

---

Mexico is signatory, and the means of telecommunication reform, freedom of expression in Mexico has been limited due to the situation the country is going through in relation to drug trafficking increase. Opinion leaders and reporters find themselves immersed in an environment of fear against retaliation by the drug cartels. Citizen safety is a circumstance that is directly linked to the capability of freedom of expression in the country. Newspaper notes are constantly denouncing this type of offenses. As an example, Animal Político website denounces that in the period running from the year 2000 through the year 2007, 70 reporters were assassinated by drug traffickers ([http://www.animalpolitico.com/2012/05/van-70-periodistas-asesinados-en-12-anos/#axzz39OBymk55](http://www.animalpolitico.com/2012/05/van-70-periodistas-asesinados-en-12-anos/#axzz39OBymk55)).

These deeds are due to situations or factors that, until now, had nothing to do with barriers in the legal framework on the subject. It is worth noting, that neither surveys and personal interviews, in general, indicated the inexistence barriers for freedom of expression. Therefore, the following chart gathers the prevalence on non-existence or the existence of some barriers in this area, and only 5% referred the existence of multiple barriers.

<table>
<thead>
<tr>
<th>Are there any non-legal barriers limiting CSO capabilities to freely express their opinions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>None 56%</td>
</tr>
<tr>
<td>Some 38%</td>
</tr>
<tr>
<td>Multiple 6%</td>
</tr>
</tbody>
</table>

Conclusions

Exercising freedom of expression in our country is not only dependent on an adequate regulatory framework. Factors exist, such as organized crime that threaten communicators and tarnish the possibility of a total expression exercise and the right to information. On the other hand, the regulatory framework has evolved and it has recently seen an important Telecommunications Reform. Nevertheless, it is premature to assess the effect of its implementation on the practice of freedom of expression.

Summary of Key Topics

- Need to disseminate information on the progress and challenges produced by the recent Telecommunications Reform
- Create observatories to follow up the events and regulations that are developing regarding the exercise of freedom of expression.
- Ensure that civic spaces to exercise of the right of freedom of expression are not diminished by the recent telecommunications reform.
DIMENSION No. 5: PEACEFUL ASSEMBLY

Both domestic legislation and international treaties of which Mexico is a part, consider the right to peaceful assembly and association. Article ninth of our Magna Carta, that is Mexico’s Constitution, provide:

Article 9. The right to assemble or associate peaceably for any lawful purpose cannot be restricted; but only citizens of the Republic may do so to take part in the political affairs of the country. No armed deliberative meeting is authorized.

No meeting or assembly shall be deemed unlawful which has for its object the petitioning of any authority or the presentation of a protest against any act; nor may it be dissolved, unless insults be proffered against said authority or violence is resorted to, or threats are used to intimidate or compel such authority to render a favorable decision.

In accordance with article 34 of the Political Constitution, citizen is to be understood as a person that has reached such status for being 18 years old, and has an honest means to support him/herself. Thus, should Mexican law be violated, or that individual has no honest means to support him/herself, citizen rights will be removed. This means that foreigners are able to participate in meetings if and when they have no political purpose, to avoid intervention in domestic issues.

The right to peaceful assembly includes labor unions. The undivided rights of freedom of expression and information; access to public information; public participation; defense of rights; peaceful protest, have been ratified by Mexico as a member of International Conventions and Treaties, such as:

Thus, in accordance with the Mexican legislation, individuals are free to meet for licit purposes and, therefore, only forbidden are those meetings with a purpose to affect public security and peace.

To accept and acknowledge a workers strike, prior notice must be submitted to Secretariat of Labor and Social Assistance (Secretaria del Trabajo y Previsión Social – STPS). The first step is to call on a strike. That is, there needs to be prior notice that should no agreement be reached, the strike would begin. In order to illustrate this point, the report by Secretariat of Labor and Social Assistance (Informe de la Secretaría del Trabajo y Previsión Social)\textsuperscript{15} shows there were 9,122 calls to strike during 2013, of which a strike existed for 18 of them only. To initiate a workers strike, the call is a warning by the workers union that, should no negotiation favorable to the interest of workers be reached, the workers strike would take place. Thus, out of over nine thousand notices on a possible strike, only 18 became effective according to the above mentioned report.

Demonstrations, protests, or other means of public expression are also to abide by legal regulations, which support the freedom to carry them out, if and when their purpose is a peaceful one.

Whenever some demonstrations have turned aggressive or violent, governments have managed them through contention, as is explained below, and although in isolated cases individual police members have been involved in aggressions, police forces have a protocol that does not permit violent dispersion. It is worth to remember that tolerance to citizen demonstrations on the part of the government has not always existed in the Mexican contemporary history. It was particularly in 1968 that the government launched a violent repression of the student movement.

Nevertheless, as the regime has democratized itself demonstrations by the various social movements using demonstrations, street blocking, and sit-in protests are a daily experience, as is later exemplified, particularly for Mexico City dwellers. Recent examples of these demonstrations are those that daily take place in the city, like the one against the telecommunications initiative on April 8, 2014\textsuperscript{16}.

\begin{footnotes}
\item[15] Please visit reports in the web site for Secretaría del Trabajo y Previsión Social http://www.stps.gob.mx  
\item[16] La Jornada newspaper, April 28, 2014, p. 41
\end{footnotes}
Minimal requirements are established by the General Law for the Public Security System (Ley General del Sistema de Seguridad Pública). And, initially, regarding the capital city, a 48-hour advance notice must be given to the Secretariat of Public Security for the Federal District (Secretaría de Seguridad Pública del Distrito Federal - SSPDF) to be able to prepare for the possible traffic problems in the City and guard these demonstrations. In other states, there are similar regulations, all of them based on the General Law for Citizen Security System, and the General Laws for Public Security in the states of Puebla, Jalisco, Tabasco, and State of Mexico to mention only a few. Limitations to the constitutional right of peaceful assembly are explained below.

According to newspapers, during the year 2012 Mexico City had a total of 7,319 demonstrations, while during the year 2013 there were 7,910 against other states in the Republic where there were less demonstrations compared to those occurring in Mexico City, as is further ahead explained. With respect to Mexico City, given the everyday large amount of demonstrations, several legislative initiatives have been suggested in order to regulate demonstrations and try to have them take place in public areas, to avoid affecting the development of activities in various areas of the city. One of them was the Bill to Regulate Protests and Marches along Streets in Mexico City (Iniciativa con Proyecto de Decreto por el que se Crea la Ley que Regula las Manifestaciones y Marchas en Vía Pública en el Distrito Federal) was submitted by Partido Verde Ecologista on November 13, 2012. Nevertheless, and in spite of having certain support by the capital city dwellers suffering the effects of demonstrations, none of the initiatives so far have been successful.

Somehow, there seems to exist a certain omission on exercising authority in relation to specific vandalism actions, which constitute local offenses, such a theft, damaging stores and third party property that eventually happen during demonstrations. Citizens are poorly informed on the course of the legal process against those committing vandalism actions. A recent sample of a failing legal process is the day that Peña Nieto President took office on September 1st, 2012. Police members detained members of the demonstration due to vandalism actions. In spite of having all the evidence in video recordings, for actions of theft, damaging stores and third party property, 56 of those initially detained

---

18 CNN note: “Manifestantes en 14 estados se unen a la protesta de la CNTE” September 11, 2013
were liberated and 13 individuals were prosecuted and taken to court, but no information was provided on media about the result of such court process.  

On March 25, 2013 the Government of Mexico City published in their Official Gazette (*Gaceta Oficial del Distrito Federal*) the “Protocol for Police Actions of the Secretariat of Public Security to Control Crowds”. This instrument states that in case of a demonstration, police members must initially call the group members and advise not to block any streets or avenues; and as final option, should an individual with an disorderly, aggressive or violent conduct be detained, the use of force be considered to isolate and separate such individual from the crowd.

Such protocol has not been enacted by the Mexico City government, which is the location where demonstrations are more frequently organized, even by protesters or demonstrators against the government of other states. Such is the case of street and avenue blockings by a segregated section of the Teacher’s Union, Coordinadora Nacional de Trabajadores de la Educación (CNTE) that took place several days in the course of the year 2013. They were protesting against the Educational Reform, and causing traffic chaos in various parts of the city where Mexico City authorities opted for permissiveness. CNTE blocked for 50 days the area of the Monument to the Revolution and immediate areas, and caused businesses to close and affecting the right to access to streets and sidewalks of individuals in the area.

The Constitution provides for situations in which the exercise of civil rights, such as the right of assembly, can be restricted, and such limitations imposed by the authority are conditioned to those cases in which public order is disturbed, and in which the rights are suspended as mentioned in the following article:

**Article 29.** In cases of invasion, serious breach of the peace, or any other event which mightplaces society in serious danger or conflict, only the President of the Mexican United States, with the approval of the Congress of the Union or the Permanent Commission when the former is not convening, may restrict or suspend the exercise of the rights and guarantees that are an obstacle to control the situation quickly and easily, either all over the country or on specific locations; however, this must be for only a limited period of time, through general preventive measures and

---


20 Aldaz, Penelope and Ruth Rodríguez, Article: “Se repliega la CENTE: Libera Vialidades” El Universal newspaper, November 11, 2013.
not have the restriction or suspension imposed only on a specific individual. Should the restriction or suspension needed to take place when Congress convenes, the latter is to grant the authorizations considered necessary for the Executive to face the situation; however should it happen at a time of Congress recess, Congress must immediately be called to convene to provide a decision.

Decrees issued are not to restrict nor suspend the exercise of the rights of non-discrimination, acknowledgement of legal personality, right to live, personal integrity, family protection, name and nationality, the rights of children, political rights, freedom of thought, conscience and religion, the principle of legality and retroactivity, the prohibition of the death penalty, the prohibition of slavery and servitude, the prohibition of forced disappearance and torture, or the judicial guarantees that are indispensable to protect such rights.

Restriction or suspension of the exercise of rights and guarantees must be based and motivated by the terms established by this Constitution, and be proportional to the danger to be faced, always bearing in mind the principles of legality, rationality, proclamation, publicity and non-discrimination.

When the restriction or suspension of the exercise of rights and guarantees terminates, be it because the term is completed or because it is so decided by Congress, all legal and administrative steps taken during that period must be immediately ineffective. The Executive cannot protest the decree by means of which Congress revokes the restriction or suspension.

Decrees issued by the Executive during the restriction or suspension are to be reviewed as a rule and immediately by the Supreme Court of Justice for the Nation, which must as soon as possible decide its constitutionality and validity.

The right of peaceful assembly that has been exposed above can be seen tarnished by the adoption of the so-called #LeyBala in the states of Chiapas, Puebla and Quintana Roo. This type of regulation is concerning because it allows police forces to use fire arms and other non-lethal weapons to disperse demonstrations.

On May 19 of current year the state of Puebla published in its official daily, the “Law to protect Human Rights and Regulate the Legitimate Use of Force by Members of the State Police Forces” (Ley para Proteger los Derechos Humanos y que Regula el Uso Legítimo de la Fuerza por parte de los Elementos de las
Instituciones Policiales del Estado). This responds to a peaceful demonstration by dwellers of San Bernardino Chalchihuapan, a small town along the Puebla-Atlixco toll road, which was dispersed with 12 mm rubber bullets and other artifacts that produced around 50 wounded. They are undoubtedly putting at risk individual guarantees and it is expected that with the support of other organizations and bodies, this trend will be reverted, probably among other reasons, by constitutional controversies.

"In the Puebla case, demonstrations by educators and producers that, opposing mine-extracting, hydraulic, and hydrocarbon pipe-laying projects, have already had three leaders detained for unclear reasons or for no reason at all. A law has also been decreed to allow police to even use fire arms to repress public demonstrations."

Comments obtained from survey applied.

This recent topic has called the people’s attention. Nevertheless, the perception that freedom to demonstrate exists is prevailing. At the question posed below it can be seen that most of those surveyed consider there are no cases of violence, or there are some isolated cases against peaceful demonstrators. Only 6% mentioned that these were frequent and 11% accepted to be unaware on the topic.

This is also worth an analysis from the perspective of the international treaties or agreements of which Mexico is a part of, to be able to infer the intention of congruence with the constitutional guarantee of freedom of peaceful assembly. Now referring to international instrument where Mexico is signatory, they are many and of diverse nature. Following are some of them, which in principle
shows the interest in the compliance with international standards related to human rights.

Those of a Regional Nature:

Civil and Political Rights
- Extradition Convention (OAS, Montevideo, Uruguay, December 26, 1933).
- Inter-American Convention on The Forced Disappearance of Persons (OAS, Belem, Brazil, June 4, 1999).

Economic, Social and Cultural Rights

Prevention of Torture
- Inter-American Convention to Prevent and Punish Torture (OAS, Cartagena de Indias, Colombia, December 9, 1985).

Right of Assylum
- Asylum Convention (OAS, La Habana, Cuba, February 20, 1928).
- Political Asylum Convention (OAS, Montevideo, Uruguay, December 26, 1933).

Rights of Women
- Convention on the Nationality of Women (OAS, Montevideo, Uruguay, December 26, 1933).
- Inter-American Convention on the Granting of Civil Rights to Women (OAS, Bogotá, Colombia, April 30, 1948).
• Inter-American Convention on the Granting of Political Rights to Women (OAS, Bogotá, Colombia, May 2nd, 1948).
• Inter-American Convention on the Prevention, Punishment, and Eradication of Violence Against Women "Convention of Belem do Pará" (OAS, Belem do Pará, Brazil, June 9, 1994).

Rights of Children
• Inter-American Convention on Conflict of Laws Concerning the Adoption of Minors (OAS, La Paz, Bolivia, May 24, 1984).
• Inter-American Convention on International Traffic in Minors (OAS, México, D.F., March 18, 1994).

Discrimination
• Inter-American Convention on the Elimination of All Forms of Discrimination Against Persons with Disabilities (OAS, Guatemala, June 7, 1999).

Those of a Universal Nature

Civil and Political Rights

Economic, Social and Cultural Rights
• Convenio on Biological Diversity (UN, Rio de Janeiro, Brazil, June 5, 1992).
**Torture**
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (UN, New York, U.S.A., December 10, 1984).

**Conclusions**

Generally speaking, the freedom of peaceful assembly exists. Along the year, particularly in Mexico City, our capital city, thousands of demonstrations take place. CSOs' perceptions are divided in relation to such freedom. On the other hand, because of recent events CSOs are alert to the steps that local governments have implemented in order to maintain public order, given the lack of governability in some locations due to insecurity created by organized crime. In this sense, one has to be aware of any law enactment that may go against the freedom of peaceful assembly.

**Summary of Key Topics**

- Following up the Laws that Regulate Public Order and act as observer of their implementation

- Fostering the establishment of human rights organizations

- Strengthening of organizations devoted to human rights
The relations among Governments in the various areas, federal, state and municipal with CSO, are complex; this work is limited to the referral of some general topics for such relationship that may offer a general idea.

Generally speaking, the perception organizations have is mostly that of a harmonious relation. Nevertheless, one third considers it controversial and 8% even considers it antagonistic.

There is no doubt that the growing importance of the CSO sector and its relationship with the various levels of government lies in the vocation of service CSOs have in order to collaborate to the social development of the country. Actions by these organizations is reflected in the country’s Gross Domestic Product and in the Satellite Account for Not-for-Profit Institutions statistics kept by INEGI. The report indicates that Not-for-Profit Social Institutions represented 0.71% in 2008. The growing importance of CSOs in the economic area will permit a better government acknowledgment.

Flow of resources is not only directed from the government to CSOs, a topic that has been discussed in Dimension No. 3, but CSOs also devote resources to governments in their various levels. For instance, Fundación Gonzalo Río Arronte, I.A.P. (Gonzalo Río Arronte Foundation) has the mission to support public health. By serving its mission, this foundation reported in its Annual Activity Report for 2012-2013 granting in a single year the amount of $181,136,286.50 pesos (approximately equivalent to $13,933,560.50 USD) to public health entities such as hospitals and specialty institutes.

---

21 ‘Cuenta Satélite de instituciones Sin Fines de Lucro de México’ INEGI, 2008
22 Informe Anual de Actividades 2012-2013 published by Fundación Gonzalo Río Arronte, México DF.
Something that is also interesting about government-CSO relations is the possibility of participating in public policy making and the legislation process. In the course of a decade, the main political parties presented various initiatives for constitutional reform on the political system of the country. Academic institutions like CIDE, collective organized movements like the one called #ReformaPoliticaYa participated in the discussion and offered specific proposals by lobbying before the Legislative\(^\text{23}\). In this sense, one of the results of the political reform published in the Official Daily on August 9, 2012, is to offer tools so that citizens or their organizations are able to exercise the right to submit bill projects before the House of Representatives, Congress, the local Congresses, and the Mexico City Legislative Assembly.

It is in this way that the possibility consigned in the Political Constitution of the Mexican United States exists for a group of citizens to submit a bill project before legislators, to be studied and discussed, and should it be the case, approved. Article 35 is herein transcribed:

**Article 35.** The citizen has the rights to:

VII. Initiate laws, as per the terms and with the requirements stated in this Constitution and the law of Congress.

According to the current text of Constitutional article 71, the right to initiate laws does not only correspond to the President of the Republic, the Members of the House of Representatives (*Diputados*) and the Senators in the Congress of the Union; the States’ Legislatures, but also to the citizens in an amount equivalent to, at least, 0.13% of the nominal voters list, as per the terms of the laws. The nominal voters list refers to those voters having the voters’ registry ID, whose number is approximately estimated to be close to 76 million.

Secondary laws on articles which more clearly define the process to submit a citizens bill project, or one by the CSOs, are still pending being promoted by collective movements such as #Reformapolitica\(^\text{24}\), and an important effort in


the institutional architecture is needed so citizens and their organizations can effectively make use of the right to influence legislation process. Opportunities are slowly being opened to organized citizens themselves to submit bill projects. Based on the Constitutional Reform, on February 23, 2013 the first citizen initiative was submitted to the legislative, under the name “Internet para Todos”

On the other hand, the last Reform to the Income Tax Law (December 2013) also creates an area for authorized donees to be able to undertake lobbying activities, if and when such activities are not paid and are not conducted in favor of individuals or sectors that have granted donations.

