



**Government Defence
Integrity Index**



2020



Country Brief:

MEXICO



MEXICO

For the past decade, Mexico has endured protracted violence and conflict. The battle to control illicit markets, chiefly the drug trade and extortion rackets, has engaged organised crime and self-defence groups in a bloody struggle, which has been met by the security forces' uncompromising 'mano dura' (iron fist) response.¹ The authorities' highly militarised response has led to extrajudicial executions and abuses of power by state security personnel and contributed to the deaths of 200,000 citizens. These dynamics of insecurity have had a devastating effect on human security and human rights,² turning Mexico into a state that has become one of the world's most dangerous for journalists and human rights advocates.³

Underpinning the current security situation is endemic corruption across government institutions that has facilitated the expansion of organised crime groups and undermined state capacity to respond.⁴ Mexico's current president, Andrés Manuel López Obrador was elected on an anti-corruption platform and with promises to reverse the 'mano dura' policy of his predecessors. However, his administration has been characterised by democratic backsliding⁵ and the sustained militarisation of public security,⁶ marked by significant increases in defence and security spending.⁷ The result is an imbalanced defence sector, one receiving considerable resources and political attention but with under-developed and opaque governance mechanisms that significantly increase the risk of corruption. External oversight is extremely weak and scrutiny limited by defence institutions' high levels of secrecy. This extends to budgetary and procurement issues, which are generally non-transparent and of which only partial information is made public. Finally, weak anti-corruption frameworks for personnel and operations significantly increase the risk of abuses during troop deployments.

Member of Open Government Partnership	Yes
UN Convention Against Corruption	Ratified in 2004
Arms Trade Treaty	Ratified in 2013

Latin America

Latin America is experiencing one of the most difficult periods in its recent history. The coronavirus pandemic, steep economic contraction and significant democratic backsliding and political polarisation are threatening to undo much of the development, security and governance gains the region has achieved. The financial crisis has fed into public anger at rising inequality, corruption, poor public services and police brutality, with many states seeing massive public protests and social unrest. Insecurity is also on the rise, particularly in Mexico, Colombia, Venezuela and Brazil where powerful organised criminal groups have expanded their influence and capitalised on state dysfunction to strengthen their trafficking networks. Backsliding has been visible from Chile to Mexico, as democratic institutions have been undermined and the military has gained increased political power. The expanding role of the military is also raising questions about governance standards. Allegations of human rights abuses and abuses of power by defence and security forces are mounting, but these actors remain largely unaccountable to the public. Transparency in their activities, administration and financial management continues to be restricted and executive control has been tightened, to the detriment of external oversight. Procurement in particular is at high risk of corruption, while anti-corruption safeguards on operations are extremely weak.



¹ International Crisis Group, 'Breaking the Cycle of Violence in Mexico and Central America', 8 February 2021.

² Lee Cotton and Cassy Dorff, 'Criminal Networks and Human Security in Mexico', *Korbel Quickfacts in Peace and Security*, August 2016.

³ Nina Lakhani, 'Mexico World's deadliest Country for Journalists, new Report Finds', *The Guardian*, 22 December 2020.

⁴ Iacono Grillo, 'Mexico and the Gods of Corruption', *The New York Times*, 29 September 2020.

⁵ Alejandro Garcia Magos, 'Is AMLO Undermining Democracy in Mexico?', *Open Democracy*, 13 May 2021.

⁶ Adriana Abdenur, 'In Mexico and Brazil, Mano Dura Gains Ground Left and Right', *Americas Quarterly*, 21 February 2019.

⁷ SIPRI, 'Military Expenditure by Country in Constant (\$USm), 1989-2020', *MilEx Database*.



MEXICO

Overall scores

The size of the colour band corresponds to number of countries that fall into that category.

