

Chapter 1

Toward a coherent and comprehensive integrity system in Coahuila

This chapter examines the institutional arrangements for integrity in Coahuila and assesses whether they enable the functioning of a coherent and comprehensive integrity system in line with the principles of the OECD Recommendation on Public Integrity. First, it analyses the implications of the National Anti-corruption System and the reforms needed for the Local Anti-corruption System of Coahuila to embrace a whole-of-government approach and ensure effective vertical and horizontal mechanisms. Second, this chapter discusses the impact of politicians' and managers' commitment to enhancing public integrity and minimising corruption risks, and describes why their role is fundamental in ensuring effective implementation. Lastly, this chapter addresses the added value of building an inclusive public sector integrity system where civil society plays a central role and which involves different stakeholders from the whole-of-society.

Introduction

The experience of OECD and non-OECD countries shows that an effective, comprehensive, and coherent public integrity system is fundamental in enhancing public sector integrity and in preventing and curbing corruption. Managing integrity is not the responsibility of one single institution but rather a common endeavour of all public entities as well as of civil society, the private sector, and citizens. The present chapter examines the arrangements and mechanisms governing the public integrity system of Coahuila. It focuses on the relevant principles set forth in the *OECD Recommendation on Public Integrity* (OECD Recommendation) (OECD, 2017), which calls upon states to build a coherent and comprehensive public integrity system.

Considering that the promotion of integrity involves many different actors, states have to ensure clear institutional responsibilities at the relevant levels of government and establish mechanisms for horizontal and vertical co-operation to avoid fragmentation, overlap, and gaps between the elements of the system. Furthermore, country practices and experiences show that politicians and managers at the highest levels should display and demonstrate commitment, ensuring that the public integrity system is integrated into the wider public management and governance framework. For this purpose, they should ensure that appropriate legislative and institutional frameworks are in place to enable public organisations to take responsibility. They also must ensure that appropriate mandates and capacities are secured so that organisations may fulfil their responsibilities. Third, it is recognised that enhancing public integrity most effectively involves a whole-of-society approach, with participation by the private sector, civil society, and individuals. Accordingly, the OECD Recommendation stresses the importance of engaging with relevant stakeholders when governments elaborate, update, or implement their public integrity strategy as a way to enhance the integrity system for the public sector.

Taking stock of these latter elements needed to sustain an effective integrity system, the present chapter addresses issues concerning co-ordination, commitment, as well as participation of non-governmental organisations, taking into particular consideration the recent developments introduced by the National Anti-corruption System (NACS) in Mexico, which led to the creation of Coahuila's Local Anti-corruption System (CLACS) in July 2017. However, the following analysis goes beyond the implementation of the CLACS and provides recommendations which aim to support Coahuila in creating a coherent and comprehensive integrity system through a whole-of-government and whole-of-society approach.

Strengthening institutional co-ordination for integrity

Although the CLACS is a valuable framework for co-ordinating relevant institutions, the system should ensure that integrity policies are mainstreamed through the whole-of-government and that they are linked with state-wide strategies.

Preventing, investigating, and sanctioning corruption as well as enhancing integrity are complex tasks that involve several institutions across the executive, legislative, and judicial powers. Managing public integrity is therefore a whole-of-government responsibility

involving many organisations within the public sector, where duplication and overlap often take place. The latter risks threaten the effectiveness of integrity systems and may lead to impunity. As such, clear, comprehensive, and effective arrangements must be made in order to ensure an effective integrity system.

As in most governments, there are various public institutions in Coahuila that are directly involved in either corruption prevention or detection, or both, including the Ministry for Audit and Accountability (*Secretaría de Fiscalización y Rendición de Cuentas*, or SEFIR), the Supreme Audit Institution of the State of Coahuila (*Auditoría Superior del Estado de Coahuila*, or ASEC), the Superior Court of Justice (*Tribunal Superior de Justicia*), and Coahuila's Institute for Access to Public Information (*Instituto Coahuilense de Acceso a la Información Pública*, or ICAI) (Box 1.1).

Box 1.1. Integrity and anti-corruption actors in Coahuila

Within the government of Coahuila, the Ministry for Audit and Accountability (*Secretaría de Fiscalización y Rendición de Cuentas*, or SEFIR) is given a number of corruption prevention responsibilities pursuant to the Organic Law of the Public Administration (*Ley Orgánica de la Administración Pública de Coahuila de Zaragoza*). These include competences on government and public procurement audit, efficiency of public administration, innovation, human resources, and transparency.

External audit is carried out by the Supreme Audit Institution of the State of Coahuila (*Auditoría Superior del Estado de Coahuila*, or ASEC), which is accountable to Coahuila's Congress and is responsible for auditing public accounts of the three state powers, municipalities, and public autonomous entities. The ASEC is also responsible to determine damages to the public accounts and assets of the state government and directly establish indemnities and economic sanctions.

The state judiciary is headed by a Superior Court of Justice (*Tribunal Superior de Justicia*). Judges of the Superior Court of Justice are appointed by the head of the Executive Power (Governor) with the approval of the state legislature. The superior court judges, in turn, appoint all lower state court judges. Criminal investigations are carried out by the Attorney General (*Procurador General de Justicia*), who is nominated by the Governor after ratification by the legislative power.

Coahuila's Institute for Access to Public Information (*Instituto Coahuilense de Acceso a la Información Pública*, or ICAI) is a state autonomous entity provided for in Article 7 of Coahuila's Constitution (*Constitución Política del Estado de Coahuila de Zaragoza*) in charge of guaranteeing the fundamental right of all citizens to share, investigate, and request public information. Its members are appointed by Coahuila's Congress through a large majority vote (at least two-thirds of the assembly) in line with Coahuila's Access to Information Law (*Ley de Acceso a la Información Pública*).