Apart for the regulatory framework permitting lobbying or influencing actions in public policies, institutionalized dialog mechanisms are transcendental to have CSOs participate in decision making processes.

There are diverse spaces that vary from public consultation, consultative forums, audiences, to multi-sectorial work groups. Possibilities are many. As an example reviewing all contents in the Indesol Bulletin that is published in the following web site: www.indesol.gob.mx is recommended. Nevertheless, it is frequent that organizations themselves are skeptical to the impact of their participation in such spaces. Institutionalized or formal spaces offer opportunities to participate in decision making processes, which adopt different forms. Among them, CSO participation is frequently presented through Committees or Consultative Boards.

In the past few years, Consultative Boards established by the federal government have represented a step forward in the consolidation of the government-civil society relationship. While its character is only to assess and not to deliberate, most of the organizations have a perception that a true incidence in public policies participation is far from being a reality. Most of the organization, a 45% of organizations consulted showed skepticism related to a possibility that government consulting with CSOs are translated into an effective influence, as can be seen in the following chart. However, a small margin of 42% shows that the opinion of the organization is that some decisions will consider such participation. Only 13% have the perception that the consultations are positive.

---

25 Please visit: http://internetparatodos.mx/
The following phrase expressed during a personal interview, is representative:

“The Government does consult, but does not take you into consideration at all.”

Interview

In spite of the limitations, and given the consultive nature of the boards, these represent a certain threshold of opportunity for CSOs, particularly for those with an inclusive and representative character of the sector’s interests in the national area, to follow up on public policies and have an influence on them.

Given the short term the life of some of these boards have had, it would not be fair to offer concluding opinions on the favorable quality or the failure of these boards, particularly referring to the possibility of an effective participation in public policies. It is a fact, nevertheless, that those organizations that are more involved in dialoguing with the government are trying to improve participating mechanisms.

A mention must be made on the fact the Promotion Law establishes as a right for CSO to participate in public policies in accordance with its sixth article fraction XI. Derived from this law, two bodies that are of interest to organizations were created: (Commission for the Promotion of the Activities conducted by Civil Society Organizations (Comisión de Fomento de las Actividades de las Organizaciones de la Sociedad Civil) and the Technical Advisory Board of the Law on Promotion (Consejo Técnico Consultivo de la Ley de Fomento).

The Commission for the Promotion of CSO is composed by representatives from Secretariat of the Treasury and Public Credit (SHCP), Secretariat of the Interior (SEGOB), Secretariat of Social Development (SEDESOL) and Secretariat of Foreign Affairs (SRE), and its purpose is to facilitate the coordination in the design, implementation, follow up, and steps to foster CSO activities.
“Before this Law we had no information on how much the government supported organizations. Now, at least, they have an obligation to report.”

Interview

The second organization, the Technical Advisory Board (Consejo Técnico Consultivo), is an assessment and consultation body of an honorary type. It is composed by nine representatives from the academic, professional, scientific and cultural sectors; two representatives from the Federal Legislative Power, both the House and the Senate. They have a 3-year position. The purpose is to propose, render opinion, and issue recommendations related to administration, direction, and operation of the Registry, as well as render a joint report with the Commission of actions and policies of fostering CSO.

Ten years after enactment of Promotion Law, through clear and shady areas, some progress in the federal government-CSO relationship can be seen. According to article 12 in Law, Secretariat of Social Development (SEDESOL) is in charge of maintaining the link with Federal Public Administration agencies and entities in relation to gathering information on encouragement and support given to CSOs.

In the past regimes, governments have pretended to grant relevance to boosting citizen participation in public policies through the establishment of multiple Consultive Boards. The table below shows some of the government boards in which CSO representatives are integrated, in order to maintain the government-civil society relationship.
<table>
<thead>
<tr>
<th>Board</th>
<th>Agency or Entity</th>
<th>Legal Framework</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consejo Consultivo Ciudadano de Desarrollo Social</td>
<td>Secretaría de Desarrollo Social (SEDESOL)</td>
<td>AGREEMENT by which Consejo Consultivo Ciudadano de Desarrollo Social is established as a consulting body of Secretaría de Desarrollo Social.</td>
<td>DOF (Official Daily of the Federation) * 7-XII-1998 abrogated DOF 20-VI-2004</td>
</tr>
<tr>
<td>Consejo Consultivo de Desarrollo Social</td>
<td>Secretaría de Desarrollo Social</td>
<td>DECREE by which Consejo Consultivo de Desarrollo Social is created.</td>
<td>DOF 20-VI-2004</td>
</tr>
<tr>
<td>Consejo Técnico Consultivo (CTC)</td>
<td>Comisión de Fomento a las Actividades de las Organizaciones de la Sociedad Civil</td>
<td>Ley Federal de Fomento a las Actividades Realizadas por Organizaciones de la Sociedad Civil</td>
<td>DOF 9-II-2004</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulations for Comisión de Fomento a las Actividades Realizadas por Organizaciones de la Sociedad Civil</td>
<td>DOF 23 XI-2004</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulations for Ley Federal de Fomento a las Actividades Realizadas por Organizaciones de la Sociedad Civil</td>
<td>DOF 7-VI-2005</td>
</tr>
<tr>
<td>Consejo Ciudadano Consultivo</td>
<td>Sistema Nacional para el Desarrollo Integral de la Familia (SNDIF)</td>
<td>Ley de Asistencia Social</td>
<td>DOF 2-IX-2004</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulations for Consejo Ciudadano Consultivo del Sistema Nacional para el Desarrollo Integral de la Familia</td>
<td>DOF 29-XI-2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DECISION to publish a public bid to elect members of Civil Society Organizations (CSO) to become members of Consejo Ciudadano Consultivo del Sistema Nacional para el Desarrollo Integral de la Familia for the period 2006-2009</td>
<td>1-III-2007</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DECISION by means of which Consejo Consultivo Nacional and six Regional Consejos Consultivos are created.</td>
<td>DOF 21-IV-1995 Reforma 21-XI-2002</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DECISION by means of which Consejo Consultivo Nacional, six Regional Consejos Consultivos and thirty two Consejos Consultivos Núcleo para el Desarrollo Sustentable are created</td>
<td>DOF 14-III-2008</td>
</tr>
<tr>
<td>Organization</td>
<td>Secretariat/Department</td>
<td>Description</td>
<td>Date</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Consejo Nacional para la Prevención y Control del SIDA</td>
<td>Secretaría de Salud (SS)</td>
<td>DECREE by means of which Consejo Nacional para la Prevención y el Control del Síndrome de la Inmunodeficiencia Adquirida is reformed, and the one creating Consejo Nacional para la Prevención y Control del Síndrome de la Inmunodeficiencia Adquirida, published August 24, 1988 is abrogated.</td>
<td>DOF 3-VI-2001</td>
</tr>
<tr>
<td>Consejo Mexicano para el Desarrollo Rural Sustentable</td>
<td>Secretaría de Agricultura, Ganaderia, Desarrollo Rural, Pesca y Alimentación (SAGARPA)</td>
<td>Ley de Desarrollo Rural Sustentable</td>
<td>DOF 7-XII-2001 Reforma 02-II-2007</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal By-laws for CONAPASE</td>
<td>DOF 2-XII-1999</td>
</tr>
</tbody>
</table>
One of the most recent participation areas is “Dialog Mechanism of Civil Society Organizations” (Mecanismo de Diálogo de las Organizaciones de la Sociedad Civil) sheltered by Secretariat of the Interior in accordance with Decree published in the Official Daily of the Federation in the year 2012. Outside of organizing some events, in practice this space has not been able to the desired results to enable a better framework for organizations. This means that no public policy can be attributed to negotiations by this means so far.

Another aspect of interest refers to the possibility of having CSOs participate in the political or electoral process. Although the political electoral reform is forthcoming, it may be said that CSOs in Mexico have limitations in their possibility to participate in political-electoral activities, particularly when they receive public subsidies or incentives.

Organizations authorized to receive tax deductible donations, or those inscribed in the Federal Registry in accordance with Law on Promotion, are banned from participation in political party activities, including electoral processes.

Organizations receiving no government incentives or encouragement sometimes participate as observers in electoral processes, and they receive great visibility and produce an impact, as is the case of Alianza Cívica, A.C.

“Every 6-year term begins with new practices and provisions; but processes have not been institutionalized and there is no continuity.”

“Only a few government instances have accepted a dialog; other (ex.: SAGARPA) do not even take into consideration the work performed by CSOs. In SEDESOL, it takes place through INDESOL and the Collegial Body [Technical Consultive Board] created by the Promotion Law; in SEGOB, it is beginning through Mecanismo de Vinculación; at SSA, through CSOs recognized with the Acción Volunaria y Solidaria Award.

“This is frequently sterile; a lot of word, few proposals, and nothing gets done. Little importance is given to CSOs needs.”

Comments taken from interviews.
Conclusions

Perception on the Government relations is divided. The general view coincides that the Government has a controversial and even antagonistic relationship. But there are organizations that perceive the relation as one of cooperation and harmony.

Summary of Key Topics

- Promote effective mechanisms for CSO participation that allow participation in public policies
- Organizations’ participation in federal and state governments budgeting
- Increase Government transparency and accountability for funds granted
- Increase fostering by state governments
- Avoid discretionality in public funds granting by subjecting them to CSO rules of operation
- Increased government-CSO collaboration through alliances and agreements
In the Mexican taxing system, income tax (Impuesto sobre la Renta - ISR) is one of the major contributions to tax collection that the Government uses to support public expenditures. In the Income Tax Law determines the contributions to be levied to either individuals or corporations.

One of the strategies employed by the government to stimulate specific sectors, according to their importance, is tax reduction or exemption. In this section, an a general explanation of such tax incentive to CSO is given.

Depending on the type of organization, fiscal incentives and certain type of prerogatives may be provided. Title III of the Income Tax Law refers to Not-for-Profit Organizations. Article 79 describes those organizations that are, in principle, considered as tax exempted, among which some CSOs such as associations for neighborhood development, author’s rights, professional colleges, labor unions, among other are included.

Also included in this section of the Law are not-for-profit organizations with activities that because of the benefit to the community, apart from being tax exempted, are eligible to receiving tax deductible donations in compliance with the established requirements. These institutions are usually called “authorized donees”, and they are not-for-profit associations, private assistance institutions or trusts that have been authorized by the Tax Administration System (Sistema de Administracion Tributaria .SAT). In the fiscal year of 2013, over all the country only 7,902 associations hold such status. This represents approximately seven organizations for every 100,000 inhabitants.

Donees cannot distribute their profits and, in case of dissolution, their endowment must be transferred to another authorized donee. Should there be a case that it is also inscribed in the Federal Registry, in accordance with the Law on Promotion, whenever liquidated it must also transfer all its properties to a donee that is as well registered in the Federal Registry.

Thus, tax exemptions are only granted to certain CSO categories. The Fiscal Reform that recently took place, as well as the last reform to the Income Tax Law that was published in the Official Journal on December 11, 2013. As a result of this reform to the Income Tax Law, the corporate purposes to accept authorize donees were expanded.

The following CSO categories can be authorized to receive tax deductible donations:
A) Welfare institutions whose population is composed by individuals, sectors and regions, with low income, native communities or age, gender, or handicapped vulnerable groups, whose activities are centered in:
- Serving the basic subsistence requirements for food, clothing or shelter.
- Medical assistance or rehabilitation
- Legal assistance
- Alcohol and drug addicts rehabilitation
- Funeral services support
- Social consulting on health, family, food, or the prevention of intra-family violence
- Eliminate economic exploitation to children, dangerous labor for children, and promote education or training for labor
- Support for the development of native peoples and communities
- Provision of services to serve social groups of handicapped individuals
- Actions to promote an improvement in popular economy

B) Social development:
- Promotion to citizens’ organized participation in actions to improve their own subsistence conditions to benefit the community, or the promotion of actions related to citizen security
- Support to defend and promote human rights
- Civic activities oriented to promote citizen participation in public interest issues
- Promotion to gender equality
- Promotion of sustainable development at a regional and community level, in urban and rural areas
- Participation in civil protection actions
- Rendering support services to create and strengthen CSOs in agreement with Federal Promotion Law
- Promotion and defense of consumers’ rights

C) Educational, that have been authorized or have official validity recognition as per the terms of the General Education Law

D) Scientific or technological research institutions inscribed in the National Registry of Scientific and Technological Institutions

E) Cultural
F) Environmental
   • Wildlife conservation
   • Support to natural resources benefits
   • Environmental balance preservation and restoration
   • Environmental education

G) Scholarships

H) Grant making entities of other authorized donees

I) Support to public works and services, through agreements with public entities

One of the changes that has been seen along the past years, has been the provision of more open information to the general public on the procedure to receive tax deductible donations, and it may be consulted in the following web site: www.sat.gob.mx/terceros_autorizados/donatarias_donaciones/Paginas/autorizacion_donativos.aspx

Apart from having informative texts, it contains a sample of for by-laws that may serve as model for other organizations. While this research was taking place, the specialized telephone line service was established.

CSOs have the possibility to support themselves through various income sources: donations, subsidies, investment interests, sale or lease of real estate property, as well as self-generated resources such as the sale of services or products.

Organizations authorized to receive tax deductible donations have some limitations. However, authorized donees may perform activities that are complementary to their purpose, as long as all the income received is devoted to fulfill such purpose. Article 80 states that:

Corporations and trusts that have been authorized to receive tax deductible donations may also obtain income for activities that are different to the purpose that created them, if and when such income does not surpass 10% of their total income in the fiscal year in question. Not considered as income for activities different to those specified, those received as donations, support or encouragement provided by the Federation, by federal entities or municipalities; by the sale of their property in their assets or intangibles; membership fees; interests; patrimonial rights derived from intellectual property; temporary use or beneficial use of real estate property; or yields obtained from stock or other credit titles sold to investors in accordance with
the terms which by means of general character rules are determined by the Tax Administration Service. In case that income not related to the purpose for which the organization was created, in order to receive such donations that exceed the indicated limitation, the mentioned corporations are to consider the income tax that corresponds to such excess, in accordance with provisions in the above paragraph.

Thus, donees must pay income tax in case income due to activities not related to their corporate purpose is received; that is, whenever their commercial activities surpass 10% of their income. In spite of the issuance of the Decree that compiles miscellaneous fiscal benefits and provides for administrative simplification measures published December 26, 2013, the same indicates that tax exemption to support the economy for these organizations will become effective until the year 2015.

Given the recent Fiscal Reform, the factibility of short term changes in provisions in the Law itself is rather low. Nevertheless, changes directed to an improved administrative simplification are expected. For example, the obligation to submit a fiscal opinion by an authorized CPA will be eliminated in the year 2015. Expected is also a modification to the Regulations to the Income Tax Law. Nevertheless, the initiative has not yet been known. Expected is the possibility to have one of the changes refer to the 5% limitation on administrative expenses that is allowed for authorized donees.

Apart from the income tax there are other taxes and duties that are of interest to CSOs. This is the case of the Value Added Tax (IVA) and custom duties for foreign trade operations.

Regarding the Value Added Tax, all activities related to sale of property, rendering of services, granting temporary use of property, that is rentals, and property or services importation, are subject to taxation.

It is for this reason that, regardless of the type of organization in question, whenever any of the mentioned activities are performed, unless tax exempted, the Value Added Tax must be paid.

There are also Value Added Tax exemptions. According to articles 8 and 15 of the Law in question, the following activities are not taxed:

a. Those rendered without charge, except when beneficiaries are the members, partners or associates of the corporation rendering the service.

b. Those given to its members as regular collaboration for their fees, if and when the services rendered are only related to their own purposes. In the case of civil
associations or societies, organized for scientific, political, religious and cultural purposes; except for those that render services in sports facilities when the value of these represent over 25% of the total in the facilities.

c. Public entertainment
d. Professional services in the field of medicine, when rendering such services requires a professional MD title in accordance with the law, if and when those services are rendered individually or through civil societies.

Organizations may also have Access to tax exemptions to foreign trade, on donations in kind received from overseas; if and when the appropriate requirements and procedures are complied with. There is even a mechanism for donation through the federal fiscal office, by means of which not only is the tax exemption permit in an expedite manner but also import processes are simplified and the need to have a customs broker may be avoided.

On the other hand, apart from federal or national taxes, CSOs are also subject to local taxes, both state and municipal. Among those taxes is the property tax, the payroll tax, the real property acquisition tax. On the possibility for organizations to have access to incentives on these taxes, it may be said that, the various states composing the Mexican Republic, organizations that have been incorporated as private assistance institutions, have received the payroll tax deduction.

Civil society organizations, both civil associations and private assistance institutions, located in the Federal District may have access to a 100% tax reduction for Federal District taxes, such as property tax, acquisition of real estate tax, and payroll tax, according to articles 283 and 282 of the Fiscal Code for the Federal District. Some states in the country, like Sinaloa and Jalisco, offer only payroll tax exemption.

In relation to the states, organizations do not provide in their comments, or in the survey or the personal interviews, the possibility to have local governments grant incentives, and comments are only referred to the federal government.
Although there has been significant progress in the above mentioned topics, the mention of specific items, like those following, is highlighted as expressed in the following comments:

"Increase fiscal incentives and establish less restrictions to possible donors, to reward those that help."

"Tax deductible receipts must favor donors, to make donation attractive."

"Eliminate non deductible expenses representing benefits granted to workers; expand the 5% for administrative expenses; and increase the 7% limit on corporate donations, that corporations offer from their profits, to donees."

Comments received during survey.

Conclusions:

The taxing system CSOs are subject to, has a bearing on their sustainability. As an example, to be considered an authorized donee and have the possibility to receive fiscal incentives like offering corporate deductibility on donations, either for companies or individuals, is fundamental to obtain resources to perform and comply with works and services proposed. Progress has been made towards administrative simplification to obtain such authorization, such as expanding corporate purposes, distribution of a by-laws model, having an orientation and guidance hotline, a shorter processing time. Nevertheless, some important challenges are still to be solved, such as the difficulty to obtain work accreditation evidence on the part of government entities. The growing trend to increase fiscal obligations and the difficulties to comply with them, may hinder the achievements that have so far been reached.
• Expand or eliminate the 5% limitation expenses permitted for administrative purposes
• Increase the 7% that corporations grant from their profits to donees
• Eliminate non-deductible expenses on benefits granted to workers
• Acceptance of Cluni as accreditation for work in the process to obtain the authorized donee status
• Increase administrative simplification

GENERAL CONCLUSIONS

In the field of institutional development, Mexico is a country with a large diversity of organizations. Some states in the Republic have an extremely reduced number, or are devoted to everyday tasks with no immediate preparation or interest to participate in the agenda to improve the regulatory framework for the sector, or participate in public policies.