MEXICO SCORE
VERY HIGH RISK

E

30



A > 83-100 VERY LOW

B > 67-82 LOW

C > 50-66 MODERATE

D > 33-49 HIGH

E > 17-32 VERY HIGH

F > 0-16 CRITICAL

Risk Comparison

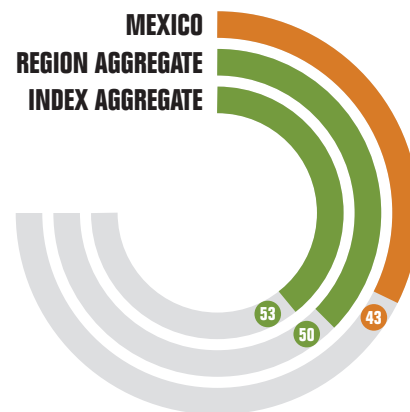
POLITICAL



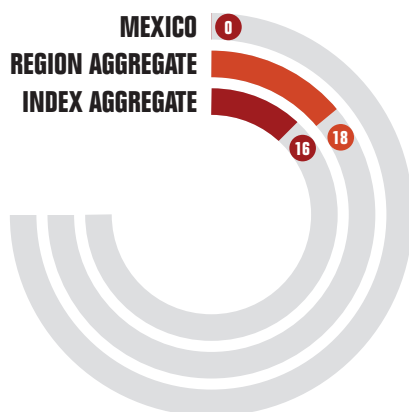
FINANCIAL



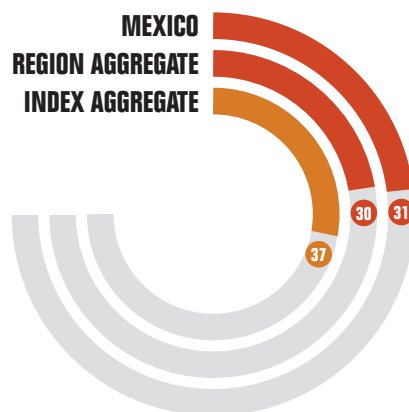
PERSONNEL



OPERATIONAL



PROCUREMENT





MEXICO

Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	59/100
Military expenditure as share of government spending (SIPRI, 2020)	1.9%
Committee members with defence expertise (%)	Data is not publicly available.
# of meetings/year	Data could not be accessed.
Last review of defence policy/strategy	2018

Parliamentary oversight of the executive has historically been constrained in Mexico, with strong executive influence over Congress. The present administration presents further risks to the separation of powers, as the president's political party has a majority in both chambers of Congress.⁸ The limits of parliamentary oversight are particularly evident with regards to defence. Despite relatively strong formal powers to formulate legislation, review policies and exercise budgetary control, in practice they are rarely exercised. The bicameral National Security Commission and the National Defence Commission in the Chamber of Deputies have not discussed major budget or arms acquisitions issues since 2018 and generally skirt discussion of delicate issues.⁹ The commissions are further restricted in their work due to a lack of expertise and access to information. Classification rules mean that the legislature does not have extensive access to security information, undermining its capacity for informed oversight, while sector-specific expertise is also in short supply. The Commission's work is also constrained by legislators' three-year terms in the Chamber of Deputies, which restricts continuity in defence policy and oversight and curtails the longevity of legislation.¹⁰ Moreover, the tightening of executive control over defence policy, embodied by highly militarised public security and defence strategies, has seen the legislature increasingly side-lined from decision-making. The armed forces are gaining increasing influence under the current president López Obrador, who has granted them control over ports, border crossings and major infrastructure projects.¹¹ This deepening alignment between the executive and military could lead to a further erosion of parliament's defence oversight powers and raise significant questions around the extent of civilian control of the armed forces.¹² In parallel, financial oversight of defence is carried out internally by the Comptroller General of the Secretariat of National Defence (SEDENA) and externally by the Superior Auditor Federation (ASF). There is very little information available on the functioning of the internal audit unit, although it does share reports with the Secretariat of the Civil Service (SFP), and media investigations have revealed how corruption issues in SEDENA are often first raised in internal audit reports.¹³ In terms of external audit, the ASF reports to parliament and has a mandate to conduct financial and performance audits of government ministries. However, defence audits are irregular and superficial, with auditors limited in their access to information by expanding classification laws, which result in audits that lack clarity. Moreover, when audits are conducted, SEDENA regularly fails to integrate findings in its practice, underscoring the ASF's weak enforcement mechanisms.¹⁴

Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: 7% (2) # subject to backlog: Data is not publicly available.
Defence-related complaints to ombudsman/commissioner #	Data is not publicly available.
Does the commissioner have authority over the MoD?	Yes
Audit reports on defence (2018-2020) #	Data could not be accessed.
Open Budget Index (IBP, 2019)	82/100
World Press Freedom Index (RSF, 2021)	143rd out of 180.