Source: Constitution of Coahuila (*Constitución Política del Estado de Coahuila de Zaragoza*), Public Administration Organic Law of Coahuila (*Ley Orgánica de la Administración Pública del Estado de Coahuila de Zaragoza*), Access to Information Law of Coahuila (*Ley de Acceso a la Información Pública*). All legal instruments in force in Coahuila, including the latter ones, are available at: http://congresocoahuila.gob.mx/portal/?page_id=538.

Following a May 2015 constitutional reform, Mexico initiated an ambitious national anti-corruption reform. This reform led to the creation of the NACS, whose primary objective is to be the co-ordination mechanism of all the institutions in charge of preventing, detecting, and sanctioning corruption across all levels of government (Box 1.2). The constitutional reform stipulates that such a system must be replicated in all Mexican states. Each state must establish its own Local Anti-corruption System in accordance with the model established at the federal level. The system must aim at co-ordinating state-level institutions and should facilitate vertical co-ordination with federal and municipal authorities.

Box 1.2. Mexico's national anti-corruption reform

On 27 May 2015, Mexico's Federal Official Gazette published the Decree by which several provisions of the Constitution were amended, added, or repealed (specifically, Articles 22, 28, 41, 73, 74, 76, 79, 104, 108, 109, 113, 114, 116, and 122). This reform first enshrined the National Anti-corruption System into law and set in motion the debates around and eventually passing of secondary legislation necessary for bringing the System to life. Just over a year later, on 18 July 2016, these secondary laws were promulgated by Decree (*Decreto por el que se expide la Ley General del Sistema Nacional Anticorrupción; la Ley General de Responsabilidades Administrativas, y la Ley Orgánica del Tribunal Federal de Justicia Administrativa*) and included:

- **The General Law of the National Anti-corruption System** (*Ley General del Sistema Nacional Anticorrupción*): the cornerstone piece of legislation that establishes the institutional and governance arrangements for the NACS and outlines its objectives and required activities. Because this law has status as a general law, it requires federal states to establish their own systems along similar lines. The law also requires specific information to be published and made available to the public on a newly-created digital platform (*Plataforma Digital Nacional del Sistema Nacional Anticorrupción*).
- **The Organic Law of the Federal Tribunal of Administrative Justice** (*Ley Orgánica del Tribunal Federal de Justicia Administrativa*): the federal tribunal was made autonomous under the constitutional reform of 2015, and this new law established the organisation of its courts, including regional courts. The law also sets out rules for the selection and removal of magistrates.
- **The General Law of Administrative Responsibilities** (*Ley General de Responsabilidades Administrativas*): this is a new law that replaced the previous Federal Law of Administrative Responsibilities expired in July 2017. It lays out the duties and responsibilities of public officials (including for the disclosure of private interest) and sets out administrative disciplinary procedures for misconduct, differentiating between less serious and serious offences, the latter of which may now fall under the jurisdiction of the Federal Tribunal of Administrative Justice. Notably, this law also expands liability for alleged integrity breaches to natural and legal persons.

Source: OECD (2017c), *OECD Integrity Review of Mexico: Taking a Stronger Stance Against Corruption*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264273207-en>.

The implementation of Mexico's National Anti-corruption Reform (Box 1.2) in Coahuila's legal system is imposed by the Mexican Constitution (Article 113), and it has emerged as an invaluable opportunity to strengthen Coahuila's existing institutional arrangements towards the creation of a coherent and comprehensive integrity system. In July 2017, Coahuila adopted the first set of legal reforms, namely the Constitutional Reform establishing the CLACS and the Law on the Local Anti-corruption System of Coahuila (*Ley del Sistema Anticorrupción del Estado de Coahuila de Zaragoza*, or CLACS Law). However, further instruments and amendments are needed to integrate and complete its Local Anti-corruption System (Table 1.1).

The CLACS can nevertheless be assessed in the current report. This is because its framework was defined by the Constitutional reform and the CLACS Law, and also because it replicates the governance structure established at the federal level in the General Law of the National Anti-corruption System. Furthermore, it was created according to the model laws designed by the federal Ministry of Public Function (*Secretaría de la Función Pública*, or SFP) in October 2016 to support federal states in advancing the implementation of the

Constitutional Anti-corruption reform at subnational level. In particular, Table 1.2 describes the bodies and institutions that form the CLACS.

Table 1.1. Legal instruments to reform or adopt to implement the NACS in Coahuila

Legal instruments to adopt	Legal instruments to reform
Local Anti-corruption System Law (<i>Ley del Sistema Estatal Anticorrupción</i>)*	Constitution of Coahuila (<i>Constitución Política del Estado de Coahuila de Zaragoza</i>)*
Administrative Justice Tribunal Law (<i>Ley del Tribunal de Justicia Administrativa</i>)	Public Administration Organic Law of Coahuila (<i>Ley Orgánica de la Administración Pública del Estado de Coahuila de Zaragoza</i>)
Whistleblower Protection Law (<i>Ley de Protección a Denunciantes de Actos de Corrupción</i>)	Accountability and Audit Law of Coahuila (<i>Ley de Rendición de Cuentas y Fiscalización Superior del Estado de Coahuila de Zaragoza</i>)
	Criminal Code of Coahuila (<i>Código Penal del Estado de Coahuila de Zaragoza</i>)
	Attorney General's Office Organic Law of Coahuila (<i>Ley Orgánica de la Procuraduría General de Justicia del Estado de Coahuila de Zaragoza</i>)
	Municipal Code of Coahuila (<i>Código Municipal del Estado de Coahuila de Zaragoza</i>)
	Responsibilities Law of State and Municipal public officials of Coahuila (<i>Ley de Responsabilidades de los Servidores Públicos Estatales y Municipales del Estado de Coahuila de Zaragoza</i>)

*Approved by the State Legislature in July 2017.