The perception of people surveyed or interviewed for this work, showed a variety of answers not only due to personal experiences but also to information such person may have. Related to perception regarding challenges faces by the sector with respect to the regulatory framework that may encourage its development has been in many cases dissimilar.

Nevertheless, if each one of the dimensions is analyzed, generally speaking the environment seems to be enabling or partially enabling for the development of organizations, as they identify the challenges that in the future represent reachable areas of opportunity.

This research compiles novelty data and information that allow the view of new horizons and challenges, and to propose positions in which a common front is sought by creating the necessary synergies by means of the expression of the various dimensions tackled.

In summary, this study offers a space for opportunity and continuity for exchange and reflection to perform joint actions in the future.
IV BIBLIOGRAPHY AND SOURCE DOCUMENTS CONSULTED

A) BIBLIOGRAPHY

Acuerdo la Secretaría de Desarrollo Social del Gobierno de la Ciudad de México y el Colegio de Notarios del Distrito Federal


CASTRO, Consuelo, Disposiciones Legales y Fiscales de las Organizaciones de la Sociedad Civil en México, CEMEFI, México, 2005.


Informe de Actividades 2012-2013, Fundación Gonzalo Río Arronte, I.A.P., México 2013


PIÑAR MAÑAS, José Luis (director) et. al., *El Tercer Sector Iberoamericano: Fundaciones, asociaciones y ONGs*, Tirant Lo Blanch, España, 2001.


B) LEGISLATION CONSULTED

- Código Civil para el Distrito Federal (CCDF)
- Código Civil de los Estados Unidos Mexicanos
- Código Civil (CC) del Estado de:
  - Aguascalientes
  - Durango
  - Nayarit
  - Sonora
  - Baja California
  - Guanajuato
  - Nuevo León
  - Tabasco
  - Baja California Sur
  - Guerrero
  - Oaxaca
  - Tamaulipas
  - Campeche
  - Puebla
  - Tlaxcala
  - Chiapas
  - Jalisco
  - Querétaro
  - Veracruz
  - Chihuahua
  - México
  - Quintana Roo
  - Yucatán
  - Coahuila
  - Michoacán
  - San Luis Potosí
  - Zacatecas
  - Colima
  - Morelos
  - Sinaloa
  - Hidalgo
  - Código Administrativo del Estado de Chihuahua
  - Código Fiscal de la Federación
  - Constitución Política de los Estados Unidos Mexicanos
  - DECRETO que compila diversos beneficios fiscales y establece medidas de simplificación administrativa publicado en el Diario Oficial de la Federación.
  - Ley Aduanera
  - Ley del Impuesto al Valor Agregado
- Ley del Impuesto Sobre la Renta (LISR)
- Ley de Instituciones de Asistencia Privada para el Distrito Federal (LIAPPDF)
- Ley de Instituciones de Asistencia Privada del Estado de México (LIAP México)
- Ley de Asistencia Social y Privada para el Estado de Quintana Roo
- Ley de Instituciones de Beneficencia para el Estado de Baja California (LIBP BC)
- Ley de Instituciones Beneficencia Privada del Estado de Nuevo León
- Ley de Instituciones de Asistencia Privada del Estado de Campeche
- Ley de Instituciones de Asistencia Privada para el Estado de Guerrero
- Ley de Instituciones de Asistencia Privada del Estado de Michoacán
- Ley de Instituciones de Asistencia Privada para el Estado Libre y Soberano de Puebla
- Ley de Instituciones de Asistencia, Promoción Humana y Desarrollo Social Privadas del Estado de Oaxaca (Decreto 312 Oaxaca)
- Ley de la Junta de Asistencia Privada del Estado de Chihuahua
- Ley para el Fomento y Regulación de las Instituciones de Asistencia Privada del Estado de Querétaro
- Ley sobre Fundaciones y Asociaciones de Beneficencia Privada para el Estado de Durango
- Ley del Impuesto al Valor Agregado (LIVA), in English, VAT
- Ley de Inversión Extranjera
- Ley General de Cambio Climático
- Ley General de Educación
- Ley General de Títulos y Operaciones de Crédito (LGTOC)
- Ley General del Sistema de Seguridad Pública
- Ley Federal de Fomento a las Actividades Realizadas por Organizaciones de la Sociedad Civil (Federal Law for the Promotion of Activities Undertaken by Civil Society Organizations) (Promotion Law)
- Ley de Fomento a las Actividades de Desarrollo Social de las Organizaciones Civiles para el Distrito Federal (LFADF)
- Ley de Fomento a las Actividades de Bienestar y Desarrollo Social para el Estado de Baja California
- Ley de Fomento a las Actividades de las Organizaciones Civiles del Estado de Morelos
- Ley de Fomento a las Actividades de las Organizaciones Civiles del Estado de Tamaulipas
- Ley de Fomento a las Actividades de Desarrollo Social de las Organizaciones Civiles para el Estado de Veracruz-Llave
- Ley que Regula el Otorgamiento de Recursos Públicos a las Organizaciones Sociales del Estado de Tlaxcala
- Ley de Fomento a las Actividades Realizadas por la Organizaciones de la Sociedad Civil en el Estado de Zacatecas y sus Municipios.
- Ley de Monumentos sobre Monumentos y Zonas Arqueológicos, Artísticos e Históricos
- Ley para Proteger los Derechos Humanos y que Regula el Uso Legítimo de la Fuerza por parte de los Elementos de las Instituciones Policiales del Estado
- Ley que Crea el Instituto Nacional de Bellas Artes y Literatura
- La Ley para la Protección de Personas Defensoras de Derechos Humanos y Periodistas
- Reglamento del Código Fiscal de la Federación
- Reglamento de la Ley del Impuesto al Valor Agregado
- Reglamento de la Ley del Impuesto Sobre la Renta (RLISR)
- Reglamento de la Ley Federal de Fomento a las Actividades Realizadas por Organizaciones de la Sociedad Civil
- Reglamento para las Instituciones de Asistencia Privada del Estado de Sonora
• Resolución Miscelánea Fiscal 2004
• Convention of the United States of America and the Government of the Mexican United States for the Avoidance of the Double Taxation and the Prevention of the Fiscal Evasion with Respect to Taxes on Income)
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Acronym</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asociación Civil</td>
<td>AC</td>
</tr>
<tr>
<td>Centro Mexicano para la Filantropía</td>
<td>CEMEFI</td>
</tr>
<tr>
<td>Comisión Nacional de Derechos Humanos</td>
<td>CNDH</td>
</tr>
<tr>
<td>Consejo Nacional para la Ciencia y la Tecnología</td>
<td>CONACYT</td>
</tr>
<tr>
<td>Diario Oficial de la Federación</td>
<td>DOF</td>
</tr>
<tr>
<td>Distrito Federal</td>
<td>DF</td>
</tr>
<tr>
<td>Impuesto del Valor Agregado</td>
<td>IVA</td>
</tr>
<tr>
<td>Institución de Asistencia Privada</td>
<td>IAP</td>
</tr>
<tr>
<td>Instituto de Desarrollo Social</td>
<td>INDESOL</td>
</tr>
<tr>
<td>Instituto Nacional de Estadística y Geografía</td>
<td>INEGI</td>
</tr>
<tr>
<td>Instituto Mexicano del Seguro Social</td>
<td>IMSS</td>
</tr>
<tr>
<td>Instituto Nacional de Mujeres</td>
<td>INMUJERES</td>
</tr>
<tr>
<td>Instituto Mexicano de la Juventud</td>
<td>IMJ</td>
</tr>
<tr>
<td>Junta de Asistencia Privada</td>
<td>JAP</td>
</tr>
<tr>
<td>Ley del Impuesto al Valor Agregado</td>
<td>LIVA</td>
</tr>
<tr>
<td>Ley del Impuesto sobre la Renta</td>
<td>LISR</td>
</tr>
<tr>
<td>Ley de Instituciones de Asistencia Privada para el Distrito Federal</td>
<td>LIAPDF</td>
</tr>
<tr>
<td>Organizaciones de la Sociedad Civil</td>
<td>OSC</td>
</tr>
<tr>
<td>Secretaría de Educación Pública</td>
<td>SEP</td>
</tr>
<tr>
<td>Secretaría de Hacienda y Crédito Público</td>
<td>SHCP</td>
</tr>
<tr>
<td>Secretaría de Relaciones Exteriores</td>
<td>SRE</td>
</tr>
<tr>
<td>Secretaría de Salud</td>
<td>SS</td>
</tr>
<tr>
<td>Servicio de Administración Tributaria</td>
<td>SAT</td>
</tr>
<tr>
<td>Sistema Nacional para el Desarrollo</td>
<td></td>
</tr>
<tr>
<td>Integral de la Familia</td>
<td>DIF</td>
</tr>
<tr>
<td>Organizaciones de la Sociedad Civil</td>
<td>OSC</td>
</tr>
</tbody>
</table>
ANNEX 1. INFORMATION ON PARTICIPATING ORGANIZATIONS

These participants permitted to take part either anonymously or mention the name of the organization they worked with. Following is the list of those who decided to be identified:

Albergue Estudiantil de Mocorito, I.A.P.

Amigos Sin Frontera, A.C.

Asilo Vivir de Amor, F.B.P. UNIFRAT, I.A.P.

Asociación Pro Personas con Parálisis Cerebral de Culiacán, I.A.P.

Asociación Pro-formación y Orientación de la Mujer, I.A.P.

Banco de Alimentos de Culiacán, I.A.P.

Banco de Alimentos de Los Mochis, I.A.P.

Capacitando con Valores, I.A.P.

Casa Down de Mazatlán, I.A.P.

Casa Hogar Abrázame, A.C.

Casitas Mazatlán, I.A.P.

Centro Comunitario Pro- Valores Los Alamitos, I.A.P.

Centro Médico San Vicente, I.A.P.

Centro Ocupacional y Recreativo, I.A.P.

Centro Terapéutico Emmanuel, I.A.P.

CESDER-PRODES, A.C.

Cinco Panes y Dos Peces, A.C.

Consejo Civil Mexicano para la Silvicultura Sostenible, A.C.

CRUZROSA ABP Banco de Ropa y Enseres de Culiacán, I.A.P.

En Acción solo por Amor, I. A. P.

Esperanza de Luz, I.A.P.

Estado de Morelos (solo identificó lugar)

Estrella Guía, I.A.P.
Fundación Ale Mazatlán, I.A.P.
Fundación Carlos Elizondo Macías, I.A.P.
Fundación Casa de Santa Hipólita, A.C.
Fundación Castro Limón, A.C.
Fundación Comunitaria Oaxaca, A.C.
Fundación Grupo LALA, A.C.
Fundación Healy, A.C.
Fundación Hogar del Anciano María Auxiliadora, A.C.
Fundación Merced Coahuila, A.C.
Fundación Merced Querétaro, A.C.
Fundación Mexicana para la Planeación Familiar, A.C.
Fundación Renal Hidalguense Bicentenario México A.C.
Fundación Roberto Ruiz Obregón A.C.
Fundación Tarahumara José A. Llaguno, A.C.
Junta General de Asistencia (gobierno no identificado)
KLABU, S.C.
Leones de Los Mochis I.A.P.
Shriners del Estado de Sinaloa
Luz de Vida, I.A.P.
Niños y Niñas de la Sierra, I.A.P.
Operation Smile México, A.C.
Orfanatorio de Mazatlán, I.A.P.
Organismo de Nutrición Infantil, A.C.
Papalote Museo del Niño, A. C.
Procura, A.C.
Renovación, Unión de Fuerzas Unión de Esfuerzos, A.C.
Save the Children Sinaloa, I.A.P.,

Siempre Verde Piña Palmera Elisabetta Redaelli, I.A.P.

Sociedad con Valores, I.A.P.

Sociedad Jardín Botánico de los MOCHIS, I.A.P.

Ver Mejor I.A.P.

Vida y Familia Sonora I.A.P.
Annex 2: Summary of Responses to the ENAH Assessment Matrix for the Perception Questions

The purpose of this questionnaire is to serve as a guiding tool for ENAH’s counterparts to conduct an assessment of their findings and evaluate the situation in terms of a color-coded ranking system: green (enabling), yellow (partially enabling), and red (impeding). The questions intended to provide a sense of the typical situations when law or practice is considered enabling, partially enabling or impeding to the work of CSOs in a given country.

The ranking system provided a basis for discussion at the National Consultations and in the preparation of the Advocacy Plan. Open-ended questions have been included, given that the research work included gathering a few important answers that reflect the perception on the dimensions.

A Civil Society Organization (CSO) is defined, for the purposes of this assessment, as a formalized group of individuals that are independent of government and do not function as for-profit businesses. Owing to the fact that different legal frameworks govern their formation, CSOs in this assessment do not include trade unions, political parties, or communities of worship (religious).

The questionnaire was given to 95 organizations. Since including their name was optional, the names that appear are only those of the organizations that answered this question.

1. Respondent Information

Organizations

Albergue Estudiantil de Mocorito I.A.P
Amigos sin Frontera AC
Asilo Vivir de Amor, F.B.P.UNIFRAT I.A.P
Asociación Pro Personas con Paralisìs Cerebral de Culiacán I.A.P
Asociación Pro-formación y Orientación de la Mujer, I.A.P
Banco de Alimentos de Culiacán I.A.P.
Banco de Alimentos de Los Mochis IAP
Capacitando con Valores, I.A.P
Casa Down de Mazatlán IAP
Casa Hogar Abrázame A.C
Casitas Mazatlán, I.A.P.
Centro Comunitario Pro- Valores Los Alamitos IAP
Centro Médico san Vicente I.A.P
Centro Ocupacional y Recreativo I.A.P
Centro Terapéutico Emmanuel I.A.P.
CESDER-PRODES, A.C
Cinco Panes y Dos Peces, A.C.
Consejo Civil Mexicano para la Silvicultura Sostenible, A.C.
CRUZ ROSA ABP Banco de Ropa y Enseres de Culiacán, I.A.P.
En Acción solo por Amor I. A. P.
Esperanza de Luz I.A.P
Estado de Morelos
Estrella Guía, I.A.P
Fundación Ale Mazatlán I.A.P
Fundación Carlos Elizondo Macías, I.A.P
Fundación Casa de Santa Hipólita, A.C.
Fundación Castro Limón A.C.
Fundación Comunitaria Oaxaca
Fundación Grupo LALA A.C.
Fundación Healy, A.C.
Fundación Hogar del Anciano María Auxiliadora
Fundación Merced Coahuila
Fundación Merced Querétaro AC
Fundación Mexicana para la Planeación Familiar, A.C.
Fundación Renal Hidalguense Bicentenario México A.C.
Fundación Roberto Ruiz Obregón A.C.
Fundación Tarahumara José A. Llaguno
Junta General de Asistencia
KLABU, S.C.
Leones de Los Mochis I.A.P
Los Mochis, Sin Shriners del Estado de Sinaloa
Luz de Vida I.A.P
Niños y Niñas de la Sierra I.A.P
Operation Smile México A.C
Orfanatorio de Mazatlán, I.A.P
Organismo de Nutrición Infantil, A.C.
Papalote Museo del Niño
Procura A.C.
Renovación, Unión de Fuerzas Unión de Esfuerzos, A.C.
Save the Children Sinaloa I.A.P
Siempre Verde Piña Palmera Elisabetta Redaelli I.A.P.
Sociedad con Valores, I.A.P.
Sociedad Jardín Botánico de los MOCHIS I.A.P
Sociedad Jardín Botánico de los Mochis, I.A.P
Ver Mejor I.A.P
Vida y Familia Sonora I.A.P
In case of being a CSO, please check if you are

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Asociación</td>
<td>28</td>
<td>31%</td>
</tr>
<tr>
<td>Private Assistance Institution</td>
<td>62</td>
<td>68%</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1%</td>
</tr>
</tbody>
</table>

In case of being a CSO, check your field of action

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charity</td>
<td>29</td>
<td>32%</td>
</tr>
<tr>
<td>Education</td>
<td>15</td>
<td>16%</td>
</tr>
<tr>
<td>Culture</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Environment</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Science and Technology Research</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Social Development</td>
<td>4</td>
<td>4%</td>
</tr>
<tr>
<td>Human Rights</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Health</td>
<td>22</td>
<td>24%</td>
</tr>
<tr>
<td>Sports</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Disaster Assistance or Civil Protection</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Civic Education</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Economic Assistance to Low Income</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Civil Security</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>CSO Strengthening</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>11%</td>
</tr>
</tbody>
</table>

Service Coverage

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>16</td>
<td>17%</td>
</tr>
<tr>
<td>Regional</td>
<td>24</td>
<td>26%</td>
</tr>
<tr>
<td>State</td>
<td>31</td>
<td>34%</td>
</tr>
<tr>
<td>Municipal</td>
<td>21</td>
<td>23%</td>
</tr>
</tbody>
</table>
Select the main state or states where you operate

<table>
<thead>
<tr>
<th>State</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aguascalientes</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Baja California</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Baja California Sur</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Campeche</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Coahuila</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Colima</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Chiapas</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Chihuahua</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Distrito Federal</td>
<td>5</td>
<td>7%</td>
</tr>
<tr>
<td>Durango</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Guanajuato</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Guerrero</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Hidalgo</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Jalisco</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Estado de México</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Michoacán</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Morelos</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Nayarit</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Nuevo León</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Oaxaca</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Puebla</td>
<td>3</td>
<td>4%</td>
</tr>
<tr>
<td>Querétaro</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>Quintana Roo</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>San Luis Potosí</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Sinaloa</td>
<td>37</td>
<td>50%</td>
</tr>
<tr>
<td>Sonora</td>
<td>6</td>
<td>8%</td>
</tr>
<tr>
<td>Tabasco</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Tamaulipas</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Tlaxcala</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Veracruz</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Yucatán</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Zacatecas</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>
DIMENSION #1. FORMATION OF A CSO

1. Is it legally difficult to incorporate an organization?

¿Why?