Government corruption in Mexico has been facilitated in part by limited transparency of governance at the state, federal and local levels. Elected representatives have been largely unaccountable to voters and have skimmed billions of dollars from state coffers with near total impunity.¹⁵ Far from attempting to resolve the issue, the current President has been openly critical of the system that enables the public to access information about his administration.¹⁶ The military is one of the least transparent state institutions and benefits from a privileged position that exempts it from standard reporting, disclosure and transparency requirements. The defence budget, though published annually, is not detailed and lacks significant information related to arms acquisitions and does not contain any explanations or justifications for expenditure. The legislature, through the Committee on Budget and Public Accounts (CPCP), has extremely limited influence on budget decision-making. Its only authority is to issue non-binding recommendations that cannot be enforced, and which defence institutions are free to ignore entirely.¹⁷ Budget reliability is further undermined by the absence of controls around off-budget income and spending. Though the Secretariat of National Defence (SEDENA) is required to submit reports to the Ministry of Finance on off-budget income, this information is not made available to the public. There are also no institutional oversight mechanisms for this income, despite the military holding some significant commercial interests,¹⁸ with no record of either parliament or Superior Auditor Federation (ASF) scrutiny,¹⁹ raising questions as to how these funds are used by defence institutions. There is also no legislation that prohibits off-budget military expenditure, increasing the likelihood of extra-budgetary defence purchases potentially fuelled by off-budget income. Military resistance to access to information regulations is another key obstacle to financial transparency. The General Law on Transparency and Access to Information creates a legal obligation for SEDENA to provide detailed information to the public,²⁰ however this requirement can be nullified through recourse to 'national security' arguments. As a result, information requests are often ignored or receive only vague replies, with SEDENA replying fully to just 7 per cent of FOI requests in 2018-2019.²¹

⁸ Bertelsmann Stiftung, *BTI Country Report 2020 – Mexico*, Gütersloh, Bertelsmann Stiftung, 2020, p. 11.

⁹ Chamber of Deputies, 'Matters Referred to the Commission of National Defence', LXIV Legislature.

¹⁰ Gustavo Castillo Garcia, 'Court Annuls the Internal Security Law', *La Jornada*, 15 November 2018.

¹¹ Kate Linthicum and Patrick J. McDonnell, 'Mexico's Military Gains Power as President Turns from Critic to Partner', *Los Angeles Times*, 21 November 2020.

¹² Mary Beth Sheridan, 'As Mexico's Security Deteriorates, The Power of the Military Grows', *The Washington Post*, 17 December 2020.

¹³ Diana Lastiri, 'SEDENA Contracts by NAIM have Anomalies', *El Universal*, 8 January 2019.

¹⁴ La Redaccion, 'SEDENA Must Report on Procedures to Deal with ASF Observations', *Proceso*, 7 May 2017.

¹⁵ Ioan Grillo, 'Mexico and the Gods of Corruption'.

¹⁶ Mary Beth Sheridan, 'It was a Milestone for Mexico's Democracy, Now Lopez Obrador Wants to Get Rid of the Country's Freedom of Information Institute', *The Washington Post*, 14 February 2021.

¹⁷ Government of Mexico, *Federal Law on Budget and Fiscal Responsibility*, Official Government Gazette, February 2012, Art. 58, 59 & 76.

¹⁸ SEDENA, *Organisation and Operation Manual of the General Directorate of Administration*, 2015 Edition.

¹⁹ ASF, *Report of the Result of the Superior Audit of the Public Accounts*, 2020.

²⁰ Government of Mexico, *General Law on Transparency and Access to Public Information*, Official Government Gazette, 4 May 2015, Article 4.

