

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	MEXICO/CID - Isthmus & DR
▪ TC Name:	Supporting the Transparency and Integrity Agenda in Mexico and Subnational Entities
▪ TC Number:	ME-T1484
▪ Team Leader/Members:	LAGARDA CUEVAS, GUILLERMO (IFD/ICS) Team Leader; DASSEN, NICOLAS (IFD/ICS) Alternate Team Leader; ALVAREZ BOLLEA, MARIA CECILIA (IFD/ICS); SANTA MARIA, BENJAMIN R (IFD/ICS); DE DOBRZYNSKI, ESTEBAN (LEG/SGO); DE MICHELE, ROBERTO (IFD/ICS); KATIA RIVERA (IFD/ICS); AGUILAR BLANDON, MARIA ALEJANDRA (IFD/ICS)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	19 Apr 2022
▪ Beneficiary:	México
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$350,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	IFD/ICS - Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	IFD/ICS - Innovation in Citizen Services Division
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional Capacity and Rule of Law

### II. Objective and Justification

- 2.1 To support Mexico in fostering transparency, integrity, improve internal controls and prevent money laundering through specific interventions. In particular, to strengthen the framework of transparency and integrity in the use of public resources in the Federal Government and its Subnational Entities (use of technologies to promote transparency, accountability of public resources, integrity and transparency of public procurement, integrity of public-private relations, and public ethics). The specific objectives are: (i) promote transparency and anti-corruption policies and regulations in accordance with the requirements in the United States-Mexico-Canada Trade Agreement (USMCA), both at Federal and Subnational Level; (ii) promote adequate anti-money laundering policies and regulations in accordance with FATF recommendations both at Federal and Subnational Level; and (iii) contribute to the implementation of a Transparency Platforms for Public Investment.
- 2.2 A review of some indicators shows there is ample room in Mexico for improving government transparency and to attain best practices in anti-corruption, prevention and mitigation of Money laundering and integrity of the public-private relation. This TC pursues two novel approaches to contribute to addressing these gaps. First, by focusing in the USMCA, the IDB will support the Federal Government to design and implement a transparency and anti-corruption agenda aim at building institutional capacities and

converge to transparency and integrity standards required in the treaty. Second, by supporting transparency efforts in subnational entities this TC will contribute to address institutional gaps to improve their standards vis a vis the Federal Government.

- 2.3 The proposed TC is organized in three components: (i) support to strengthening transparency and anti-corruption policies and regulations in accordance with the requirements in the United States-Mexico-Canada Trade Agreement (USMCA); (ii) support to anti-money laundering and financial transparency; and (ii) support the implementation of a Transparency Platform for Public Investment.

### III. Description of Activities and Outputs

- 3.1 **Component I: Support to strengthening transparency and anti-corruption policies and regulations in accordance with the requirements in the United States-Mexico-Canada Trade Agreement (USMCA).** Specifically, will include (i) gap analysis between the mandate in the USMCA and the current status in Mexico and Subnational entities; (ii) providing technical cooperation for the design of regulations and procedures to ensure compliance with the anti-corruption chapter in USMCA and their impact on financial integrity, and (iii) provide technical cooperation to subnational entities to close the gaps vis a vis the Federal Government and International standards.
- 3.2 **Component II: Support to anti-money laundering and financial transparency.** This component supports reforms and capacity building aimed at helping the country with improving its level of compliance with the FATF Recommendations.
- 3.3 **Component III: Support the implementation of a Transparency Platform for Public Investment.** The beneficiary of this component is mainly the Ministry of Finance, and this component will contribute to the implementation of a National Digital Platform for Transparency of Public Investment. Specifically, to identify needs of interoperability between national and subnational databases by analyzing the technological gaps identifying the main databases to be included and designing an implementation plan.

### IV. Budget

Indicative Budget (in US\$)

Activity/Component	IDB/Fund Funding	Total Funding
<b>Component I:</b> Support to strengthening transparency and anti-corruption policies and regulations in accordance with the requirements in the United States-Mexico-Canada Trade Agreement (USMCA).	200,000.00	200,000.00
<b>Component II:</b> Support to anti-money laundering and financial transparency.	75,000.00	75,000.00
<b>Component III:</b> Support the implementation of a Transparency Platform for Public Investment.	75,000.00	75,000.00
<b>Total</b>	<b>US\$350,000.00</b>	<b>US\$350,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 This TC will be executed by the Bank through the Innovation in Citizens Services Division (IFD/ICS) at the request of Mexican authorities.
- 5.2 The project team is led by IFD/ICS who will supervise the TC components. In addition, execution by the Bank in this topic has proved to enhance information sharing among beneficiaries, allowing an efficient exchange of best practices by countries engaged in comparable reform processes.

### VI. Project Risks and Issues

- 6.1 No significant risks are expected. The technical capacity of the counterparts in these topics might slow down the implementation of components. To mitigate this risk, assistance will be provided to facilitate drafting Terms of Reference and help them throughout the procurement process from start to implementation.

**VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".