It takes a long time to legalize it.

There is lack of information on the part of individuals wishing to incorporate, and due to all the legal and fiscal requirements, it is still highly complicated to obtain authorization to receive tax deductible donations.

With due compliance with compulsory requirements and with the help of an institution like the Private Assistance Board of the State of Sinaloa, the process is facilitated.

There is no private organization to orient or guide individuals wishing to incorporate on existing options, requirements, etc. Also, it is necessary to contract the services of a Public Notary willing to collaborate to prepare the incorporation bylaws and the necessary processing to legalize the association. Quite often, this is costly.

There is a need to have clarity in the purpose, particularly in the way in which the organization will participate with beneficiaries, and make it sustainable, to generate an impact starting with the local supporters.

There must be a concrete awareness on what will be done, how it is going to be done, who the recipients will be and the objectives, goals, and visions that are supported by good planning, and in many cases those bases are not there.

Because of the high notarial costs.

It was not so difficult in our case, but I understand that right now, regulations result of the reforms make it more severe.

The legal framework for the incorporation of an organization is very clear.

Because, at the beginning, there are only good intentions, but as a rule, there is a lack of structure, guidance and funding.

Because of the official process that needs to be completed.

Because founding members usually know what to do, but are not fully aware of the regulations framework to incorporate a CSO.
Because there are few professionals (Public Notaries, accountants) that are well trained and knowledgeable to incorporate them.

Because it is not clear enough the difference between the existing legal figures. For instance, the differences between a Civil Association from a Private Assistance Institution.

Because all requirements are clearly established, there is a need to comply with them, particularly to obtain funding to sustain the work performed by each one of the institutions.

Because there is considerable lack of information.

Nowadays the process is rather simple.

There is an impact due to cost. There is also a need to carefully define “social purpose”, as well as to include the compulsory clauses provided for by the legislation to be able to become a not-for-profit organization; but it is not particularly difficult.

The need to have all required requirements to incorporate an Association (legal requirements).

Because it took us almost a year to be able to operate.

Because there is a need to pay the Public Notary.

Because there were changes in the administration, from the past 6-year period to this 6-year period.

Institutions involved (SRE, SE and JAP) had no clear idea of the new procedures, and this caused the incorporation process for an IAP to take over a year. And most processing needs to be done at the capital of the State.

The process requires an investment of over $15,000. Until now, I have identified that the process considers 16 steps, among them to achieve the status of “Authorized Donee” before SAT, and this make take up to 6 months.

It is important to stress that many of the Mexico City Public Notaries lack the information needed on operation, powers and characteristics of a CSO.

Because when we are trying to serve, one strives to reach the objective.

It is simply necessary to have all the requirements and legalize them.

Because there is a need to comply with all the Law requirements.

In the case of Jalisco, we are fortunate to have Instituto Jalisciense the Asistencia Social. This institution offers assistance to all those interested in legally incorporating a Civil Association.

When corporate purposes defined to incorporate n association are well expressed and based, and when there is compliance with legal requirements, it is not difficult.

There are many requirements and there must be a very specific mission.

Because the private assistance board for the state of Sinaloa, provides us all the legal support.

Only 5 individuals are needed to compose the Board of Directors, the go to the Notary and incorporate, or go to JAP to incorporate as such, register at SAT and work.

There are certain requirements, documents and once it is incorporated, the organization is faced with more work.

No, the requirements requested are those necessary to incorporate an honest and secure CSO.
Most institutions that want to incorporate lack not-for-profit consultancy to guide them, and this makes the process to establish its board, structure its corporate purpose, more difficult.

A lot of problems to conduct the process before the authorities because of so many requirements and red tape.

Because the community, in general, is unaware of the process to do so, and there is little information related to it. Only when the legal and fiscal frameworks are known, things are really easy. For those that wish to organize without the prior knowledge or professional consultancy, it is rather tedious to incorporate a CSO.

There is a lack of knowledge of all requirements requested by the Secretariat of the Treasury, and not having enough collaborators to support the work. And, be accepted as an authorized donee.

Because paperwork takes time, and there are impediments that make the process tedious and long.

More than anything, possess the funding to legally incorporate. The rest is just a question of getting organized in the best possible way.

The Private Assistance Board is always ready to offer assistance with this type of processes.

Notarial costs and paperwork.

Because there are legal forms that are already established to incorporate an organization.

A series of documents and information need to be submitted to obtain the granting of authorized donee.

Because it is an institution that performs and complies with its objectives and is legally incorporated.

Too mucho processing, and if you do not live close to a city, things are more complicated and it is expensive.

In many states processing is bureaucratic; however, in others, it is easy.

Too many requirements, economic, bureaucratic, etc.

Because there are clear legal requirements, and as long as you comply, and have the funding and the operational staff necessary, it is not difficult to incorporate.

If you comply and follow the standards and conditions requested to the letter, there will be no problem. In case you don’t submit all complete documents, obviously that translates in a process delay.

Some processes, such as the name registration, are difficult to be accepted. In relation to the incorporation bylaws, it is difficult to find a Notary of an Attorney with experience in incorporation of associations; thus modifications need to be made later on. And with respect to deductibility, it is complicated, but not difficult to find the time and requirements requested to have it granted.

When I started the foundation, it was substituted, although I had to change the by-laws to obtain our CLUNI code, and indeed it was rather difficult, as I can remember.

A lot of processing, to many visits, and too much bureaucracy.

Many were the processes and there was a need to have them completed by professionals.

There is neither support nor training.
There are institutions that offer orientation and help ease the incorporation of organizations.

In all truth, I have not had to go through the process. I have always started to work in an Organization that is already incorporated, but I have heard comments that there is too much bureaucracy and too many protocols. I imagine that is also good, but then I see so many foundations created by politicians that are born overnight, that I imagine it is not so difficult to incorporate a CSO, or this may openly be quickly because they have influences.

When there is compliance with bureaucratic terms and doing things well, it is only a question of waiting 15 days to register at SAT through the Notary, and about 4 months to become a donee. With the assistance of organizations such as the Private Assistance Boards things are facilitated because they provide orientation and ease the process.

My experience allows me to comment that the process was agile and easy, because I had the assistance and company of the Sinaloa JAP.

It all depends on the tenacity of whoever directs it and the staff.

Because of the lack of collaboration of the Public Notaries and their poor knowledge on the subject.

If you gather all the requirements, there is no problem to incorporate it.

Slow bureaucratic processing.

Legal aspects with the Notary at the time of incorporating are not difficult; however, to do it in compliance with parameters established by INDESOL and SHCP, may be more complicated.

2. In your experience, is the process for registering with the Public Registry of Property easily accessible?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Not easily accessible</th>
<th>It is complicated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>63</td>
<td>21</td>
<td>7</td>
</tr>
<tr>
<td>Percentage</td>
<td>69%</td>
<td>23%</td>
<td>8%</td>
</tr>
</tbody>
</table>
3. After it has been incorporated, is the process for registering a CSO with the Federal Registry of Organizations for Indesol easily accessible?

![Chart showing response percentages]

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Es de fácil</td>
<td>32</td>
<td>39%</td>
</tr>
<tr>
<td>Es de difícil</td>
<td>15</td>
<td>17%</td>
</tr>
<tr>
<td>Sí, hay suficiente</td>
<td>35</td>
<td>36%</td>
</tr>
<tr>
<td>Otros</td>
<td>8</td>
<td>9%</td>
</tr>
</tbody>
</table>

4. What non-legal barriers affect the formation of a CSO?

![Chart showing response percentages]

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No hay barreras</td>
<td>47</td>
<td>51%</td>
</tr>
<tr>
<td>Hay barreras</td>
<td>41</td>
<td>45%</td>
</tr>
<tr>
<td>Otros</td>
<td>4</td>
<td>4%</td>
</tr>
</tbody>
</table>

5. In case there were barriers, what would they be?

There is no legal figure at banks, and that makes it difficult to open an association’s account; also, it is expensive. Government support resources are usually earmarked and it is difficult to have enough resources to cover overhead expenditures.

Mostly resources.

Impossibility to access resources; lack of knowledge; difficulty in renting a space for an office; little consultancy.

The diversity of instances one needs to visit.

The diversity of criteria among the instances.
An attitude to inhibit organizations rather than their facilitating all its processing and requirements.

Bureaucracy, lack of resources, lack of legal consultancy services, lack notarial capabilities.

The long periods for reviews, from the state to the federal instances. I believe there should be more integration and have a possibility to take better advantage of them.

The state should group and launch actions; lack of information; uneasy access for processing; cost.

The major barrier identified is the lack of resources for CSO incorporation.

We believe that when we had to process our institution, there were fewer obstacles; however, from what we have heard, now a lot of constraints are set on associations.

Non-compliance with law provisions when the incorporation bylaws is created, by omitting certain obligations or concepts; nevertheless, that is something organizations need to do, not the authorities.

Legal and fiscal information.

Bureaucracy.

Barriers on processing before the authorities.

Bureaucracy at registration instances; the difficulty to access bidding for resources; too many SAT requirements.

Limited resources.

Unclear processing. Practically non-existing fiscal benefits.

The 5% ceiling on the total budget for administrative expenses. Lack of clarity on problems, their possible solutions, and possibility of social intervention. Lack of professionalism to operate with efficacy and efficiency.

When all legal institutional requirements are complied with, there are no barriers.

In some cases, bureaucracy is one of the worst when it comes to accessing resources. What is needed, is to have professionals working for us, and on the fiscal side, better incentives for donations.

Indifference of persons in government offices.

The Mexican Government offices are very troublesome. In most cases you receive better attention when the person you are dealing with knows you; or they treat you better when you bring a gift so they can put on a nice face and not keep you waiting for hours.

Impossibility to access resources. Complicated. They request too many copies of documents.

Many sources of funding demand that the CSO be five years old, and thus the recently created that are the needy ones are excluded.

Nobody tells how to, or it is very difficult, since there is a lot of envy [among CSO].

Planning, and the difficulty to access resources.

Demonstrate that you own the land lot used, even if you have been using it for decades.
There is little information on processing that needs to be completed; a lot of that information is only available via internet and they electronic processes. The reality is that not everybody knows how to use that type of resources.

At Sedesol’s delegation in the State, very few persons are serving processes related to CSOs, and there is considerable turnover, above and beyond the excessive work load that makes it impossible for them to serve CSOs in an efficient way.

Economic; credibility.

High notarial costs on organizational incorporation. Public Notaries of the Public ignorance, particularly in relation to the not-for-profit area.

Those of a fiscal type, since quite often the criteria of SAT public officers reviewing the documents is varied, and when an application to become authorized donee is submitted, things get complicated.

Impossibility to access resources; lack of staff (occasionally); lack of government support.

Barriers are set by the Secretariat of the Treasury for responding to possible acceptance of Organizations as being Not-for-Profit.

I cannot tell what Associations are facing now, because we have been working for 25 years to help and support orphan children with our scholarships program.

Mostly bureaucracy for processing. Too many organizations are discouraged along the attempt and they go ahead and work with no legal foundations.

The most difficult one is the purchase of a real estate property.

No funding or guidelines.

CSOs lack of information. The frequent changes in the laws governing CSOs. Excessive processing. Most are not aware that one can do a pre-review of the incorporation bylaws at SAT, and that causes new CSOs to have to go through notarial certifications twice or three times. In the case of religious organizations, to find individuals that can follow the charisma that originated the institution. Participation of more than one secretariat or instance.

Bureaucracy.

More than anything, make sure there is stable and reasonably fast internet access, when outside urban areas. In rural areas this may represent some serious problem, because a lot of processing needs to be completed via internet.

Not clearly specifying the social purpose.

Financial resources are needed to have a qualified staff, knowledgeable on the subject, undertake processing. When one starts as a Private Assistance Institution, resources are always limited.

Processing and strong demands by the Treasury on CSOs, and the new fiscal reform that has considerably damaged CSOs.
6. Do you consider that any of the following factors affect the formation of a CSO?

- Favoritism [11] 18%
- Discretionary [26] 43%
- Corruption [3] 5%
- All three above [20] 33%

**Operation**

7. What level of oversight does the government have over CSOs?

- Light. E.g., the government requires an annual report and, occasionally, there are additional requirements. [36] 40%
- Moderate. E.g., the government requires frequent reports, permits for certain activities, and audits or inspections. [31] 34%
- Extensive. There is an excessive amount of reports and permits, as well as constant oversight. [24] 26%
8. In practice, do administrative requirements impede or ease the operations of a CSO?

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>They are useful. (E.g. Documentation is reasonable)</td>
<td>48</td>
<td>55%</td>
</tr>
<tr>
<td>Somewhat impede CSO’s operations. (E.g., requests for additional information once the legally required reports are submitted; slow bureaucracy holds up CSO activities, or more than 20% of CSO staff time is devoted to compliance with administrative and legal requirements.)</td>
<td>29</td>
<td>33%</td>
</tr>
<tr>
<td>Severely impede CSO’s operations. (E.g. Detailed reports are mandatory when an event is organized; there are frequent audits related to labor, taxes or social security; or more than 50% of CSO’s staff time is devoted to compliance with administrative and legal requirements.)</td>
<td>11</td>
<td>13%</td>
</tr>
</tbody>
</table>

9. Are there non-legal grounds that, in practice, the government uses or cites to terminate or dissolve a CSO?

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>72</td>
<td>78%</td>
</tr>
<tr>
<td>Cases of harassment</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td>Frequent harassment</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>16%</td>
</tr>
</tbody>
</table>
10. If your response was affirmative, please specify a case.

Party politics.

The specific case of money laundering since their system always creates access problems.

SEDESOL cut-off our support without a reason.

Security for the beneficiary (facilities, health, security).

Nuevo Mundo CSO was harassed in the past in order to make it close down. Nevertheless, it demonstrated transparency and is still working.

Access to Resources

11. What non-legal or non-governmental barriers hinder access to potential sources of funding for CSOs?

12. In case there were barriers, what would they be?

The government launches calls, but they do not have the necessary budget to support institutions submitting good projects.

Of course, the money laundering law. The limitation to have corporations donate over 7% of their profits. SAT’s web page is frequently saturated, and it hinders access to property, etc.

There are limited capabilities to obtain funds. Access to funds is very difficult.

Civil Associations cannot access bank credits, because banking laws do not permit it, since banks cannot seize property belonging to a Civil Association.

Institutional image. People prefer to directly donate to a needy person than donate to an institution.

Bidding bases. Limited resources. Extensive resource evidencing. Lack of professionalization for CSOs project submittal.

Bureaucracy in processing. Very limited periods are offered by the government for operating and spending resources on projects, which do not permit the completion of true indicators with real social impact.

Many people do not believe in CSOs, and quite often neither does the government.
Requests for proposals do not hit our purpose; we are trying to find information on how we can learn more.

Many organizations submit projects to SEDESOL; only a few receive benefits.

Very little resources for CSOs; government uses its resources on its own projects, and leaves CSOs with no resources.

Deductible receipts are no longer attractive for formerly donating corporations.

Resources to be devoted to CSOs are missing.

Every time there are less government resources to support CSOs, and accessing requirements are every time higher.

Banks have a high cost of operation, and service in our area is rather poor.

Some barriers.

Existing requests for proposal are limited, and quite often our corporate purpose is not applicable to any one of them.

SAT and its fiscal provisions; banks discretionality.

Quite often Indesol’s proposals are not clear; it employs unusual words.

When you are in public areas and the municipality does not want to enter into a legal collaboration agreement that limits your access to funding as association.

There are barriers to access resources coming from the state’s budget.

There is little possibility to learn about funding; and if there is, workshops or capabilities bear a cost.

Citizens have no motivation to support a CSO; lack of transparency; legislation; facilitating systems; which does not happen in other countries.

Lack of information and favoritism in the banking system; it is almost impossible to open an account, when there is no CSO legal personality. It needs to be done as an individual or as a corporation. Requirements are excessive and processing is slow and demanding; and they close accounts because they are not profitable for them, without taking into consideration that the way in which a CSO operates is not considered.

Access to funding, more than anything state funds, and sometimes municipal.

Associations are seen as an expense, not as work that the government does not do.

Funding institutions require CSO to have a history of 3 to 5 years; this discards the support to recently established CSOs.

Banks do not permit to open accounts. In our case, three banks rejected our petition, even though we are legally incorporated: Scotiabank, Banorte and Banamex.

Lack of information on the part of CSOs to prepare projects.

Lack of human resources to work on this job.

Scarce use of information technology to facilitate fundraising. CSO lack of information on other sources of funding (they usually apply to the same).

International frameworks that are based on indicators not in agreement with Mexico’s realities.
Little professionalization of the third sector produces CSOs limited capabilities for fundraising.

In the case of Mexico, the considerable reduction of cooperation funding, jointly with an increase on the amount of CSOs competing for the few available funds (many government or party instances have fostered the establishment of supposed “CSOs” that are really performing as their operators to spend public resources). Also, as of the increase of a supposed Social Corporate Responsibility Standards (RSE), many business and trade corporations have established their own foundations directly spending their funds, and reducing the possibility for independent CSOs.

Within the fiscal framework, there are no attractive incentives to receive donations.

There are barriers when the municipality does not want to reach a collaboration agreement and the association is located in a real estate property owned by the municipality. This does not permit to evidence of ownership of the property and, thus, there is no possibility to access important donations, particularly the international ones.

Both for institutional as well as financial. Also, there is limited government support.

Again, centralism is the cause that economic resources such as: donations or supports offered by the federation are granted to the central part of the country or northern states. We are totally unprotected in this area.

Requests for proposals launched by the government are very complicated for new organizations. In our state, every day we see less support granted by the government.