Source: Sistema Nacional Anticorrupción y su Impacto en el Estado de Coahuila, website of ASEC (Auditoría Superior del Estado de Coahuila), www.asecoahuila.gob.mx/revista-digital-equilibrio-coahuila-diciembre-2016/.

Table 1.2. Constituent entities of the CLACS

Entities	Members	Main tasks
Co-ordination Committee	<u>President</u> : President of Citizen Participation Committee <u>Members</u> : SEFIR's Minister, Superior Auditor of ASEC, President of ICAI, Specialised Anti-corruption Prosecutor [to be created in Coahuila], President of Coahuila's Administrative Justice Tribunal [to be created in Coahuila] and representative from Coahuila's Superior Court of Justice	Establishes basis and principles for effective co-ordination among members, including municipalities. It also defines the state integrity policy and establishes the State Information System.
Executive Secretariat to Co-ordination Committee, which includes	Technical body of the system led by the President of the Citizens' Committee and comprised of the members of the Co-ordination Committee	Provides technical support and task-related input to the Co-ordination Committee
Technical Secretary	Elected by the Governing Board members of the Executive Secretariat among people with same profile of members from the Citizen Participation Committee	Manages the Executive Secretariat and serves as intermediary among the Co-ordination Committee, the members of the CLACS, and the Citizen Participation Committee
Executive Commission to the Co-ordination Committee	Technical Secretary and Citizen Participation Committee (with exception of this Committee's President)	Provides technical support and proposals for the design and implementation of Co-ordination Committee activities and responsibilities including annual reports and co-ordination with federal and other state-level anti-corruption systems
Citizen Participation Committee	Five reputable representatives from civil society who made outstanding contributions to transparency, accountability, or to the fight against corruption, chosen by a selection committee of nine experts who are chosen in turn by the Congress of Coahuila for a period of five years.	Channels inputs from civil society into the work of the CLACS and oversees progress and results
Coahuila Auditing System [to be created]	ASEC, SEFIR, internal and external auditing entities, and units of municipalities	Establishes actions and co-ordination mechanisms among members to support exchange of information, ideas, and experiences to improve the development of the audit of public resources
Municipalities	Representatives from municipalities	No formal role or task is given to municipalities.

Source: Constitution of Coahuila (*Constitución Política del Estado de Coahuila de Zaragoza*), Law on the Local Anti-corruption System of Coahuila (*Ley del Sistema Anticorrupción del Estado de Coahuila de Zaragoza*). All legal instruments in force in Coahuila, including the latter ones, are available at: http://congresocoahuila.gob.mx/portal/?page_id=538. The model laws developed by the federal Ministry of Public Function (Local Anti-corruption System Model Laws) are available at www.gob.mx/sfp/documentos/leyes-modelo-para-las-entidades-federativas.

The institutional arrangements of the CLACS help ensure that the three main functions of a coherent integrity system (prevention, detection, enforcement) are present along with additional oversight mechanisms by civil society and the Judicial Power for the functioning

and legality of the system as a whole. This is reflected in the composition of the Co-ordination Committee, which is presided by the President of the Citizen Participation Committee and is made up of the heads of SEFIR, ASEC, ICAI, the Specialised Anti-corruption Prosecutor (yet to be created in Coahuila), a representative from Coahuila's Judicial Power, and the President of the Coahuila's Administrative Justice Tribunal (yet to be created).

The CLACS represents a significant step in ensuring a co-ordinated integrity system in Coahuila in that it brings together key players capable of co-operating in the implementation process. It will therefore allow for a better alignment of policies and approaches. Moreover, the inclusion of ASEC and ICAI representatives support synergies with complementary agendas for stronger accountability and transparency policies by aligning to two other co-ordination systems. These systems will also be set up in Coahuila. The first is Coahuila's Auditing System, which will formally be part of the CLACS and will be led by the ASEC and SEFIR. The second is Coahuila's Transparency System, which will be headed by ICAI. Likewise, the inclusion of the Tribunal and Specialised Anti-corruption Prosecutor allows for better co-ordination on investigating and prosecuting integrity breaches and ensures that new laws will be enforced and procedures applied consistently.

Preventing, detecting, and enforcing corruption is a cross-cutting responsibility of public institutions. In spite of the developments made in setting the premises for a more co-ordinated system, there are additional areas of the public sector that could contribute to integrity policies and which are not formally included in the existing institutional arrangements. These include, for instance, the Ministry of Government (*Secretaría de Gobierno*) which has key responsibilities with respect to co-ordination and collaboration between the government and municipalities. A further actor in the executive power not currently represented in the system is the Technical and Planning Ministry (*Secretaría Técnica y de Planeación*), which plays an important role in monitoring compliance with the developments in the implementation of the State Development Plan (*Plan Estatal de Desarrollo*) and therefore in linking sectorial policy objectives with broader development objectives. The Ministry of Education (*Secretaría de Educación*) could also have a stronger role in incorporating awareness-raising on corruption in education policy by adapting curricula requirements. Finally, entities responsible for law-making and legal coherence, such as Coahuila's Congress and the Governor's Legal Affairs Office (*Consejería Jurídica*), are also currently absent from the Co-ordination Committee.

Neither the NACS or the CLACS Law include these actors in the Co-ordination Committee. It is true that their full participation may not be desirable because it could hinder the agility and effectiveness of the Committee. However, mechanisms should be introduced to allow continuous consultation and co-ordination with all relevant actors of Coahuila's public sector, for instance by formalising their involvement through agreements providing for their participation (at least) when discussing and elaborating the state's anti-corruption policy, which is part of the Co-ordination Committee tasks.

In addition, in order for the work of the CLACS to further embrace a whole-of-government approach, it is necessary that all its plans, programmes, and measures link with state-wide strategies such as Coahuila's State Development Plan (*Plan Estatal de Desarrollo*), which currently sets a number of strategic objectives on several topics which are relevant to public sector integrity (government and procurement audits, innovation, human resources, transparency, and public resources management) and is complemented with an online system following up on developments and indicators (Table 1.3). However, the current plan (2011-17) does not explicitly mention key concepts and issues such as ethics, conflict of interest, and integrity. The next plans should deal more specifically with corruption and make specific links with the CLACS's policies and action plans.