²¹ Alonso Urrutia, 'Opacity Prevails in Requests for Information from SEDENA', *La Jornada*, 26 August 2019.



MEXICO

Personnel Ethics Framework

Whistleblowing legislation	General Law on Administrative Responsibilities (2016)
# defence-sector whistleblower cases	Data is not publicly available.
# Code of conduct violations	Military: Data is not publicly available.
	Civilian: Data is not publicly available.
Financial disclosure system	# submitted: Data is not publicly available.
	# of violations: Data is not publicly available.

The significant expansion of the armed forces' activities has led to widespread human rights abuses. Between 2014 and 2019, the National Human Rights Commission (CNDH) received nearly 3,000 complaints regarding military abuses.²² The militarisation of public security, including the creation of the National Guard to replace the Federal Police as the government's main law enforcement body,²³ echoes previous government approaches that contributed to serious cover-ups of human rights abuses, including enforced disappearances, torture and extrajudicial killings.²⁴ Abuses of power are a particularly pressing risk when anti-corruption safeguards for personnel are weak. For instance, the code of conduct for military personnel²⁵ does not provide specific guidance in relation to bribery, gifts, conflicts of interest and post-separation activities. There is also no record of how the code is enforced as the Secretariat of National Defence (SEDENA) does not keep records of this. However, the impunity that many defence personnel enjoy in the face of corruption cases indicates weak enforcement of anti-corruption regulations.²⁶ The weakness of whistleblower protection frameworks is a significant obstacle to building integrity. While the General Law on Administrative Responsibilities provides for anonymous complaints to be made when reporting corruption, protection measures only apply when public servants report wrongdoing internally. Cases are decided upon by the institution itself, raising the possibility of such measures not being applied in certain circumstances.²⁷ Within defence institutions, there is little evidence that the practice is encouraged and SEDENA does not collect data on whistleblower claims and cases. Finally, in terms of recruitment and promotions, external scrutiny is weak and allows for significant executive control over the process. At senior levels, there is no external audit for appointments and these positions are generally decided on the basis of political factors, which play an outsized role.²⁸

Operations

Total armed forces personnel (World Bank, 2018)	348,000
Troops deployed on operations #	Unknown number in Mexico, 6 in Colombia (UNVMC), 4 in Western Sahara (MINURSO), 4 in Mali (MINUSMA), 2 in CAR (MINUSCA), 1 in India (UNMOGIP)

The deployment of Mexican troops on public security and counter-organised crime operations has been well-documented.²⁹ However, despite these operations involving significant corruption risks, bringing personnel in close contact with strong illicit economies and powerful organised crime actors, anti-corruption safeguards for operations are virtually non-existent. Mexico does not have a military doctrine that addresses corruption as a strategic issue during deployments and there is no evidence that corruption issues are taken into account in the forward planning of operations. Anti-corruption training also appears limited. There is no evidence that commanders receive tailored pre-deployment training on these issues, while the Ethics and Conflict Prevention Committee does not appear to focus on corruption risk during operations in its training and awareness raising campaigns.³⁰ The military does not appear to have a policy of monitoring and evaluating corruption risks in the field and there is no practice of deploying trained personnel to carry out monitoring and reporting duties in relation to corruption. Finally, the growing role of private military and security companies (PMSCs) in the fight against organised crime in Mexico is deepening concerns around human rights and abuses of power.³¹ Mexico has not signed the Montreux Document and has no legislation in place regulating their use, allowing national and international companies to operate in the shadows. This near-total lack of oversight and checks and balances presents significant corruption risks in the area of operations.

²² Human Rights Watch, 'Mexico: Events of 2020'.

²³ Mary Beth Sheridan, 'As Mexico's Security Deteriorates'.

²⁴ Human Rights Watch, 'Mexico'.

²⁵ SEDENA, 'Code of Conduct for Public Servants of the Mexican Army and Air Force', DOF, 2008.

²⁶ Human Rights Watch, 'Mexico'.

²⁷ Government of Mexico, *General Law on Administrative Responsibilities*.

²⁸ Raul Rodriguez Cortes, 'The New Secretaries of Defence and Navy', *El Universal*, 6 June 2018.