Lack of trust on CSOs by the population is a result of the lack of clear accountability, unclear processes requesting donations (for example, small change donations at self-service stores). Excessive attention by the media to cases of poor practices organizations (examples: “Casitas del Sur” case, “La Gran Familia” in Zamora, Michoacán, and other children shelters in Iztapalapa, Morelos and Puebla). That is, the media takes advantage of fraud cases and poor practices, using limited information. They do not see successful organizations that have become very professional and that operate with transparency.

There are social programs with a high budget for the media (Teletón) that capture the attention of individual donors.

Every day we find more corporate foundations that devote their funds to their own projects.

There is a lack of ample and practical information to access international sources of funding.

Since corporations receive too many funding requests, topics for which support will be provided have been restricted, and requirements have increased and become more complex.

There is little visibility on social funding topics. As a rule temporary palliatives or emergency situation help are offered.

I consider that government support is usually given to institutions that have a longer history, and not to new institutions that are barely learning about the process and the path.

Competition between CSOs is more difficult since their number is increasing and they are more professional every time. There is discretionary granting and scarce public resources devoted to CSOs.

Fiscal barriers created by the latest reforms are not incentives to the work of organizations, neither is the anti-laundering law that creates complications and a hardly attractive scope for potential donors.
Generally speaking, organizations have no planning and no strategy. I believe there is lack of knowledge and limitation on doing many more things, or things oriented to other actions that could be very beneficial for the community.

The government should know very well its CSOs, and based on that, launch actions that are more beneficial. I believe there are CSOs with overlapping activities.

Demonstrate you don’t need support because you own the real estate property.

There is a request for documents that did not exist when we started operations. Expenses for which there is no fiscal receipt, need to be evidenced by using CFDIs (electronic invoicing). They do not support the operation.

Donors are unable to provide large amounts, because the government will not allow it.

The percentage of corporations that are able to make deductions by donating is very low for present day needs.

A limited capability to obtain funding. Few funding available at a national level.

Government resources for CSOs are limited.

Lack of information on sources of funding.

Now that the money laundering law is here, although with an acceptable spirit, it has decided that ALL donors surpassing a specific amount, are to be considered within the category of “vulnerable activities” and need to be subject to extraordinary requirements.

The Treasury department has limited the maximum percentage that can be donated, based on profits of the prior year. Very much like the comments above, the spirit is extraordinary (avoid perversions: Fundat[i]ons Televisa, Azteca [Media Foundations], etc.)

**13. What are the possibilities of accessing funds?**

<table>
<thead>
<tr>
<th>Possibility</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are available funds</td>
<td>26</td>
<td>30%</td>
</tr>
<tr>
<td>Availability of funds is relative or limited</td>
<td>39</td>
<td>44%</td>
</tr>
<tr>
<td>Unreliable and very limited availability of funds</td>
<td>14</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>10%</td>
</tr>
</tbody>
</table>
14. How much does a CSO’s financial sustainability depend on government oversight and approval?

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>36</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Somewhat (E.g. The government exercises discretion in approving or influencing access to certain sources of funding for CSOs.)</td>
<td>47</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Entirely. (E.g. Government has control over key resources of CSOs; and/or resources are prohibited and not accessible.)</td>
<td>7</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Effectively. (E.g. The government encourages local philanthropy.)</td>
<td>15</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Somewhat effectively. (E.g. The laws allow donations but there are no incentives to donate.)</td>
<td>57</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>Not at all effectively, there is no support or the law hinders local philanthropy.</td>
<td>19</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>

15. How effectively does the legal and political framework of the country support the mobilization of local resources?

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectively. (E.g. The government encourages local philanthropy.)</td>
<td>15</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Somewhat effectively. (E.g. The laws allow donations but there are no incentives to donate.)</td>
<td>57</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>Not at all effectively, there is no support or the law hinders local philanthropy.</td>
<td>19</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>
16. What source of funding is more reliable or more consistent?

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government funding</td>
<td>15</td>
<td>16%</td>
</tr>
<tr>
<td>Private donations</td>
<td>62</td>
<td>68%</td>
</tr>
<tr>
<td>None</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>10%</td>
</tr>
</tbody>
</table>

17. Do CSO programs receive government support?

<table>
<thead>
<tr>
<th>Support Type</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>32</td>
<td>36%</td>
</tr>
<tr>
<td>Limited support</td>
<td>40</td>
<td>44%</td>
</tr>
<tr>
<td>No support or restricted to a few</td>
<td>17</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1%</td>
</tr>
</tbody>
</table>

18. Are there government funds for strengthening your institution?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>49</td>
<td>54%</td>
</tr>
<tr>
<td>No</td>
<td>30</td>
<td>33%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>10</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>2%</td>
</tr>
</tbody>
</table>
19. Explain the restrictions to receive government funding

Need to be legally incorporated. Twice a year, or annually, submit narrative and financial reports. Submit audited financial statements.

Adjust to priorities of government requests for proposal that require too many documents.

Governments are not open proposals containing the interests of CSOs; they are limited by their own rules and by Treasury standards that are contrary to the work, we CSOs do.

Among the various factors, complicated rules of operation are outstanding, as well as the lack of them for discretionary granting of resources.

Limited resources, that are earmarked and very restrictive in their use.

There is annual funding, and this does not allow for mid- or long-term setting up. There is no continuity, and sometimes it is even prohibited.

The axis; lack of knowledge on the work CSOs perform.

1st Government funding is not publicized and in case CSO finds out, 2nd The process is bureaucratic and discrentional.

The amount of resources granted is very limited, and only a few organizations are annually supported.

The range of requests for proposal is not ample enough.

Funding is primarily destined to assistance projects.

Project preparation to be able to participate in requests for proposal, require a longer period than that which fundraisers can devote to a single activity.

Gathering evidence on resources obtained is so complicated that ACs usually prefers to obtain funding by moving donations through other means.

When participating in the request for proposal by Indesol/Sedesol, even though a good grade is obtained, resources from the social co-investment program are not enough, and this means a project needs to be cancelled.

Every 6-year period the President decides what his prime area of action will be. Thus, very little is left for the rest. For example, this 6-year period the crusade against hunger was “invented” and priorities were given to programs to fight malnutrition, etc. In all truth, locally I have not seen the benefit. Regarding our organization, our main program is granting scholarships, and government funding does not support that.

Large competition due to the amount of existing CSOs. Also, limitations by responsible entities on their request for proposal participation.

Bureaucratic processing.

Government funding may be received for operations of some of the projects submitted, but there is very few if any support to strengthen infrastructure.

Sometimes, rules of operation.

They shift according to government guidelines. Now, everything is oriented to the crusade against hunger.

For a very good topic, but it polarizes other equally relevant.
Those established in requests for proposal, particularly during the period given for request for proposal-delivery of resources-execution-verification.

Very complicated and extensive bidding formats; there are many organizations submitting applications for funding, and a very small budget.

Lack of CSO information on how to submit their projects.

CSO projects need to be oriented to priorities set by the government in office.

Very little information is available on the various existing funds.

At a state and local level, there are no regulations and, thus, funds are granted in a discretionary manner. To this date, they are discretionary.

Information on funds is not accessible. Formats are complex, bidding publication periods are uncertain, and technical language is highly specialized and hardly accessible.

There are no spaces for technical consulting or clear information on the reasons to decline an application.

Resources applied to CSOs are very limited, and only a few institutions receive them.

Projects even when approved, are not supported.

Federal, state and municipal budgets are insufficient.

State and municipal governments have no sensibility; case of the government of Sinaloa and municipality of Mocorito.

There is no restriction.

Many requirements and little funding.

There are no restrictions. Not granted when there is no project within the government’s budget.

Budget items are very small in comparison to the number of applications.

Variety in the source of funding.

There is a need to be knowledgeable on the logic framework to demonstrate a project. Bureaucracy, rules of operation and requests for proposal are unfavorable for some CSOs.

The failure of the government to address the CSO problem

They are very specific programs that do not cover the wide range of functions of all CSOs.

There is funding for some programs usually those oriented to communities in poverty, but there is no funding for institutional strengthening.

Two years ago, there was an Indesol request for proposal that permitted some CSOs to be strengthening organizations and others to be beneficiaries, but it was eliminated.

Quite often some organizations receive them due to favoritism, because the founding member is a friend of someone in government, etc. Government financial resources are earmarked for the development of actions specified in the projects; in this sense, the possibility to receive funding even for operation of the project itself, are annulled. Forget about having funding for institutional strengthening. In order to receive funds, a lot of information is requested. Bad and corrupt government officers.

Lack of budget.
Very few local governments consider support to CSOs, unless negotiations have been made before the local congress. An example is the case for Club de Leones de Los Mochis AC, where one million pesos support was approved by means of budget item for 2012, with number 0502040112 of Social Development. However, resources were granted only to institutions headed by Governor Mario Lopez Valdez friends, and Club de Leones de Los Mochis AC was left out. We know because we partner with them for social service and investment.

The State government suspended all support to CSOs since January 2013, until a study that evidences compliance with the organizations’ objectives is completed; although some of them justify them by compliance with requirements established.

Bureaucracy and discretionality.

A project receiving a 9.5 grade was not supported by INDESOL due to lack of resources.

Generally speaking, payment is delayed and there is never a certainty to continue receiving resources.

There are none. It is only a question of working well on a good project.

Too many unnecessary processing. Bureaucracy.

To participate in a single federal call, and the need to compete seems to be fair.

The government calls I have received are not applicable to our institution. Funding is through occasional calls, and usually there is a need for CSOs to have a monetary participation that, quite often, is impossible to pay.

Willingness to support only those institutions they like.

There is ample bureaucracy; there are no transparent processes, or they are complicated due to staff indifference. Funding is finally allotted according federal or state legislators criteria, that based on their elations or contacts use them to campaign. CSO benefitting is discrentional and has a double meaning.

We are a newly born institution and they request a 2 or 3 year work performance; we have been working for a long time, but we incorporated recently.

Very few funding sources and they are not sustainable.

Sometimes processing is correctly done, and thus benefits cannot be obtained.

There are no restrictions; the documentation to prepare according to the call is very complicated to prepare.

Processing is complex, and there is always bureaucracy and favoritism.

We are a corporate foundation. The government is discarding us. They are partly right, although there could be some co-investment projects.

Rules of operation: There is no support for what needs urgent support. On legal incorporation, those incorporated for a long time are preferred. On the amount of beneficiaries, they prefer to support an AC that is non-assistance and work with a lot of people with no measurable or generated social impact.

Social relationships.
A low budget ceiling that is devoted to CSOs. Example: every year the social co-investment project by Sedesol supports approximately 13 projects out of 200 at a state level.

Funding is scarce. Rules of operation are difficult to get to know.

This is more complicated for rural area organizations, because they do not have all the necessary documentation, and they have never submitted a timely report. When there is a change in their incorporation bylaws and the bylaws is undergoing the required process, donations are denied.

I think that transparency in our modus operandi means success to be able to access government co-investment programs.

My main program is scholarships to foster higher education, and there is no government support for scholarships.

**20. Explain restrictions to receive resources and other sources of funding**

There are none.

There are no restrictions. It depends on the projects and programs submitted.

Not enough resources by private corporations to permanently support all CSOs.

Processing.

Economic problems private donors encounter.

Very few funding sources.

No restrictions when the institution is professionalized.

Current economic situation; little support to donors.

The new law to prevent money laundering.

Language. When international funding is available, one needs to be a donee.

Lack of professionalization; not having an institutionalized process/method; thinking only about large donors.

Lack of problem information.

No restrictions for private or international sources; they have theme support.

Tax deductibility is no longer attractive for corporations.

Being legally incorporated.

Little willingness of some potential benefactors.

Lack of quality projects.

The need to have all necessary requirements and a development department to professionalize the projects and operations with donors.

Lack of awareness of the importance that the social function has.

Little interest on the problems of society.

Lack of information and government incentives.
In our country there is very little altruism.
Lack of information or too many processing issues.
Little information or little professionalization by CSOs.
Professionalization, lack of knowledge on how to access international resources.
There are many CSOs. Language, a variety of trustworthy sources of funding.
Lack of information publicizing support.
The fact that corporations have their foundations (RSE) as well as reduced funding from international cooperation sources for our country.
Lack of fiscal encouragement, and mostly restrictive.
Scarce philanthropic practice formation of donors.
Very low percentages; a lot of competition among CSOs themselves.
Very little custom duty support by Customs.
The limitation of a large sum.
Every day resources are more earmarked for specific causes, and also the need to justify the social footprint or impact the project has.
The country’s economy.
Anti-money laundering laws.
In 90 percent of all cases, a minimum 5-year work period is requested; newly formed organizations are excluded.
Some other organizations that submit applications have more experience. In the case of international funding, there are the Treasury permits.
There is no effective way to provide incentives for individual or corporate donors; just the opposite, because day after day new fiscal measures are more restrictive to have corporations or individuals donate in cash.
The economy in general is more critical day after day.
The belief in CSOs decreases daily.
Because some have had very poor management.
There is no experience in that IAP.
21. Do you see any changes in the funding environment at the national level?

- Yes, the funding environment is improving or already enabling and likely to remain so: 31 (36%)
- The funding environment is deteriorating and at risk of significantly deteriorating: 41 (48%)
- No, the funding environment is significantly deteriorated: 13 (15%)

22. According to your reply, explain from your point which are the changes and impacts affecting funding for CSOs

Fiscal changes have diminished individual donations.
Lack of promotion on private corporate calls for the grant making to various causes.
Rues of operation for federal programs are confusing and sometimes requirements are impossible to comply with.
The period to report federal government program indicators is very short.
Institutions must be well organized and have clear accounting to obtain support.
The most important, economic reform.
The questions is not clear; I would not know what to answer.
Fiscal reforms.
Fiscal limitations discourage individual donations and these are important donations that CSOs are able to receive; however, with the fiscal reform, the percentage of individuals previously donating has drastically decreased.
Financing in our country is the most expensive.
The distance between the cost of money and savings yields is sometimes 45 percent points. When you have money, you get paid no more than 3.5%; when you ask for a loan you get charged 50% or 60%. The legal change that took place in 2013, reduces the number of corporations able to donate to solely government entities, although it should translate into funding availability for CSOs. In practice, apparently it worked well for those entities not aware they could receive donations; now they know and they can request them, and for the private sector it would work well if they knew they can do it.
The economy; a reduction in social programs, or assignment of an amount that is later moved to a federal, state or municipal government project; transparency.

Fiscal reform. Very little encouragement for donating.

We need more time to service the urgent needs of organizations, and leave for later the participation in calls. Basic needs take all support offer; higher education is not within the basic.

In all truth, it is due to social impact and transparency for every institution applying for funds or donations.

There is no government support; with fiscal changes our deductible vouchers are no longer attractive, and corporations are no longer interested in donating. More resources need to be assigned to CSOs.

For the past 8 years, we have seen that obtaining funding is every day more difficult. It takes a 4-fold of our time, money, and effort to obtain the same fundraising results that we received 8 years ago.

The number of claimants or right-holders decreases; assistance programs are cut short or limited; CSOs are endangered.

The fiscal framework is by far more restrictive for donors and for CSOs. This limits social and philanthropic responsibility actions. There is a lack of continuity, little transparency of some organizations, and the appearance of temporary organizations supported by the federal, state and local administrations.

Fiscal reforms recently implemented have discouraged corporate donor participation with resources for CSOs.

The new fiscal reform has affected CSOs.

I think the government must needs to learn about CSOs. Based on that knowledge, strategic actions need to be taken to protect certain vulnerable sectors, and create alliances among them.

There is no current acknowledgement of CSOs, the work they perform. There is deep lack of understanding of the various contexts, centralization of rules, and criteria based on what is urban and for very capable people good for processing.

Reforms passed by Congress.

The difficulty to donate. A professionalization of the third sector.

Corporations and state governments are no longer supporting a much as they did before due to the economic recession.

The fiscal framework must be verified. There is a need for additional incentives for donors, and in like manner, review what refers to authorized donees, for better oversight on them.

Negative changes affecting funding for CSOs are: the new regulations that dramatically limit donations coming from the private sector.

The low offer on funds calls.

Complexity in project preparation (it takes too much time by fundraiser and the amounts offered are not enough.
At a national level, there is more support but only devoted to assistance and food projects; nevertheless, there are organizations doing different work that have no access to funds because they are not included in that support bracket. At a state level, in the past few years, state support to civil society organizations was suspended, although they did a great work and funds granted were strongly limited.

There are no changes; however, there is a need to work by means of events, good projects to government and corporate donors, and funding is established within the organization.

Mainly the general economic crisis does not permit that support for institutions uninterestedly serving beneficiaries is granted, regardless of the people served. In reality, government should directly grant the service/support to those people.

Every day there are public requests for proposals, and civil organizations must organize themselves to prepare projects that obtain resources.

Present day environment is requesting CSOs to professionalize, to submit well prepared and measurable projects that really impact and change life conditions. There is little motivation for private sector to grant resources to CSOs, both in the fiscal and legal (anti-money laundering); nevertheless, it is worth mentioning that there are foundations and corporations that have professionalized their philanthropy programs, ant these have progressed and strengthened more rapidly than CSOs, which limits the possibilities of joint work.

Multiple structural reforms have created a deep crisis affecting consumers and, consequently, businessmen.

The national economy. Since corporations and/or individuals have no encouragement to donate, many CSOs will disappear.

The laws dealing with custom duties on overseas donations.

2014 fiscal reform changes is causing uncertainty among taxpayers. This means a transitory affection on the financial environment of the country. Nevertheless, for the immediate future there is a possibility of better tax collection that will permit favorable funding for CSOs.

The fiscal reform; the anti-money laundering law.

The extensive auditing by SAT on individuals and corporations; the complications of banking accounts with credits; history; taxes and other to be able to adapt to a strict fiscal examination, although no incentives are received and bureaucracy is not decreasing.

The economic crisis currently suffered by the country. 2012 was a year of complex economic transition; 2013 is a year with even more limited resources.

Legal restrictions: the same law that governs under the same point of view: schools, museums, political parties, trade unions and assistance institutions. Fiscal reforms that set ceilings on the amount that is tax deductible. Also, in 2013 there is a need to comply with previous fiscal regulations and the new provisions, plus the bureaucracy behind large donations; the anti-money laundering laws; restrictions on donations.

The lack of credibility the people have, or the lack of trustworthiness, due to some poor practices and the negative information distribution of them.