Table 1.3. **Governance objectives and strategies of Coahuila's Development Plan (2011-17)**

Planning and assessing public management
Carry out the management of the government of Coahuila based on short- and long-term programmes aligned to the Development Plan and which contain the following elements: objectives, means to address them, and mechanisms to assess results.
Efficient and orderly administration
Improve the quality of the state public administration processes and of services offered to citizens.
Responsible management of public finances
Support a responsible and orderly policy in the management of public finances.
Government innovation
Establish a permanent innovation policy and continuous improvement of the state administration processes.
Transparent Government
Make Coahuila a leader entity in transparency and accountability.
Professional and committed human resources
Shape an administration made of trained and honest public officials committed to government projects.

Source: Government of Coahuila (2015), Coahuila's State Development Plan 2011-17 (2015 update), <http://coahuila.gob.mx/archivos/pdf/Publicaciones/PED-Actualizado-211216-webaccesible.pdf>.

Other key state-wide strategies which should be closely linked with the CLACS are:

- Coahuila's Programme for Administrative Modernisation, Audit, and Accountability (*Programa Estatal de Modernización Administrativa, Fiscalización y Rendición de Cuentas*), which defines the pillars of state action in the realms of audit, efficiency, and innovation.
- Coahuila's Special Programme for Transparency (*Plan Especial de Transparencia*), which defines strategic objectives to manage public resources responsibly and to establish a transparent government.
- Coahuila's Open Government Action Plan (*Plan de acción Gobierno Abierto Coahuila*), which is a co-ordinated effort of the government, ICAI, and civil society and forms the basis for designing and advancing initiatives on transparency, citizen participation, and technology.

Nominating a contact point within each of the CLACS constituent institutions could strengthen the co-ordination with its governing bodies and favour the implementation of its activities throughout the government.

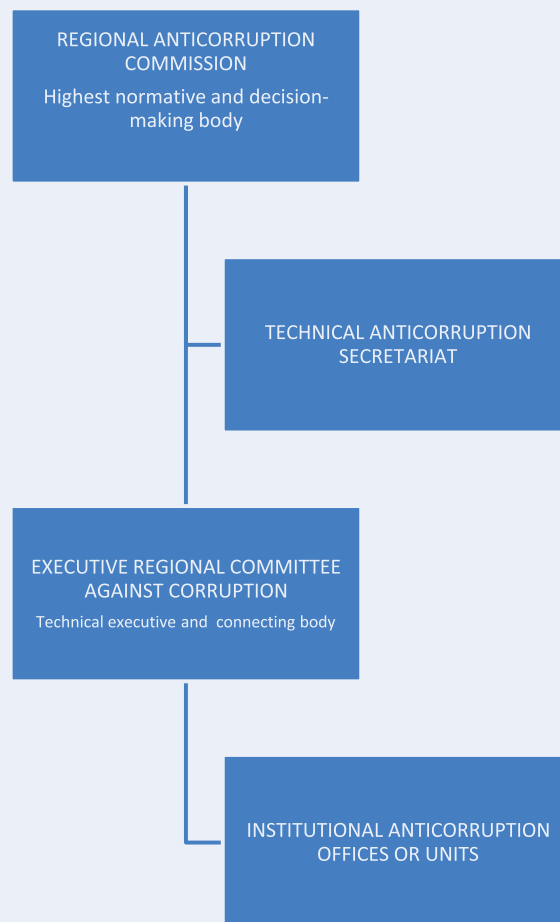
The functioning of the CLACS does not only rely on the formal adoption of new bodies, but also on the responsiveness of its participants to contribute and facilitate implementation of the activities which will be decided by its governing bodies. This issue is in part addressed by Article 31 of the CLACS Law, which gives the Executive Commission the responsibility to monitor constituent institutions and develop non-binding recommendations in light of the results that emerge in the annual report. The Executive Commission will also produce a follow-up report to monitor the extent to which these recommendations have been addressed. Since "gathering credible and relevant data on the level of implementation, performance and overall effectiveness of the public integrity system" is a key element in building a strategic approach for the public sector, according to the *OECD Recommendation on Public Integrity*, Coahuila could further favour the implementation of the activities and decisions taken by the CLACS by clearly delineating each institution's participation in the system and role in implementing its decisions. For this purpose, the CLACS could require that each participating institution nominate a contact point responsible for co-ordinating the work with the different bodies of the system and ensure implementation of relevant decisions. For this purpose, Coahuila could consider the practice used in the Regional Anti-corruption Commission of Piura (Peru), where all public entities have to establish an Anti-corruption Unit or Office in charge of complying with the objectives, plans, and activities set by the Commission (Box 1.3).

Box 1.3. Regional Anti-corruption Commission in Piura (Peru)

Regional anti-corruption commissions (CRAs) were established in Peru through Law no. 29976, which also created the High-level Anti-corruption Commission (*Comisión Alto-nivel de Anti-corrupción*, or the CAN), the national body promoting horizontal co-ordination and guaranteeing the coherence of the anti-corruption policy framework in Peru.

Amongst the tasks of the CRAs is the elaboration of an anti-corruption plan. Such a plan has the potential to reflect the specific issues and challenges of each region. However, until now, only six regions have developed a plan (San Martín, Pasco, Amazonas, Cusco, Piura, and Huancavelica), and it is unclear to what extent these plans have been effectively implemented.