²⁹ Stephanie Brewer, 'Militarized Mexico: A Lost War that Has Not Brought Peace', *WOLA*, 12 May 2021.

³⁰ Ethics Committee, *Annual Activity Report 2018*, SEMAR, 2019.

³¹ Antoine Perret, 'Privatization Without Regulation: The Human Rights Risks of Private Military and Security Companies (PMSCs) in Mexico', *Mexican Law Review*, Vol. VI, No. 1, 2013, pp. 163-175.



MEXICO

Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	6,607
Open competition in defence procurement (%)	45%
Main defence exports – to (SIPRI, 2016-20)	Ecuador
Main defence imports – from (SIPRI, 2016-20)	United States, Netherlands, France, Israel, Canada

With the defence and security forces at the heart of the government's response to the public security crisis, Mexico's defence spending has increased noticeably over the past five years. Even in the midst of the COVID-19 pandemic, the Secretariat of National Defence (SEDENA) has received a 20 per cent boost for 2021.³² Fuelled by militarised responses to the fight against organised crime, arms imports have increased by 17 per cent in the period 2015-2019.³³ However, the increase in defence procurement has not been matched by a strengthening of governance processes for arms acquisitions. On the legislative side, public procurement is regulated by the Law on Public Sector Procurement. The law excludes military acquisitions from public bidding regulations and authorises the recourse to restricted tenders for vaguely defined 'national security' reasons.³⁴ This has facilitated the development of irregularities in the acquisition process, with SEDENA failing to notify external audit bodies

about the acquisition of aircraft and refusing to justify why restricted tenders were used to acquire goods for a medical centre.³⁵ Secrecy is a key facilitator of this. While defence acquisitions are published quarterly and supposed to contain contract details, exemptions for classified purchases are routinely abused and extended to the majority of defence contracts.³⁶ Additionally, though the procurement cycle is formalised from needs assessment to contracting and asset disposal, there remain gaps through which unjustified acquisitions can be made. Despite purchases being required to align with the objectives of the National Development Plan,³⁷ the government has routinely used national security reasons to justify unplanned, strategically ambiguous purchases that occur largely outside of the formalised procurement cycle.³⁸ Between 2017 and 2019, 40.1 per cent of SEDENA contracts were made through direct awards to single suppliers, without recourse to tendering, while a further 14.9 per cent were awarded through invitation to tender to three selected suppliers.³⁹ While deviations from public tendering are supposed to be justified to the Superior Auditor Federation (ASF),⁴⁰ this is rarely the case in practice for defence and security contracts and ASF's oversight occurs largely post-factum leaving little scope for selected procedures to be questioned. This issue points to a wider challenge for ASF, which is the only external entity mandated to scrutinise defence procurement. It does not have the resources to effectively fulfil this mandate, and questions have also been posed about the ASF's own track record of integrity.⁴¹

³² Sheridan, 'As Mexico's Security Deteriorates'.

³³ Inder Bugarin, 'Mexico Steps Up Military Weapons Purchases', *El Universal*, 13 March 2020.

³⁴ Government of Mexico, *Law on Acquisitions, leases and Services to the Public Sector*, *Official Gazette*, 4 January 2000, Article 41 IV.

³⁵ Zosimo Camacho, 'SEDENA's Contracts Irregularities', *Contra Linea*, 20 August 2017.

³⁶ India Cirigo and Viridiana Garcia, 'CNI, SEDENA and the Navy Reserve 500 Files, Despite AMLO's Instruction to be Transparent', *Contra Linea*, 30 October 2019.

³⁷ Government of Mexico, *Law of Acquisitions*, Art 18-21.

³⁸ Redaccion, 'The Government Spent Almost 800mp in Armoured Cars', *AM*, 18 February 2017.

³⁹ National Institute for Transparency and Access to Information, 'Transparency Obligations Platform'; Government of Mexico, 'Open Data Platform'.

⁴⁰ Government of Mexico, *Law of Acquisitions*, Article 40.

⁴¹ Mario Maldonado, 'Corruption in the ASF', *El Universal*, 3 January 2021.