Due to the new fiscal reforms, fear among individuals and corporations has increased, when it comes to where their money is to go. That has produced affectation to or slowing of the economy.
I believe that little by little it will take its shape and thus we will be benefitted both as citizens and as CSOs.

The daily chores required by a CSO takes its toll, because if not complied with the organization loses its purpose and function. Here in Mexico, when working for a CSO means that there will be little money, that you have a vocation for it, and very few people receive a good salary working for a CSO. Priority is given to the social purpose. Funding is affected because we have no time to research where Government Calls are, due dates are not kept, etc. We lack capability and organization.

There must be a stronger fiscal incentive to improve the funding environment at a national level.

Basically, the sector’s growth.

The surging of many CSOs born out of government initiatives in an indirect manner.

Lack of professionalism.

Lack of training and timely information.

In spite of the reduction on the budget, organizations are still being supported.

Starting with this 6-month period, there have been many changes. I feel there is more support for assistance and for the national crusade against hunger and less support for institutions with different objectives. When resources are moved from one department to another, time is lost, many bureaucratic actions are needed, and sometimes the resources never reach CSOs.

Restrictions on the part of government instances, since CSOs are only permitted to receive resources from a single Government Calls.

Corporations are only allowed to donate 7% of their profits.

Higher legal and fiscal requirements for project execution. Funds assigned to CSOs are deviated to serve emergencies.

Fiscal requirements complicate work for CSOs, primarily on field work. This has a direct impact on funding.

Costs related to information access to international GOVERNMENT CALLS or resources available in other countries that could be there to support our social purpose.
23. To what extent is the legal framework conducive to government funding of CSOs?

It is conducive. There are no significant legal or non-legal barriers to transparent government support. 20 23%

Somewhat conducive. (E.g., there are no clear implementation mechanisms for laws that allow funding; or requests for proposals do not correspond to CSOs’ priorities.) 44 51%

Not conducive. Burdensome. Unreasonably restrictive eligibility criteria for government support or highly discretionary decision-making. 23 26%

24. Which are the legal and non-legal specific barriers for a more transparent, more effective and more significant government support?

Legal: the organization must be a donee and have Cluni registration; non-legal they simply qualify and we have no right to challenge; only a single project has been approved for me, and that year there were no resources; these are only lies.

Rules of operation; annual support through Government Calls with specific calls; limited resources for those supports. In the state, there is no support for CSOs. Only federal social development units provide resources. If support were provided to CSOs by the state, the federal government would increase the amounts and more CSOs would benefit. There are many barriers due to resource centralization in the states capital cities, and this complicates matters for CSOs in smaller cities and towns.

Apparently it hasn’t “dawned” on the government, what the role of CSOs is and the need it has to develop them. Very little willingness on the part of the government to have transparent institutions, to provide funding that will truly assist beneficiaries.

What seems to be normal is to receive the “support to your CSO is not considered in the annual budget” reply; and this is the way it goes year after year. We must start with actions that have an incidence on public policies where our activities are seen as truly necessary for community development.
Lack of communication.

The financial ceiling that government has set for Civil Society organizations is limited. Corporations are not receiving encouragement to grant donations to institutions. Government instances do not offer transparency on the possibility to access funding, they are very bureaucratic and their rules of operation are not in agreement with rural and native contexts.

The legal framework to foster CSOs is inefficient, is not updated, and is not in accordance with other government provisions. Also, the new mechanisms to foster transparency and eliminate funds deviation or money laundering, have a negative bearing because they imply over-regulating activities.

The means to obtain resources are not transparent. There is a lot of discretionality and corruption for delivery of resources. Bureaucracy. Lack of clarity in laws and processes.

There are no barriers.

Basically, bureaucracy and centralization for decision making (federal delegates with very limited authority).

Support lines or priority areas. There is a demand of a 3-year work after incorporation of the CSO. In the case of CSO, they are understaffed to perform monitoring and follow-up on project results. Due to requirements in GOVERNMENT CALLS, CSOs need to have all sorts of evidence that sometimes is not considered transparent by the government (municipal collaterals, professional fees vouchers). Staff contracting demands, on the one hand, require salaries and on the other projects only include professional fees.

Lower bureaucratic expenses and a higher financial ceiling for programs. The new reforms limit corporate donations.

Project complexity to participate in government requests for proposals. Excessive expense evidence requirements.

Nowadays, to have a CSO with full legal compliance is more administratively expensive; this increases operational costs for reporting to the various agencies, and resources are deviated into processing instead of using them for beneficiary programs.

Every day there are more laws that restrict our time to report.

Instead of simplifying, laws and regulations have considerably complicated CSO operations, when there is a desire to keep the organization transparent and updated.

Government Funding Calls do not correspond to the organizations activities. Complexity to identify which of the “Rules of Operation” for programs and projects include funding to which the CSO has access (because only the name of each program or project is provided and there is a need to read and analyze all of them, which actually works as call for bids). The lack of knowledge on how to operate and use resources.

Above all, the programs that are subject to permanence during the administration of a government.

Everybody wants to show they are “doers”. So, by the end the government sill support or prioritize the easiest, not the more effective, or something with higher impact.

There is not enough information on requests for proposals, and requirements are very often very bureaucratic.
Indifference by government agencies to serve CSO assistance programs; bureaucracy; considering that agency directors are politicians, there is indifference to activities by CSOs; sometimes they feel that CSOs represent competition (my personal experience).

Very few Government Calls, scarce budget for the same.

Legal: The need to have legal and fiscal documents to access government support.

Very detailed evidential vouchers and the need to have staff exclusively devoted to keep them.

The demand to have a bank account for every project, and the fact that banks charge for every transaction.

Mechanisms employed by government quite often are not clear or transparent.

Decision on projects is completely discretionary; I doubt the government decision makers have any capability; the need to include in situ visits to the project prior to decision making and resource authorization.

That they consider us in their budget.

Every incoming government supports a cause, and this year it is the so-called crusade against hunger that has limited the scares government supports.

At a state level, enormous discretionary assignment decisions to allocate resources.

Finally, although names and GOVERNMENT CALLSs are appropriate, decision makers are not sufficiently informed on the specific topic in their community; thus, they end up deciding with little justification.

The only barrier we consider is the lack, or the use, of budget for social topics.

Organizations supported are preferably those with a history of 2 years or more.

The organization must fully comply with 100% current provisions on fiscal, legal, and transparency issues.

Access to information on the various government organizations to learn about programs, timing, amount of resources granted, and calls for bids or government funding calls, is very difficult.

There is no decree approved by the Legislative Power to consider CSOs in the annual government budget, support or permanent financing.

Federal, state and municipal budget must be assigned, so that some CSOs may be supported by one level of government or another. It will be more egalitarian, and the budget must be earmarked and not be decided by the authority; allotment must be in accordance with projects, not by likes or dislikes.

State and municipal legislations must have transparent mechanism to support institutions, and they must have resources destined to them.

The small budget assigned; bureaucracy; rules of operation on certain programs, affect CSOs.

The existence of clear laws and regulations, not only at a federal level but also at a state as well as local levels. Budget assigned is very limited; and in the case of local governments, there are no laws or regulations obligating them to assign a set budget to support CSOs projects. The timing in which Government calls are published and the long period of time they take to assign the resources, are limiting the continuous project development.
Government calls are not in the area where our objectives are.

There are no specific mechanisms to support CSOs in the budget for the various programs; eligible projects cannot be supported.

There are no clear rules of operation, particularly to assess similar programs competing for a common good.

The lack of assessment processes does not permit to select the more highly qualified CSO, but they choose the favorite or the one with influence.

25. Is the disbursement of government funds seen as predictable, transparent, easily understandable and impartial?

26. Has government support decreased or increased within the past years?

27. In your opinion, what is expected in the following years?

To grant a more considerable importance to the third sector, and to have inclusive public policies. Nothing important from the public sector; everything is thanks to the private sector.
Public funding is usually in amounts similar to previous year; however, the amount of resources is proportionally smaller to the amount of CSOs that submit applications for the same; and the number of requirements and filters is every time higher.

If we are not acting, governments will only invest and spend resources in their own programs, and not in CSOs programs. CSOs also contribute to community development.

To have more CSO support by the government.

To have a smaller fiscal burden on CSOs; a higher commitment of public officers to understand activities by CSOs; to have the federal registration of CSOs be cleaned and keep only donees, since they are doing the most important work; to establish a center for joint work and services for CSOs.

That property seized be assigned to CSOs that are in compliance with fiscal and legal requirements.

Less resources and more requirements. To see the budget allocated to CSOs reduced; a poor use of the same; that support to civil associations will increase.

Every year we see a decrease in budget for CSOs in the various government programs.

A higher government commitment to support CSOs. We are always hoping the government support will grow.

Improvement in government support.

A considerable participation of civil society to improve public policies and actions in general.

Create a more effective movement, creating cadres that will offer a platform that generates political groups to provide permanence to the important social work that CSOs have in every one of the social sectors; having agents of change for the common wellbeing.

We hope government institutions will consider that CSO work is worthy, because it benefits society in general, by supporting activities that belong to all of us, and offer the financial contribution that we deserve.

Better accessibility to resources.

The budget ceiling becomes lower every day; thus, very few organizations are able to receive resources. To have the organization be sustainable as a social corporation to benefit vulnerable groups.

To have an increase, of course.

Social investment (in CSOs) is the most effective way in which governments can produce higher and better impact on communities.

We hope to have better support for CSOs, so that we may, in turn, support the needy.

We hope governments will support and value the great work by CSOs, since they contribute in a considerable way to reduce the work that governments must perform for society.

To see an increase in the range of Government funds by state and federal governments. To have government calls open for a longer period of time.

To have software programmers producing government calls understand the point of view of those that must apply.

That tax payment by CSOs be reduced.
I expect a lot of government mistrust towards CSOs, and thus lower funding. So, we must provide more information on what we do to create a better conscience on legislators to support our causes, considering that this is good government investment.

Not a good economic panorama in the future.

To keep or decrease support, due to economic recession.

I think that government support is in accordance with the call, and those that make decisions on projects scrutinize the impact that may be created according to the institution’s mission, vision and objective. As an IAP, we consider ourselves that JAP reviews are excellent and so is the training we receive from them.

Many agencies threaten to extinguish the support or reduce it.

If we do not request government support, everything will continue as is.

More bureaucratic processing, and smaller supports on requirements by CSOs. They never ask, decision are made sitting behind a desk.

We are not sure if we will continue to have the support, and overhead expenses are running to be able to serve our patients.

We hope the growing trend on the government budget will continue.

Most governments manage money very restrictively towards CSOs and their causes; economic outlook is not promissory, so no positive outcome is expected.

A decrease in federal funding for CSOs; PND is highly oriented to fighting hunger, and institutions that are not directly dealing with that topic are left out.

To have government action continue to create alliances with CSOs, since there is trustworthiness in the use of resources given the transparency with which CSOs permanently manage and audit funding received.

Financing to continue as is. Government is not seeing CSOs as a fundamental ally for development.

Elimination of truly social subsidies.

It all depends on the authority in power and the guidelines established. Thus, CSOs need to figure out how to adapt our objectives to them.

Stricter criteria for donations; considerable support to strengthen CSOs.

To stay the course, and even to grow.

Is a new way to reach various goals with no labor relations, and to take advantage of the experience CSOs have (and the fact that they have close relationship with the people) to reach the government’s objectives. A darker panorama.

Worse conditions.

This fiscal year has seen the decrease of public resources for CSOs.

A smaller government support, and it will be more oriented to programs of the government in office.

That supports grow, but so will the bureaucracy to request them.
Creation of local and state funds regulated to support CSOs. Improvement in the legal and fiscal reforms. A better participation with our government and, hopefully, support will reach our institutions.

We expect the government to devote additional funding for CSOs, since these organizations do a great job, they support the people, and above all I believe CSO do more with less and produce better actions.

Uncertain. Depending of the growth of the country, there could be additional support for institutions interested in health.

Strategic work on funding sources, where beneficiaries and corporate donors are involved to try to find a win-win situation.

**International Funding**

28. What non-legal barriers to receiving foreign funds exist in practice?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are no barriers</td>
<td>33 41%</td>
</tr>
<tr>
<td>Some non-legal barriers</td>
<td>41 51%</td>
</tr>
<tr>
<td>Burdensome non-legal barriers</td>
<td>6 8%</td>
</tr>
</tbody>
</table>

29. In case there were barriers, what would they be?

SAT’s permit to receive international funding. Understand the processing, plus the training and professionalization of CSOs.

Lack of marketing vision. Unawareness of sources. Little capacity of CSOs to negotiate funding.

Access to donor bases; the language; the CSOs professional curriculum.

Unawareness of such sources and the variety of their interests; language problems with the source, and the non-existence of a defined program.


I know very little about this.

The problem with international funding is that they do not understand current problems in our country, even if we carefully explain it.

There are no barriers.

Language that does not permit good communication with international donors.
The problem of not having deductibility vouchers to be offered overseas, which is difficult for the institution, since income tax must be paid. Also, for donations coming from Germany. Mainly, language problems.

The only agreement is with the United States.

We do not promote international support.

Obtaining international resources is difficult because there are needs all over the world.

Requirements to receive foreign donations.

Lack of information and the fact that access to such resources is a possibility only for large and powerful CSOs.

CSO professionalization.

Paperwork before SAT to be permitted to receive overseas donations, from specific countries. There is unclear information on how agreements work to avoid double taxation.

The language.

Lack of access to corporate, government, foundations and individual donors’ information.

Lack of banking infrastructure to facilitate donations received in foreign currency in a transparent and simple way.

Unawareness of CSOs on how to access such funds. Language. Lack of CSO professionalization; impossibility to comply with requirements posted by international donors.

Customs. Bureaucracy.

To this date, I have been unable to receive international resources.

Mainly, agreements derived from the Paris Convention and the Dakar Framework of Action on Efficacy on Support to Development, which eliminates Mexico “in block” due to macroeconomic indicators, and the averaged domestic position, leaving our country (and others) out of the picture.

This has been translated into a drastic decrease of available funds in the country.

Jointly with the fiscal regulations on international donations, there is a poor research and management culture on overseas donations.

The support to the social cause or the corporate name.

Language. There is no complete information reaching our country in a timely manner. Lack of information and access to it.

Lack of training for fundraisers. A fundraiser only sees the domestic arena, because they have no command of the English language. Double taxation.

Lack of information.
30. Does the rule of law in Mexico affect foreign donor’s contributions to CSOs?

No. Legal framework encourages donors  40  49%
Legal framework implies a risk for donors  14  17%
Yes, legal framework is restrictive and discourages donors  14  17%
Other  13  16%

31. If your response is affirmative, in what sense?

Distrust that investment may not be fruitful. We came very close to receiving overseas funding, through triangulation, so that a third party could invoice (to be able to put the tax burden on him).

Distrust of CSOs.

The new anti-money laundering law is excessive and non-operational.

Corruption, impunity, lack of security in the country. I believe this scares away international donors when it comes to “social investment” in our country.

Lots of problems with customs officers in relation to donations.

Insecurity and violence.

High media visibility on poor practice institutions, without a good research to find the truth. No established criteria on desirable practices for social causes, like children, nutrition and the rights of women.

Only certain kinds of CSOs have access and may become international donees. This limits opportunities (in the case of the United States and Canada) to receive support for all type of causes.

Anti-money laundering laws demand extensive information on donors. Probably donors are not willing to share that. Donation vouchers are not valid overseas. Excessive bureaucracy to receive overseas donations.

All and all, if you try to view our country from outside, we are in a very poor condition. None trusts the destination of resources, because there are some “acme” foundations. Politicians have destroyed foundation operations. They have access to resources and they spend those resources on something else.

Distrust to invest.
Lack of fiscal incentives and little organizational activity. We have never received overseas donations.

Lack of transparency.

Custom duties conditions.

Mexico has no transparency on international resources distribution. Unawareness and lack of information on how to request the service. Lack of vision and creativity to apply.

Very often, complications with government bureaucracy more than with the CSO itself.

**Philanthropy**

32. Does the legal and regulatory framework encourage philanthropy?

<table>
<thead>
<tr>
<th>Option</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic laws are in place to provide tax benefits for donations, and there are options to create foundations, endowments, and volunteering programs.</td>
<td>20</td>
<td>24%</td>
</tr>
<tr>
<td>Somewhat. (E.g., donations and volunteering are allowed, but there are no tax incentives or the procedures are burdensome or unclear)</td>
<td>55</td>
<td>65%</td>
</tr>
<tr>
<td>No. Prohibition (in law or in practice) for donations or volunteering.</td>
<td>10</td>
<td>12%</td>
</tr>
</tbody>
</table>

33. If your response is affirmative, how?

Income tax deduction, by giving with no personal benefit, and working for those that have less. It makes one feel better when one believes that one has made others feel better. To give and expect nothing in exchange, that is where you feel blessed.

By allowing 7% of corporate profits or individual income, to be deductible for donation purposes.

It stops in practices like: feed the hungry, give a blanket to someone that is cold; no true problems are solved. Emergency situations assistance is mainly promoted.

ATM donations, small change donations. However there is no accountability on the money received by on this modality. Every day we are aware of new causes that need to be served; we must find a better way to obtain businessmen and corporate involvement; they need to see that
not everything is having more profits, but we must serve causes of the needy to have better conditions in our world.

By means of periodic meetings where we are informed and we are supported to increase donations for our institutions.

I think there is no encouragement; I see no attractive tax incentives.

We need to see an increase in the percentage that individuals and corporations are able to deduct.

The Treasury Secretariat should approve true impact reforms. A return of the value added tax, exemption on payments for power, etc.

Donations have decreased due to the many controls implemented by the government to avoid the so-called “money laundering”, and by limitations on donations of only a small percentage of corporate profits.

It is permitted, but not totally supported.

Participation in projects through government calls, and deductibility of donations. Encouragement has been found for volunteer work and corporate donations.

Some government programs; Cemefi is important.

Through fiscal encouragement, although current ones are insufficient or not attractive enough for donors.

Incentives are considerably reduced, since percentage of donations has been reduced for individuals and corporations.

SAT holds a permit as authorized donee.