Piura's regional anti-corruption commission was created through Regional Ordinance no. 263 of 2013, which brings together representatives from the executive and the judicial powers as well as from municipalities, the private sector, and professional associations. Piura's commission is supported by an executive committee responsible for implementing the policies identified by the commission. Co-ordination between the commission and the executive committee is carried out by the commission's technical secretariat. Finally, the system is governed by anti-corruption units within each public entity, which – among other tasks – are in charge of implementing the policies approved by the commission, providing support in ensuring compliance with the Code of Ethics for the public service, co-ordinating the elaboration and approval of the Anti-corruption Plans of the entity, preparing a report of anti-corruption activities, and presenting this report during public hearings.

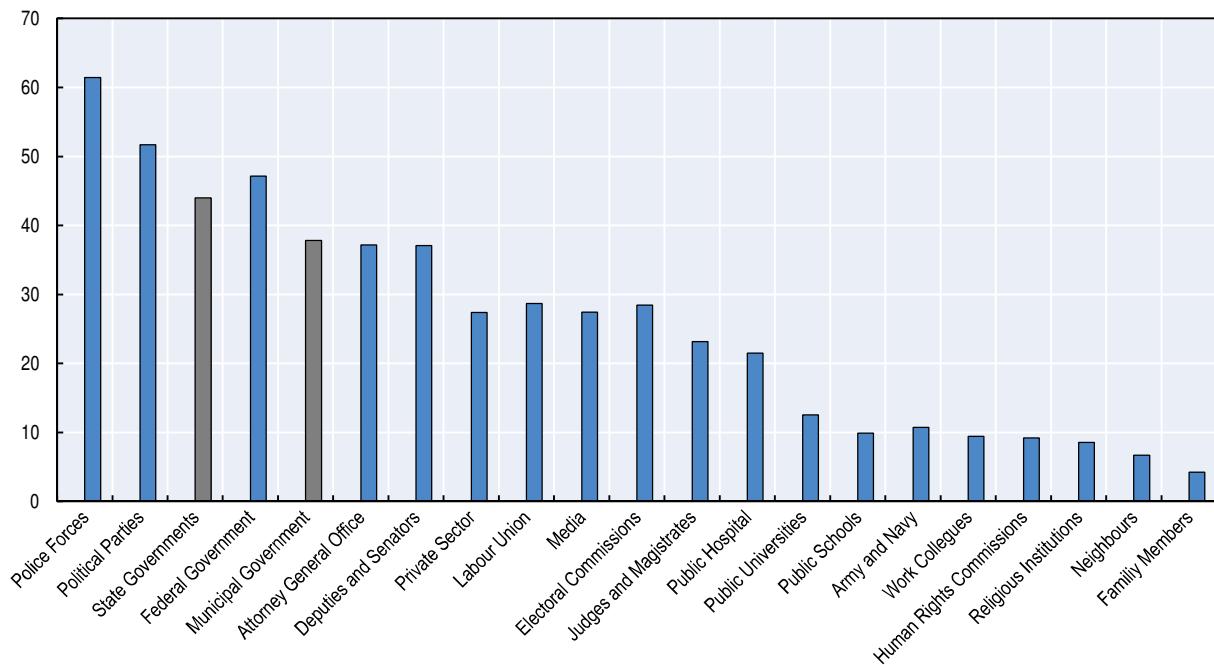


Source: OECD (2017b), *OECD Integrity Review of Peru: Enhancing Public Sector Integrity for Inclusive Growth*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264271029-en>, and Powerpoint presentation prepared by Piura's Regional Anti-corruption Commission. http://anticorruption.regionpiura.gob.pe/detalle.php?idpag=3&pagina=uni_lucha&verper=0&tit=2.

The participation of municipalities in the CLACS provides for mechanisms to improve vertical co-ordination of integrity policies in the State of Coahuila. However, municipalities should be fully involved during the implementation of the system. Coahuila could create an ad-hoc working group in charge of elaborating co-ordination mechanisms and providing continuous support to build coherent municipal anti-corruption systems.

Corruption of all types is a concern at all levels of government in Mexico, but particularly at state and municipal levels, where 52% and 45% of citizens, respectively, report that corruption is “very frequent”. Similar figures emerge from specific data on Coahuila, where the state governments and municipalities rank third and fifth amongst the institutions perceived as most corrupt, and where 44% and 38% of the population, respectively, think corruption is very frequent in these institutions (Figure 1.1).

Figure 1.1. Share of respondents who believe corruption is “very frequent” in Coahuila, according to institution/sector, 2015



Source: INEGI (2015), Encuesta Nacional de Calidad e Impacto Gubernamental 2015, www.beta.inegi.org.mx/proyectos/enchogares/regulares/encig/2015/.