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GDI data collection for **Mexico** was conducted June 2019 to November 2020. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.



MEXICO 2020 GDI Scorecard

		Grade	Score
Political Risk		D	42
Q1	Legislative Scrutiny	D	42
Q2	Defence Committee	D	35
Q3	Defence Policy Debate	D	38
Q4	CSO Engagement	D	42
Q5	Conventions: UNCAC / OECD	B	75
Q6	Public Debate	B	75
Q7	Anticorruption Policy	C	50
Q8	Compliance and Ethics Units	B	75
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	D	38
Q11	Acquisition Planning	C	58
Q12	Budget Transparency & Detail	A	88
Q13	Budget Scrutiny	D	38
Q14	Budget Availability	C	50
Q15	Defence Income	F	8
Q16	Internal Audit	D	38
Q17	External Audit	E	25
Q18	Natural Resources	B	75
Q19	Organised Crime Links	F	13
Q20	Organised Crime Policing	D	42
Q21	Intelligence Services Oversight	E	25
Q22	Intelligence Services Recruitment	F	0
Q23	Export Controls (ATT)	C	50
Q76	Lobbying	F	0
Financial Risk		D	36
Q24	Asset Disposal Controls	E	17
Q25	Asset Disposal Scrutiny	E	25
Q26	Secret Spending	A	100
Q27	Legislative Access to Information	NEI	
Q28	Secret Program Auditing	F	13
Q29	Off-budget Spending	F	0
Q30	Access to Information	D	38
Q31	Beneficial Ownership	C	50
Q32	Military-Owned Business Scrutiny	C	50
Q33	Unauthorised Private Enterprise	E	25
Q77	Defence Spending	D	44
Personnel Risk		D	43
Q34	Public Commitment to Integrity	D	33
Q35	Disciplinary Measures for Personnel	C	50
Q36	Whistleblowing	D	38
Q37	High-risk Positions	F	0
Q38	Numbers of Personnel	D	42
Q39	Pay Rates and Allowances	A	100
Q40	Payment System	NEI	
Q41	Objective Appointments	D	42
Q42	Objective Promotions	D	44
Q43	Bribery to Avoid Conscription	C	50
Q44	Bribery for Preferred Postings	B	75
Q45	Chains of Command and Payment	F	0
Q46	Military Code of Conduct	C	50

OVERALL COUNTRY SCORE

VERY HIGH RISK

E

30

RISK GRADE

A • 83-100 VERY LOW

B • 67-82 LOW

C • 50-66 MODERATE

D • 33-49 HIGH

E • 17-32 VERY HIGH

F • 0-16 CRITICAL



		Grade	Score
Personnel Risk		D	43
Q47	Civilian Code of Conduct	C	58
Q48	Anticorruption Training	NEI	
Q49	Corruption Prosecutions	C	50
Q50	Facilitation Payments	E	17
Operational Risk		F	0
Q51	Military Doctrine	F	0
Q52	Operational Training	F	0
Q53	Forward Planning	F	0
Q54	Corruption Monitoring in Operations	F	0
Q55	Controls in Contracting	F	0
Q56	Private Military Contractors	NS	
Procurement Risk		E	31
Q57	Procurement Legislation	E	25
Q58	Procurement Cycle	C	63
Q59	Procurement Oversight Mechanisms	C	50
Q60	Potential Purchases Disclosed	F	13
Q61	Actual Purchases Disclosed	C	50
Q62	Business Compliance Standards	F	0
Q63	Procurement Requirements	C	50
Q64	Competition in Procurement	F	13
Q65	Tender Board Controls	D	42
Q66	Anti-Collusion Controls	C	56
Q67	Contract Award / Delivery	D	38
Q68	Complaint Mechanisms	A	100
Q69	Supplier Sanctions	D	42
Q70	Offset Contracts	F	0
Q71	Offset Contract Monitoring	F	0
Q72	Offset Competition	F	0
Q73	Agents and Intermediaries	F	13
Q74	Financing Packages	F	0
Q75	Political Pressure in Acquisitions	NS	

KEY

NEI Not enough information to score indicator

NS Indicator is not scored for any country

NA Not applicable



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