By creating an institution to regulate, supervise and train organizations, just like to private assistance board in the state of Sinaloa.

Information offered for this type of support is much better. Tax deductibility for donors.

Mexico has laws for fiscal benefits to donors willing to give for philanthropic actions; there is also the moral commitment by donors to participate and contribute for their causes.

When a donation is received, a fiscal voucher is issued. That supports both parties because it becomes a legal activity.

They have a participation in decision making; nevertheless, when trying to have a say in public policies, they are completely ignored.

The importance and positive impact is not yet seen; philanthropy in our country is not even taking baby steps.

Not encouraged. Restricted to 7% of profits.
34. Is there a philanthropic tradition in Mexico?

![Pie chart showing responses to the question about the philanthropic tradition in Mexico]

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>17</th>
<th>20%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Somewhat</td>
<td>41</td>
<td>47%</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>29</td>
<td>33%</td>
</tr>
</tbody>
</table>

En cierta m° [41]
Si [17]

35. What encourages philanthropy?

Trustworthiness, transparency, and results shown.
This is cultural and grows inside families that learn to give something that is important in their lives, to reach out to the needy.

Periodic information on results of philanthropy.
A growing economy.
The education level the people have.
Government and corporate calls.
Transparency and results.
Mexican culture. An openly growing sector.
Help those that are less privileged.
The needs our people have. Impacts: results; the before and the after of a specific situation; testimonials, in case of success.
Annual drawings where the Sinaloa private assistance board helps us with resources through the sale of tickets for fundraising.
The search of common good; giving back to society part of what we have received.
That we are surrounded by a problem of permanent shortages; that there are sectors in need of assistance, to survive; that we need to be aware that we have resources to support those sectors; and if we want to see changes, we have to start ourselves.
Fiscal facilities; recognition; personal commitment.
The support to those unprotected, and project viability.
On the one hand, corporate “awareness” particularly to support actions in their geographically surrounding area (even if they are linked to church initiatives); on the other, the feeling that funds that can be granted for expenses are tax deductible; this offers a better clarity to the question “where will my money be spent”.

[Yes] 17 [20%]
[Somewhat] 41 [47%]
[No] 29 [33%]
Encouragement could be found using information campaigns on CSO objectives, emphasizing on transparency and good use of resources.

Be able to see achievements and good results obtained with the support provided.

The economy; the disenchantment with government; the many problems our country has.

Apathy.

CSO professionalization.

Take advantage of media and social networks information, little by little. Transparency. Empathy with the cause. Social awareness. Fiscal incentives. Social responsibility. For corporations, tax exemption. In Mexico, we are naturally generous people.

Sharing is part of the Mexican nature, particularly in the municipality of Ahome. We have evidenced that here the people are generous and solidary.

The spirit of charity, influenced by a religious posture that is predominant in the country, as well as a culture of solidarity with the needy. Nevertheless, these philanthropic actions are not encouraged by government organizations or organized civil society.

Work performed by each one of the organizations; transparency the organization has in its reports; the need to have a quick response in case of emergency.

The elderly and the terminally ill.

Works; they are encouraged by good work performed by each one of the organizations and transparency by each one of the organizations.

Demonstration by institutions that things are professionally accomplished, with transparency and effectiveness for the cause they represent.

Advertising.

Some corporations having responsibility programs are promoting employee donations. Some product and service trademarks sell “products with a cause”.

Problem visibility in a wide context; giving is motivated by showing pain and suffering; there is no community support.

Very few. A predominant element is a disaster.

Religion; corporate values; culture.

Social problems.

To receive a tax deductible voucher in exchange for a donation, although in truth there is a philanthropic sense in the country.

Trustworthiness of society towards CSOs.

Win-win. Whoever makes a donation must receive some fiscal encouragement.

Love for a better quality of life for every citizen; love for the environment and our natural resources; love for a cause or place.

Willingness and availability that corporations having one or several IAPs or ACs have to obtain resources, since they are will staffed and have domestic and international consultants.

Transparency in financial resources management.
Awareness by the people on how to solve social conflicts.

Authorization by the Treasury Secretariat to offer donation deductibility.

The way the institution is seen by the community; quality services provided (high specialty ophthalmologists, and cutting edge technology) at a low cost.

Government support through the private assistance board and the channeling of its aggregated institutions.

Organizations doing a good job, and informing society about it to encourage individuals’ willingness to support.

Social causes are encouraged by the need perceived by the people; social needs themselves.

Success cases that are advertised.

Citizens’ awareness.

Corporate social responsibility.

Fiscal benefits for donors; this is very important for donors.

Religion is an element when need is seen; awareness of causes the institutions serve; fiscal benefits.

Civil society takes more seriously the joint responsibility it has with public and private institutions, and this allows assistance to philanthropic work.

The spirit of service and social labor, because of the satisfaction it brings when one learns how to work under different life conditions; this brings out the better person we can be, because we feel solidarity and we learn there is joint responsibility.

IAP assets. Its capacity and leadership. Its image, trustworthiness, project credibility. Philanthropic examples seen starting at Colonial times.

Cemefi, and centers like it, offering awards to corporations supporting the third sector; society is already demanding that corporations offer support to the community.

Good practices; transparency; impact on beneficiaries.

Natural disasters and mass media campaigns.

Annual drawings and annual events to support the needy.

Education; transparency; etc.

Willingness to support those in need.

Social pressure to become a socially responsible corporation.

Granting fiscal incentives.

Tax decrease: reduced property taxes, vehicle taxes, etc.

36. What discourages philanthropy?

Mistrust; social fatigue due to so many beggars and needy people.

Unawareness of activities that are not merely charity, produces the difficulty to foster actions to change life conditions that are not completely tangible.
Lack of accountability.

Lack of clarity by those now arriving; how to assist, and which is the change to be expected by the beneficiary once a donation is received. The overpowering exhibit of fraud or poor assistance practices.

The economic crisis.

A lack of information on the full meaning of philanthropy as a concept.

Lack of professionalism by requesting institutions.

Popular belief that only the rich can participate in philanthropic actions.

Observation that some institutions use resources poorly, since they are deviated to activities not related to their social purpose.

Mistrust on the use of resources.

Confusion produced by some marketing programs for causes (teletón, small cash donations).

Poor government incentives.

A trend at government agencies and institutions (DIF – SSA, etc.) that they are establishing fundraising areas, and either competing or creating confusion.

People are discouraged because of poor actions on behalf of some CSOs, producing mistrust on the prat of society.

Opacity, discretionality in the use of resources; in general, lack of transparency both donors and donees.

Poor use of it.

Participating in a government calls means that there are not enough resources. Lack of transparency, follow up and creativity; how much corporations are able to donate; tax deductions. No incentives.

Lack of institutional capabilities on the part of CSOs.

Establishment of political purposes institutions. IAPs are uncontrolled or do not have a corporate godfather and, thus, cannot have full compliance with their social purpose. Lack of fiscal incentives.

Corruption in resource management.

Unawareness.

Reduced percentage on tax deductible donations.

Excess demand of information derived from anti-money laundering law.

Little professionalization of CSOs. Lack of transparency on resources management.

Lack of economic resources; assistance popularity actions, that is confused with true social assistance. Permanent dismembering of the chain of values.

Impossibility to complete projects. Resources.

Legal and fiscal unclear frameworks with respect to encouragement policies; little information on possibilities to apply; a culture oriented to assistance popularity actions.
Fiscal laws and obstacles. Lack of transparency and accountability in CSOs. Lack of professionalization in CSOs.

The culture of donations among Mexicans is very well rooted.

Poor management; high administrative costs.

Poor behavior of some institutions that are not performing according to the way they should; let’s not forget that CSOs are working for philanthropy.

Very few government incentives; lack of information and transparency; high support of powerful and influential organizations and very little for the small ones, which do a lot of work but are not known and receive very little or no fiscal benefits.

No fiscal encouragement; not enough advertising; the economy.

Corruption and lack of transparency.

Lack of leadership; no fiscal incentives.

The few government support programs and laws against corporate donations; complications for direct donations and mistrust; bureaucracy; lack of government spending.

Economic complications; corporations will not give unless they get something back.

Bureaucracy and lack of prevention and attention.

Not everybody participates.

Government; Ministry of Finance; transparency.

The difficulty of opening doors to comply with every request by Treasury; corruption; impunity; the establishment of false foundations by politicians.

Corruption; limited spaces for joint actions.

Overregulation; an irrational mistrust of government.

Some CSO abuses; for example, some of them are for profit operations or are the cover for politicians; when such actions come to full view, most CSOs are considered to be abusive.

Corruption; inability to see changes in the community thanks to donations; lack of information on results.

The way politicians use their campaigns to promote, and the fact that they do nothing, is discouraging.

Support to young people; mistrust on the use of resources.

Constant fiscal changes; little clarity on the origin of some capitals invested in organizations; unclear management of resources by some institutions; lack of professionalism and accountability.

Lack of funding to expand assistance programs.

Little incentives for individual donors; philanthropy receives little promotion in Mexico.

Media discredit to activities by CSOs; this creates mistrust among the people.

Poor management of resources by some organizations.

A decrease in Mexican economy. Lack of a solidarity culture. High taxes imposed on CSOs.
Society lack of trust when donating to organizations they are not familiar with, or where information on what they do or their objectives is not clear.

Very few fiscal incentives.

Generalized corruption that our country has had for many years.

Poor resource management; community disapproval on the cause; non-professional media; a period of economic crisis in our region or country.

Bureaucracy.

Difficulties established by some government agencies.

Financial resources deviation; non-compliance with the legal framework regulating CSOs.

Programs that have no visible results.

Organizations with no due compliance with their social purpose.

Corruption, poor management of resources; getting asked to “give” something in exchange for resources.

Lack of clear projects by the organizations themselves.

Not offering reports to donors, benefactors and the public in general, on what we do.

Not being appropriately staffed to find out where resources are and how to obtain them.

Illegal actions; lack of transparency by some organizations; skepticism by the general public.

Little information on the promotion of philanthropy.

Corruption; deceit, lying to community.

Lack of credibility on institutions.

Often, community leaders take advantage of the vulnerability of the individuals and deviate resources for their own benefit.

37. Do CSOs regularly raise funds from public sources or corporations?

<table>
<thead>
<tr>
<th>Response</th>
<th>Yes (E.g., there are established practices of local fundraising, and an increasing level of CSO funding comes from domestic philanthropic sources)</th>
<th>35</th>
<th>42%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Somewhat. (E.g., there is growing awareness about the importance of local fundraising sources)</td>
<td>47</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td>No. CSOs are not allowed to raise funds in the country.</td>
<td>2</td>
<td>2%</td>
</tr>
</tbody>
</table>
38. Do CSOs have fundraising capacity?

- Yes: 38, 44%
- Somewhat: 44, 51%
- Little or none: 4, 5%

39. Do they have capacity to diversify their funding?

- Yes: 31, 39%
- Somewhat: 39, 49%
- No: 9, 11%

40. Do individuals regularly donate to CSOs?

- Yes: People regularly donate to a variety of CSOs or there is at least a broad segment of CSOs that receive such donations. 14, 20%
- Somewhat: E.g., there is a growing trend in donations to “more popular” or attractive CSOs. 49, 57%
- No: donations are insignificant in the income of most CSOs. 23, 27%
41. Do corporations regularly donate to CSOs?

- Yes, they donate in various forms such as money, in-kind, and expertise. 29 (35%)
- Occasionally. (E.g., a group of companies has started to donate) 40 (48%)
- Very little. Corporate donations are insignificant in the income of most CSOs. 15 (18%)

**Freedom of Expression**

42. What non-legal barriers hinder a CSO’s ability to openly express its opinions?

- There are no barriers. 48 (56%)
- There are some barriers. (E.g., a limited number of independent media outlets that will give space to CSOs.) 32 (38%)
- Multiple barriers. (E.g., media and internet are completely controlled by the government) 5 (6%)
43. Is open criticism of government policies and practices tolerated?

- Yes: 43 (52%)
- Criticism and protest are condemned: 35 (43%)
- Criticism and protest are met with reprisals: 4 (5%)

44. Historically, what has been the reaction of the government to open criticism?

- It is open: 27 (34%)
- There are occasional reprisals: 42 (53%)
- It is prohibited by the government and, if it happens, it is met with reprisals: 10 (13%)

45. Are individuals and organizations aware of their rights with respect to expression? In practice, does the political culture support these rights? Or are they suppressed regardless of legal protections?

- They are aware of their rights; political culture indeed supports the freedom of expression right in practice: 29 (37%)
- The majority are aware of their rights; political culture frowns upon freedom of expression or does not openly welcome expression and criticism: 33 (42%)
- Few are aware of their rights; political culture hinders freedom of expression: 17 (22%)
**Peaceful Assembly**

46. Is there a history of government-led violence or aggression against peaceful demonstrators, activists and/or strikers?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>41</td>
<td>49%</td>
</tr>
<tr>
<td>There are some cases</td>
<td>29</td>
<td>35%</td>
</tr>
<tr>
<td>Frequent instances</td>
<td>5</td>
<td>6%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>9</td>
<td>11%</td>
</tr>
</tbody>
</table>

47. In case of violence, please describe them.

Murder of women defending their rights and who are harassed, as well as those other reporting unfair situations as in the case of those working with migrants.

When one is not part of a group, or political party, an impossibility to demonstrate.

Recently being suppressed by the various police forces.

For demonstrating or protesting on the street.

We don’t have a direct relationship with any CSO that has suffered that kind of aggression; nevertheless, we have learned of it in various other states.

Physical punishment; temporary detentions.

During the 1999 UNAM strikes, facilities were reopened through the use of force, both military and police. In July 2014 in Mexico, rules are approved to allow vehicle use daily; blocking several intersections in the city were dissolved by the presence of riot police.

In September 2013, some neighbors in the Magdalena Contreras area were protesting because there was a road construction affecting their property; they were removed by riot police.

During the ceremony in the President took office, demonstrators in several states were dispersed. Individuals were repressed through false accusations, and there were punishments of a fiscal or criminal nature. Blockage of tolls along highways in relation to the decisions on primary products.

Demonstrations in Mexico against the government. Teachers’ demonstrations. Atenco.

I have not lived through one of those, but I know there are aggressions against demonstrators in other states.

If you express yourself, I will help you. The case for “movimiento 132”.

The usual is to have peaceful demonstrations repressed.

Human rights defenders are repressed in many states.
Aggressive reactions by the government; this seems to be the trend; they now know how to use weapons against demonstrators.

Teachers’ demonstrations have been repressed in Puebla. Farmers demonstrating against mining, water extraction, and oil pipeline laying are repressed by detaining their leaders by means of unclear reasons. A law has been enacted to allow police even the use of firearms to repress public demonstrations. This law is now being analyzed through “amparo” proceedings.

48. In practice, is there tolerance toward groups who gather to openly criticize the government through protests or strikes?

![Pie chart showing tolerance levels]

- Yes 37 (47%)
- Criticism and protest are condemned 33 (42%)
- There is no tolerance 8 (10%)

49. In general, what is the nature of the relationship between the Government and CSOs?

![Pie chart showing relationship levels]

- Harmonious 46 (57%)
- Somewhat contentious relationships 29 (36%)
- Antagonistic 6 (7%)
**Government-CSO Relations**

50. Is there communication between CSOs and the federal government?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, there is regular, productive communication</td>
<td>20</td>
<td>25%</td>
</tr>
<tr>
<td>There is limited, often ineffective communication</td>
<td>38</td>
<td>48%</td>
</tr>
<tr>
<td>No, it is minimal and ineffective</td>
<td>10</td>
<td>13%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12</td>
<td>15%</td>
</tr>
</tbody>
</table>

51. Is there communication between CSOs and state governments?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, there is regular, productive communication</td>
<td>21</td>
<td>28%</td>
</tr>
<tr>
<td>There is limited, often ineffective communication</td>
<td>37</td>
<td>49%</td>
</tr>
<tr>
<td>No, it is minimal and ineffective</td>
<td>13</td>
<td>17%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5</td>
<td>7%</td>
</tr>
</tbody>
</table>

52. How can the quality of the dialogue between the federal government and CSOs be characterized?

As very good, efficient, and every day more productive and operational. Good in general; however the sector is not only located in the Federal District.

Good.

Excellent.

Relatively good.
Speaking about our institution, we can say there is dialogue. Hogares del Anciano are scattered over the country, and thus we should have good access to the federal government. Our institution is too far from the federal government. Thus, it has not had too many dialogues or dialoguing has been nil. We would like to try to explore our needs and obtain help.

Normal and limited.

I’m not aware there is dialog.

Minimal; everything has been through civil organizations without government assistance. Example, Cabo Pulmo.

The government needs to be aware that CSOs are really working, the government does not even know how many CSOs there are in each state, nor who is really working.

Have government interested in supporting CSOs by open and transparent forms of planning proposals.

There are many government surveys, but CSOs are never considered to participate in the preparation, execution or monitoring of public policies.

Moderately effective.

Deficient; bureaucratic.

Having access to a dialogue is very complex.

It is usually the result of relationships among acquaintances; not fair and open.

Every 6-year period it restarts with new practices and legal provisions; processes are not institutionalized; there is no continuity.

Does not exist.

Good, through sources like SEDESOL, Nacional Monte de Piedad, Administracion del Patrimonio de la Beneficencia Publica.

Only a few government agencies have provided dialogue; some other (for example, SAGARPA) will not even consider the work performed by CSOs. In the case of SEDESOL, this happens through INDESOL, and the Collegiate Body promoting Ley de Fomento. At SEGOB, this is through the Mecanismo de Vinculacion (joint assistance mechanism). In SSA it is through those CSOs that have been awarded Premio de Acción Voluntaria y Solidaria, etc.

Organize meetings to understand requirements to solve the needs that come up.

Bureaucracy; protocols and limitations. There are, nevertheless, instances directly working with CSOs that have direct and effective communications channels, such as INDESOL.

It is very little. Communication is better between CSOs benefitting thanks to federal funds. Nonexistent or limited to a reduced group of CSO. Favoritism.