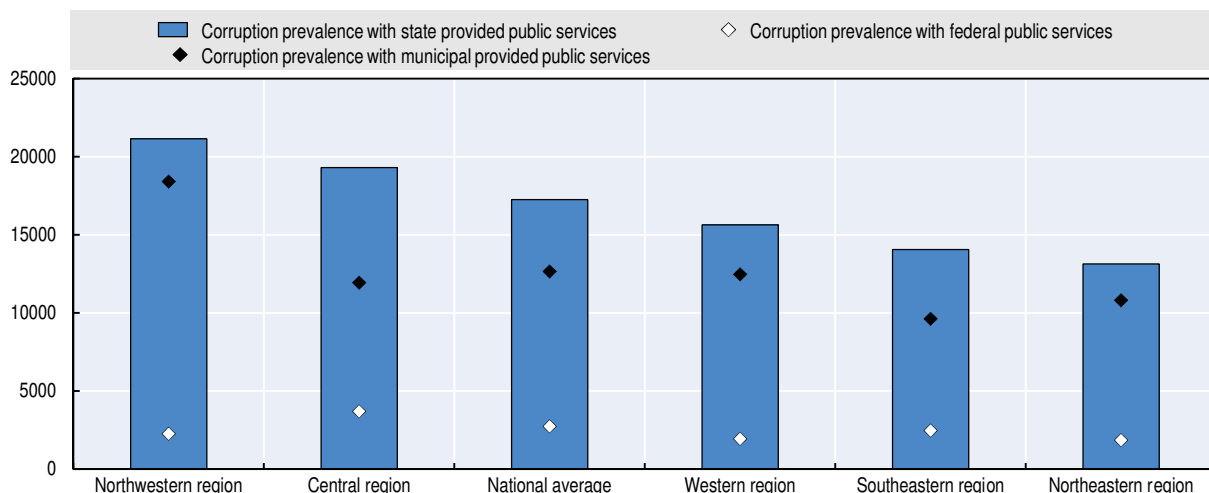
The fact that corruption is a multi-level issue is confirmed by the fact that nine of the ten procedures perceived as most corrupt in Mexico concern competences spread across levels of government or within municipalities (Table 1.4). Indeed, opportunities for certain types of corruption can be more likely at subnational levels than on the national level. This may be due to the fewer capacity-building and training programmes organised at the local level, but also to the more frequent interaction between local authorities and citizens/firms. The latter type of interaction creates opportunities to test the integrity of officials working in subnational levels of government. Article 115 of the Mexican Constitution and Article 102 of Coahuila’s Municipal Code (*Código Municipal para el Estado de Coahuila de Zaragoza*) provide proof of the wide-ranging responsibilities of municipalities, including a number of services involving high exposure to the public such as the management of water, streetlight, waste, markets, cemeteries, streets, and police.

Table 1.4. **Administrative procedures perceived as most corrupt and corresponding level of administrative competence in Mexico**

Administrative procedure	Corruption perception (%)	Level of government responsibility
Administrative offence (<i>Faltas administrativas</i>)	37	Multi-level
Traffic violation (<i>Infracción por incidente de tránsito</i>)	35	Multi-level
Parking violations (<i>Infracciones al estacionarse</i>)	28	Municipal
Land use permits (<i>Permiso de uso de suelo</i>)	19	Municipal
Request for cleaning service (<i>Solicitud de servicio de limpieza</i>)	18	Municipal
Proof of car polluting substances (<i>Verificación vehicular de contaminantes</i>)	16	State
Request for water pipeline (<i>Solicitud de una pipa de agua</i>)	12	Multi-level
Procedures in the Office of the Attorney (<i>Trámites ante el ministerio público</i>)	11	Multi-level
Permit for street-selling (<i>Permisos para vender en vía pública</i>)	8	Municipal
Border procedures (<i>Trámites de aduana</i>)	5	Federal

Source: IMCO with data from ENCIG 2014. Adapted from http://imco.org.mx/indices/documentos/2015_IHE_Presentacion.pdf.

Corruption at the subnational level in Mexico, including in northeast Mexico, where Coahuila is located, is also attested by data from a biennial survey conducted by Mexico's National Statistics Office (INEGI) on citizens' experiences with public sector corruption in a standardised sample of government-provided services. The survey calculates a "corruption incidence" ratio by dividing the total number of citizens who interacted with public authorities in the request or receipt of a service by the number of acts of corruption reported in interactions with public authorities. The ratio is a proxy for the extent to which certain interactions have been subject to corruption. It is not an exact figure of experienced corruption. Insofar as the provision of public services is concerned, and as Figure 1.2 shows, state and municipal governments showed greater incidences of experienced corruption compared to the federal level (OECD, 2017c).

Figure 1.2. **Local anti-corruption systems address corruption where most prevalent, INEGI "corruption ratio" by level of government and region**

Source: INEGI. Encuesta Nacional de Calidad e Impacto Gubernamental, 2015. <http://www.beta.inegi.org.mx/proyectos/enchogares/regulares/encig/2015/>.

Note: The central region comprises Ciudad de México, Guerrero, Hidalgo, Estado de México, Morelos, Puebla, and Tlaxcala; the western region comprises Aguascalientes, Colima, Guanajuato, Jalisco, Michoacán de Ocampo, Nayarit, Querétaro, and Zacatecas; the southeastern region comprises Campeche, Chiapas, Oaxaca, Quintana Roo, Tabasco, Veracruz de Ignacio de la Llave, and Yucatán; the northwestern region comprises Baja California, Baja California Sur, Chihuahua, Sinaloa, and Sonora; and the northeastern region comprises Coahuila de Zaragoza, Durango, Nuevo León, San Luis Potosí, and Tamaulipas.

The worrisome levels of corruption at the subnational level call for increased efforts to strengthen co-operation among levels of government in Mexico. This is also the primary objective of the NACS, whose constitutional mandate is to be the co-ordination mechanism of all the institutions in charge of preventing, detecting, and sanctioning corruption at all levels of government (Article 113 of the Constitution and Article 1 of the NACS Law). Accordingly, the Local Anti-corruption Systems – including the CLACS – are formally part of the national system, and NACS Co-ordination Committee must establish co-ordination mechanisms and be able to invite their representatives to national system meetings. In particular, the framework of the CLACS mirrors the one established at the national level and co-ordination between all state entities is identified as their main objective (Article 1 of the CLACS Law). Furthermore, municipalities are addressed directly by the CLACS in Article 7 of the CLACS Law, and Article 9 stipulates that co-ordination mechanisms are to be established by the Co-ordination Committee.

Given that the NACS is currently in the process of implementation in Coahuila, vertical co-ordination on integrity-related matters between Coahuila and relevant federal and municipal-level institutions currently rests on ad-hoc agreements (*convenios*), which in some cases are part of specific initiatives such as the National Permanent Commission of State-Federation Comptrollers (*Comisión Permanente de Contralores Estados-Federación*, or CPCE-F), the Permanent Commission of State-Municipal Controllers (*Comisión Permanente de Contralores Estado- Municipios*, or CPCE-M), and the National Conference of Governors (*Conferencia Nacional de Gobernadores*, CONAGO) (Table 1.5).