It is easy for public events; it is difficult for specific actions. The government is aware that communication is the core of influence that creates innovation and modernization of society; with civil society is one of the more efficient ways to demonstrate the work. There are many events with which they communicate their programs and support, if and when CSOs are welcome to a dialogue and offered support.
Observe what CSOs are doing, what is being done well and producing considerable impact, and create good government-CSO alliances for the benefit of society. The government, in most cases, leaves CSO working on their own. Harmonious.

Our experience: the Treasury Secretariat is not fully willing to assist private institutions.

Null.

Poor.

Good, with little productivity.

Hardly effective.

Must be harmonious, with respect, and a search for joint work alternatives in common ground areas.

It is characterized as solely obligation compliance.

Active joint participation of CSO and state or federal government, trying to find solutions to different problems found in the various states.

Good.

Distant.

Null.

Government instances turn deaf ears, because they already have their own plans and programs, and are not really open to other proposals.

CSOs are being used for their convenience; depends on the communication already existing among them; quite often in depends on us, CSOs.

It is necessary to have a better communication on government actions to support CSOs. In our case, there is no clarity on the federal side, probably by lack of a conciliatory attitude. In the case of capabilities or lack of them, positions are filled by government appointees and these are dividing reasons that do not allow the possibility of joint actions.

Only those organizations that are affiliated, like Cemefi, are able to hold a dialogue; direct dialogue is not possible.

Null.

Limited and exclusive for some CSOs.

Dialogue through Secretariat of Social Development is good.

Direct dialogue with no significant progress.

Good; we need to do that; this is the only way in which we can join efforts for actions and solve problems we have.

I don’t know.

It is frequently sterile. A lot is said, little is proposed, and nothing is done. Little importance is given to CSO needs,

Null, save in those cases where the Board of Trustees in a CSO is composed by politicians or businessmen attuned to the federal government. The federal government says: “we will send your proposal to be reviewed”. The government has a positive but limited attitude to listen to topics.
Consulting mechanisms, very often, are reduced to validation of the previously decided on government initiatives.

Good, but often they use us as consultants in some government projects.

Locally, we have been meeting at DIF, but it seems they are needier than we are. The problem with government figures is that every time a new administration takes office, they present their “strategic plans”, but none gives continuity to the one that was there before. They present “awesome” proposals, but none can be successful because they have very little time to implement them. They have not understood that these are long time plans nor do they understand the importance of alliances.

**53. How can the quality of the dialogue between the state governments and CSOs be characterized?**

As very good, efficient, and every day more productive and operational.

Periodic meetings must be established between the government and CSOs, and work on joint actions; allocate budgets and provide for impartial granting.

Turn to see that there are other CSOs, find out what they are doing well, what is producing an impact, and establish government-CSO alliances to benefit society. In most cases, the government leaves CSO with no support. It is the same with the federal government, but stronger CSOs try to approach it, although the rest merely criticize it or complain, but they make no proposals and do not get involved.

Good.

Excellent.

High level corruption at a state level; no real exchange of information between organizations and state government.

Normal and limited.

State governments say: “We will send your application for review”.

Non-existent.

Poor, very poor. We have had to use the press to have the state government avoid doing what it must not to do. State Congress assigned state budget resources for our cause, and the executive acted against such order. This is why we have to use the press, which should not be necessary.

Regularly; however, they respond when exposed in the media.

They also have a variety of interests that are very different from most of those CSOs have.

Null. That is part of a state government agenda. They are not well informed; they take after established relationships of a personal nature.

A bit closer due to common interests.

Small scope; insufficient and inefficient.

Organize meetings to understand requirements to solve the needs that come up.

A bit closer due to common interests. Efforts are appearing, but they are different between states, starting back at “square one” whenever a government administration and its officers change.

Direct dialogues with no significant progress.
Very limited. The only way to access a dialogue is to have a close relationship with officers. During previous administration, the state of Puebla called sectorial meetings, although it is no longer done.

Deficient.

Harmonious; it is trustworthy.

It is good to communicate with delegates, and the governor; they allow us to see the sources of support.

Limited and cold; it is only for the photo.

Good, but scarcely productive Characterized by the regional needs and agreements with local governments.

Good.

We need to show that we are necessary and visible by means of actions impacting economic and social development. And we need to bring in academia.

There is interest on work done by CSOs, and timely spending of allocated resources.

Queretaro has direct contact with organizations that have a proven record and enough weight; however, most CSOs find it impossible or very complicated to have a contact and direct dialogue with the state government.

Good.

Our experience is that it all depends on the state. Some governors have a good relationship and promote CSOs, while others are not even aware they exist, and do not appreciate the work performed.

They say they listen and offer support, but these are only empty words. No true facts about state support for CSOs in general, and when it is there, it is usually arbitrary.

I believe that if the federal government serves considerable programs, those served by state governments must be known, and there is little communication. Only in the Federal District is participation known.

The federal budget is very limited for assistance to civil society; we don’t know why funding previously assigned to CSOs was cut off. Deficient bureaucracy.

We have always had better dialogue with the state government, because of nearness.

It is usually employed to present difficulties CSOs face.

Government does listen, but does little in practice.

Null.

By means of a web site containing a public access area where ideas and proposals by CSOs can be posted with no restrictions.

More or less, average communications.

Almost null. It is practically only a name; they ask for information and call only to request data, but hardly any dialogue and close to nothing support.
Null, except in those cases where the Board of Patrons is composed by politicians or businessmen attuned to the state government.

Effective.

Limited; non-inclusive, with low tolerance.

It is frequently sterile. A lot is said, little is proposed, and nothing is done.

Difficult, not impossible. However, no real concrete policies for alliance are reached; usually circumstantial, and this is for not having government contacts.

It should be pleasant, respectful and considerate among institutions; trying to find solution strategies to strengthen and consolidate the development of the work everyone has for social benefit.

Poor.

Scarce. CSOs do not feel comfortable to hold an open dialogue, because they fear retaliation.

Scarce.

Regular. Sometimes even productive.

54. Are the opinions of CSOs taken into account when drafting legislation, or more generally, for any other legislative process?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sometimes</td>
<td>32</td>
<td>38%</td>
</tr>
<tr>
<td>Rarely</td>
<td>38</td>
<td>45%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6</td>
<td>7%</td>
</tr>
</tbody>
</table>

55. Are there timely consultations with civil society organizations in order for them to share their opinions and influence government decisions?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>13%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sometimes</td>
<td>35</td>
<td>42%</td>
</tr>
<tr>
<td>Rarely or never</td>
<td>37</td>
<td>45%</td>
</tr>
</tbody>
</table>
56. Is there transparency and accountability for developmental priorities, strategies, plans and actions by the government?

Yes, there is a participatory process 22 27%
In some cases. (E.g., certain secretariats publish data) 35 43%
Little or non-existent 24 30%

57. Do CSOs have a mechanism to dissent or appeal certain government decisions at the federal or local level?

Yes, several do exist and at least one has proven successful. 21 27%
They are limited, not reliable, and CSOs are usually unsuccessful. 33 42%
They have none, or they have never produced any results. 25 32%

58. If you know of a success story, please briefly share it.

I don't know. I have replied on every question, and I am learning of these opportunities to obtain support.

Not applicable.

Cabo Pulmo, the mining lagoon. During the presentation of law initiatives, particularly the Law to Foster CSO Activities in the state of Queretaro, it was postponed to incorporate the various actors involved. This is a trendy question, because there are no options. We have worked coordinately with the government sector at the three levels, federal, state and municipal in Queretaro. CSOs created a “common front” to avoid having the government modify the tax deductible percentage on donations by corporations. Fiscal reform of 2014 shows that not all topics were included. Example, fiscal condition, civil protection laws. See the case of Asociacion Ale, with organ donations.

There is no law before congress related to the deductibility percentage of donations.
CEMEFI’s intervention sheds some light on this government darkness.

Yes, the change on the income tax law, because it expanded the catalog of activities and incidence on public policies is not permitted. Also, the law against discrimination and the changes in the law to assist victims. CSOs were able to expand the areas in public spaces for persons with disabilities and their inclusion in corporations.

We are working on a project to include a legislative change to protect the “four mirror” butterfly and promote its conservation.

Averagely successful; no increase on the cost of power, even though it is still too high for the people in Sonora, because of extreme weather conditions. A participation of Mexicanos Primero on education.

The executive withdrew the resources ordered by the legislative, and thanks to the media were able to recover it.

The recent campaign to promote mothers into the benefits of breastfeeding was highly criticized. And such criticism was accepted.

The academic proposal implemented in 2011 in IDX is: A diploma course “Attention to Different Capacities: A model on human rights and citizenship”. We are ready to begin with the 5th generation in the central part of Veracruz. This is endorsed by UANL and offers professionals, technicians, public servants, and social organizations staff the necessary knowledge to improve abilities and attitudes to personas with handicaps, to improve their human development, self-determination and an independent life.

59 Does the government view CSOs as partners and allies in their own work, or as potential threats to their agenda?
60. Is there the possibility for CSOs to participate in public policy initiatives?

<table>
<thead>
<tr>
<th>Condition</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes or there are minimal non-legal barriers. (E.g., government denounces CSOs but does not prevent them from participating)</td>
<td>28</td>
</tr>
<tr>
<td>There are some non-legal barriers, depending on the type of activity or policy issue involved (E.g., participation mechanisms exist for the “less sensitive” areas, such as humanitarian aid or children’s welfare)</td>
<td>40</td>
</tr>
<tr>
<td>There are many, severe non-legal barriers (E.g., harassment or incarceration of CSO leaders and members; CSOs lacking basic capacity to participate in public policies).</td>
<td>10</td>
</tr>
</tbody>
</table>

61. Have there been any significant changes in relations between civil society and the government in the country during the last two years?

<table>
<thead>
<tr>
<th>Change in Relations</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, relations have improved</td>
<td>40</td>
</tr>
<tr>
<td>Relations have deteriorated somewhat</td>
<td>20</td>
</tr>
<tr>
<td>Relations have deteriorated significantly</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
</tr>
</tbody>
</table>

62. What conditions do you feel need to be in place to allow for a good and effective relationship between state and civil society?

A positive alliance sharing beneficiaries and produce a win-win situation. The benefit would be for our citizens, because they would give within their possibilities.

Dialogue, definitively; dialogue and closeness.
Open new communication channels and improve those that we have.

The state’s legislature that has not done much in the past two years, should support CSOs. In Sinaloa we are very restricted.

Respect, mutual support and collaboration for a common good.

Better opening.

Work jointly on development programs of the various institutions, and producing successful projects and results.

Mutual respect and understanding. Communication and information on both sides; better government information on what CSOs do, and appreciate CSOs because they assist the government on the work that must be done by government. Communication, transparency and trust. View this as a joint effort, not as competition.

Have a positive view on actions by CSOs; improve communication channels; include in government agendas the need to have periodic meetings with CSOs.

I believe this survey is biased and with a trend to obtain answers indicting that government is not acting appropriately. We have been working for 10 years as an organization in alliance with the various governments of different political parties, although we are not members of any of them, and we have always had an excellent response to our joint work, in the areas of education, culture and health.

We have found differences, but rather on the operational area not for legal or political issues.

Regarding fiscal benefits, I believe that we, civil society organizations, need to be tending to this issue by being institutional and transparent; then, we can make demands through the right channels of government. That does not mean that we defend the government, but rather that we need to try to find empathy and joint responsibility on both sides.

Special offices/desks in every secretariat devoted to this sector; dialogue and follow up to assess if steps taken are truly viable for organizations. Dialogue needs to be reflected in provisions related to decisions. Dialogue is no good if there is unilateral decisions by government. Work teams that can be made up by the three sectors: government, corporations and CSOs.

Dialogue.

Notice that only coordinated effort is able to solve certain problems affecting this community.

The institutions follows regulations provided for by the state. State must see civil society as an ally. We need good political willingness and intelligent social conscience.

Work as a CSO team, state, the media and society.

A fiscal benefit to businessmen supporting truly proven causes in CSOs.

The state needs to learn about the depth of the work done by CSOs. We need to be legally incorporated, comply with established purposes, and have good practices in our annual work plans.

We need to hold decision making positions in all kinds of committees; there needs to be citizen auditing on government budgets.
Communications channels that are effective, direct and open. A legal framework to promote CSO participation in decision making, as well as permanent strengthening process for the capabilities of CSOs.

The government should listen to what CSOs have to say, and have them know about public policies. Organizations have experience that makes them indispensable to render an opinion on subjects dealing with their activities. They must be considered as allies, for better or for worse. Governments are trying to find our support while they are campaigning, and they promise a lot but do not deliver. Accept the work done by CSOs and support them.

Common interest and good for society.
Reciprocal respect and support to programs.

Politicians need to understand and be aware of the true causes and solutions, on those problems that are dragging the progress of the country. They must be aware that when they are corrupting themselves, they are corrupting their spirit.

Transparency.

Trustworthiness, on both sides; demonstrate CSO solidarity with the period in which it has been established, social incidence, impact, visibility in the sector, etc. CSOs are professionalizing themselves and have work methodologies that are renown, which sometimes are also adopted by government for its own programs.

The state must listen to CSOs and invite them to dialogue.

Better government support to civil society. Transparency, dialogue, agreements and respect. An institutional respect must be developed, and the national development plan must include activities by the country’s CSOs.

Laws that are easier to comply with; and a growing budget for CSOs.

More transparent government calls with a higher impact. They must keep CSOs as allies, not only as institutions asking for trustworthiness. Dialogue is indispensable.

Team work. Be aware of the work of CSOs and respect them. Provide certainty on the support to be given, according to the needs of the sector to be supported.

Our objectives must be imbedded in joint projects established with the government; above all there is a need for transparency in institutions; our impact is indispensable.

Open communication channels. Build programs and projects sustained on local CSOs; bear in mind true needs; better professionalization of the CSOs sector. Communication sensibility and awareness by government. Trustworthiness!

An effective and clear framework. CSO awareness. Government must understand that CSOs perform part of the work they must perform, and thus we deserve their respect and support.

Respect and agreements to develop concrete actions and really provide a social impact. Awareness of the work CSOs do and permanent communication.

Work teams composed by the three sectors: government, corporations and CSOs. Create an easy access common language. Open technical consulting spaces to assist on GOVERNMENT CALLS. Better economic support, since we are doing the work that government should be doing. Having powerful, ethical and high quality people.
Create in every agency/ministry effective mechanisms for organization access to officers. For example, in spite of having participated and dialogued in a public act with a high officer in the corresponding institute for adult education, asking for collaboration, and although she indicated to be interested and asked us to schedule an appointment through her secretary, three months have gone by and we still cannot see her.

Open spaces for this relationship to take place.

**Taxation**

63. How does taxation (taxes and exemptions) affect CSOs’ financial sustainability?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>It affects financial sustainability in a positive way.</td>
<td>20</td>
<td>25%</td>
</tr>
<tr>
<td>It has an ambiguous effect depending on the type of CSO or government discretion.</td>
<td>40</td>
<td>51%</td>
</tr>
<tr>
<td>It has a stifling effect.</td>
<td>17</td>
<td>22%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>3%</td>
</tr>
</tbody>
</table>

64. To what extent are tax laws/regulations enforced?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is an accessible system to pay taxes.</td>
<td>31</td>
<td>37%</td>
</tr>
<tr>
<td>Both paying taxes and complying with tax regulations are cumbersome and costly.</td>
<td>35</td>
<td>42%</td>
</tr>
<tr>
<td>Government has little capacity to enforce tax laws/regulations; tax evasion exists.</td>
<td>8</td>
<td>10%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>9</td>
<td>11%</td>
</tr>
</tbody>
</table>
65. From your point of view, which are the main changes tax regulations require to create incentives for CSOs?

Awareness on the operation by CSOs.

Increase the percentage of overhead expenses with respect to the total budget from 7% to 15%. Create easier accountability systems and the number of the “transparency” process; fiscal benefits for hiring impaired individuals; use of environment friendly supplies and technologies.

Permit a more ample transaction to digital processing, and make proposals on improvements.

Eliminate non-deductible benefits granted workers; expand the 5% for administrative expenses, and increase the 7% donations ceiling granted by corporations.

Permit deductibility in other areas. Increase fiscal incentives for donors. Facilitate the process to obtain the authorized donor registration, and to submit tax returns. Allow fiscal incentives on donations.

Create a 3-party committee composed by foundations, government and CSOs to oversee everything that has to do with the third sector.

Create a legal rescue figure for CSOs that have proven to truly work along the years and have transparency.

To have all government support published in real time everywhere such publication is possible.

Increase the percentage on donations. Increase percentage of overhead in relation to budget from 7% to 15% deductibility.

Improve the scenario for donations well beyond 8%. This will create a wider portfolio of donors to benefit social work.

Open training areas for CSOs related to electronic invoicing.

Improve donation schemes for seized property, to strengthen assistance works in high poverty areas.

Design software that is specialized in donation accountability. There might be exemption mechanisms, for example on Value Added Tax Law (VAT).

No.

To have 100% deductible donations, without limitations.

Those related to taxes, banking conditions and invoicing, for rural and native areas.

Government has no capacity, experience or knowledge on how to serve many of the areas covered by CSOs. Nevertheless, government considers CSO support as expenses, although government should see us as investment, and the means to achieve a more inclusive society.

The VAT law and promote donations to CSOs by means of fiscal incentives.

Eliminate or decrease fiscal burdens; create corporate incentives.

I don’t know.

Government should be more open to understand the needs of organizations.

A fiscal framework to incentive donors, with tax exemptions for organizations, particularly when it comes to salary payment, and financial education to CSOs.
Exempt all kinds of duties or taxes imposed on organizations, but do heavy auditing to oversee the transparency of the operation itself.

Stop causing difficulties for the good development of CSOs.

Expand fiscal benefits for private donors.

Decrease taxes imposed on CSOs. Permit income according to productive projects.

Increase tax deductibility.

The fiscal area is the best to produce incentives for CSOs.

Increase the annual percentage donation figure; increase the percentage of VAT return that is deductible per donation; except power consumption payment; create effective deductible concepts.

Flexibility and awareness.

Simplify fiscal laws.

Recovery of the VAT paid.

Dialogue.

More fiscal incentives, and less restrictions on possible donors. Benefit those that help. Tax deductible vouchers are to favor donors, so that donations become attractive.