The implementation of the CLACS will introduce institutional mechanisms to strengthen co-ordination with municipalities and therefore to avoid fragmentation, overlap, and gaps between the national and subnational integrity systems, in line with the OECD Recommendation. However, municipalities interviewed during the fact-finding mission in July 2016 lamented that the NACS is a “top-down” exercise and they had not yet been consulted on its implementation in Coahuila. Furthermore, although municipalities are formally part of the LACS, the governance envisaged by the CLACS Law does not provide for any specific role or responsibilities within the governing bodies of the System, such as a co-ordination committee, executive secretariat, or citizen participation committee (Table 1.2).

In order to ensure a whole-of-government approach and strengthen co-ordination with all levels of government, municipalities should actively contribute to the work of the CLACS. To this end, they should not only be regularly involved in discussions about the implementation of the system, following the example of the workshop organised by SEFIR with the comptrollers and legal officers of municipalities of Coahuila on 24 February 2017, but they should also contribute substantially to it. In the manner of the NACS Law’s provision for co-ordination with Federal States, the CLACS Co-ordination Committee is likewise empowered to convene municipalities in order to carry out its work (Article 13). However, to improve co-ordination at a more technical level, a working group within the Executive Secretariat, including representatives from municipalities, could be created and could meet periodically to encourage communication and information exchange among municipalities. Another task of such a working group could be to design tools and instruments to establish co-operation with municipalities, the latter being one of the system’s main objectives.

In carrying out its work, the CLACS Co-ordination Committee should take in particular consideration the specificities of Coahuila’s 38 municipalities, which are spread out over a territory of 151 595 km², making it the third-largest state in Mexico. As the fact-finding

mission revealed, each municipality has unique needs and capacities. Rodrigo, Allio, and Andres-Amo (2009) note that “[e]xpanding a framework for high-quality regulation at all levels of government can only be achieved if countries take into consideration the diversity of local needs and the particularities of lower levels of government.” As a consequence, in order to deal with subnational government particularities, the CLACS Co-ordination Committee could periodically gather in different municipalities across the State in order to address local needs, but also to involve their authorities and citizens in the functioning of the system. Furthermore, at an early stage of its work, the Co-ordination Committee could carry out a preliminary assessment of existing anti-corruption policies and structures among municipalities: this would not only help to develop effective mechanisms for their involvement and co-operation, but it would also allow the CLACS to address gaps in information, capacity, funding, and policy. It would also be an opportunity to address the duplication of rules, overlapping, and low-quality regulations, which are common challenges in multi-level regulatory governance relations (Charbit and Michalun, 2009).

Table 1.5. **Agreements for vertical co-operation in Coahuila (as of July 2016)**

Co-ordination tool	Thematic Area	Challenges
Agreements between Coahuila and SFP: <ul style="list-style-type: none"> Agreement for the strengthening of the state control and evaluation system, as well as for collaboration on transparency and the fight against corruption (<i>Acuerdo de Coordinación que celebran la Secretaría de la Función Pública y el Estado de Coahuila de Zaragoza, cuyo objeto es la realización de un programa de coordinación especial denominado Fortalecimiento del Sistema Estatal de Control y Evaluación de la Gestión Pública, y Colaboración en Materia de Transparencia y Combate a la Corrupción</i>). Agreement with 32 state entities for the implementation of the “one-stop contact point” strategic project (<i>Convenio realizado con las 32 Entidades Federativas para implementar el proyecto estratégico de la Ventanilla Única Nacional de Trámites y Servicios por parte de la Unidad de Gobierno Digital, para la consulta e impresión de actas de nacimiento del Registro del Estado Civil de las personas en línea desde cualquier lugar</i>). 	Support on ethics, public sector integrity policies, and public procurement tools	No binding mechanisms for compliance, voluntary, no monitoring or evaluation
Agreements with Municipalities <ul style="list-style-type: none"> Co-ordination agreement between SEFIR and municipalities to strengthen the state control and evaluation system (<i>Carta compromiso que celebran la Secretaría de Fiscalización y Rendición de Cuentas y los Municipios del Estado que tiene como propósito la realización de un programa de coordinación con la finalidad de fortalecer el Sistema Estatal de Control y Evaluación de la Gestión Pública</i>). 	Internal control and audit	No binding mechanisms for compliance, voluntary, no monitoring or evaluation
Multi-level agreements: <ul style="list-style-type: none"> Agreement establishing the mandatory use of electronic means to submit the asset declarations by state and municipal officials (<i>Acuerdo que determina como obligatorio el uso de medios electrónicos de comunicación para la presentación de las Declaraciones de Situación Patrimonial de los Servidores Públicos Estatales y Municipales</i>). 	Asset declarations	No binding mechanisms for compliance, voluntary, no monitoring or evaluation
Permanent Commission of State and Federal Controllers (CPCE-F), including: <ul style="list-style-type: none"> Working plan of the Permanent Commission of State and Federal Controllers to improve the public management and public administration systems (<i>Programa de trabajo derivado de la Comisión Permanente de Contralores Estado-Federación promoverán en sus respectivos ámbitos de competencia, la modernización de los esquemas, instrumentos, mecanismos de control, verificación y evaluación de la Gestión Pública y el desarrollo de la Administración Pública</i>). 	Internal control and audit	Member of National Auditing System, voluntary compliance
National Conference of Governors (CONAGO), including: <ul style="list-style-type: none"> Framework agreement between SFP and CONAGO to co-ordinate actions on ethics, transparency, and the fight against corruption (<i>Convenio marco de colaboración para la coordinación de acciones específicas en materia de ética, transparencia y combate a la corrupción, que celebran por una parte, la Secretaría de la Función pública y por la otra, la Conferencia Nacional de Gobernadores</i>). 	Several matters, including ethics, transparency, and anti-corruption issues	Political institutions of governors and mayors. Does not provide enough technical assistance to support implementation.

Source: Powerpoint presentation by SEFIR during OECD visit in Coahuila, 4 July 2016.

Lastly, links should also be established between the work of the CLACS and existing co-ordination agreements with municipalities (Table 1.5), whose effects in the harmonisation of integrity policy is currently limited because of the lack of commitment and follow-up activities by its members. For this reason, the CLACS should leverage such instruments by strengthening and institutionalising some of them, such as the CPCE-M, which currently consists in the signing of a *Carta Compromiso* between SEFIR and municipalities, as well as by providing the technical support to improve their effectiveness.

The success of the institutional arrangements provided for by the CLACS will also depend on adequate planning and allocation of resources.

Sufficient financial resources are needed to set up and implement reforms such as the one establishing the CLACS. The CLACS does not only provide for new activities and co-ordination mechanisms, but it also relies on the creation of new institutions and tools which require investment from the part of Coahuila. Adequate financing is essential to achieve the system's goals and ensures it can function without undue influence.

While it is true that many of the CLACS activities will be divided across institutional mandates and resourced by existing organisations, and that synergies and efficiencies will be generated through greater co-operation, there are nonetheless also additional costs associated with the reform. These include:

- New institutions, such as the State Tribunal for Administrative Justice (*Tribunal Estatal de Justicia Administrativa*) and Specialised Anti-corruption Prosecutor (*Fiscalía Especializada de Combate a la Corrupción*)
- New horizontal activities, such the State Digital Platform (*Plataforma Digital Estatal*)
- Scaling up of staff and activities within pre-existing institutions
- Strengthening co-ordination mechanisms, especially with municipalities

According to the CLACS Law, the Executive Secretary will rely on assets from the government, yearly resources from the state budget, and goods transferred at any other title (Article 26). On the other hand, it is unclear how the fee for participants in the Citizen Participation Committee (*contratos de prestación de servicios por honorarios*) as well as the activities of the Co-ordination Committee will be budgeted. As of March 2017, there is no evidence that the government of Coahuila has allocated any budget for it. Budgetary planning for the CLACS thus remains very uncertain. Similarly, no budgetary increases for future CLACS member institutions have been decided as yet. This raises concerns over the timing of the implementation and the success of the reform in Coahuila. For this reason, Coahuila should consider starting planning and discussing the budget implications of the CLACS as other States and the federal level have done. This is the case, for instance, of Mexico City, whose Inter-institutional Preparatory Council for the Implementation of the Anti-corruption System (*Consejo Interinstitucional Preparatorio para la Implementación del Sistema Anticorrupción - Coipisa*) in July 2016 reported an overall cost of MXN 131 million (around EUR 5.6 million) for the year 2017 (Proceso, 2016). A similar exercise was carried out at the national level, where the Finance Research Centre of the Chamber of Deputies estimated that the national framework of the NACS (i.e. not including individual LACS programs) would cost around MXN 1.5 billion (around EUR 65 million) (*Cámara de Diputados*, 2016).

In addition to financial resources, human resources are important. This is particularly relevant for the Executive Secretariat, which should be equipped with adequate and talented human resources with expertise on a wide range of subjects in line with its diverse

responsibilities (legal research and investigation, IT, public management, accounting, finance, sectoral knowledge, adequate support staff, etc.). The Technical Secretariat may therefore consider specifically monitoring the quality and quantity of human resources for anti-corruption efforts across government as part of its annual report, so as to be able to identify this as a bottleneck and make relevant recommendations. The Co-ordination Committee should also consider human resources as a central component of its action plan. Capacity-building initiatives, merit-based recruitment and hiring practices, and performance assessments are indeed the norm across the public sector.

Demonstrating political and management commitment to support the public integrity system

The implementation of the CLACS rests on the commitment at the highest political level to face the technical challenges involved, address political resistance, and favour an inclusive transition into the new system.

Political leaders are responsible for maintaining a high standard of propriety in the discharge of their official duties. Their commitment is demonstrated by their conduct and action at the political level, which includes: creating legislative and institutional arrangements that reinforce ethical behaviour and establishing sanctions against wrongdoing; providing adequate support and resources for ethics-related activities throughout government and avoiding the exploitation of ethics rules and laws for political purposes (OECD, 2009).

The implementation of Mexico's National Anti-corruption reform (Box 1.2) in Coahuila's state legal system is an invaluable opportunity to demonstrate the highest commitment of Coahuila's political leadership and senior public officials to enhance integrity and reduce corruption. Furthermore, it would allow Coahuila to align to the OECD *Recommendation on Public Integrity*, which recommends that states ensure "that the appropriate legislative and institutional frameworks are in place to enable public-sector organisations to take responsibility for effectively managing the integrity of their activities, as well as that of the public officials who carry out those activities" (OECD, 2017).

In Coahuila, the lack of awareness of representatives from most institutions about the implications of the NACS reform seems to reflect senior managers' insufficient commitment to establishing appropriate institutional frameworks for integrity. Most representatives from institutions interviewed during the fact-finding mission of July 2016 were not aware of any step taken to prepare the implementation of the reform, nor of the effects and consequences such reform would generate in terms of responsibilities and co-ordination. However, a working group consisting of SEFIR, the Governor's legal office and the state congress was set up in August 2016 to assess state legislation and elaborate the legal changes required by the Constitutional Reform. These included the amendment of Coahuila's Constitution and the CLACS Law, both approved by Coahuila's Legislature in July 2017.

Nevertheless, as of July 2017 there are still secondary regulations of the CLACS pending discussion and approval (Table 1.1). This unfinished state of the system shows the extent to which it is difficult to implement a complex legislative and political process. Coahuila's highest political institutions and representatives from the legislative, executive, and judicial powers of the state should discuss the laws to be introduced or amended and, at the same time, should come up with a sustainable action plan with fixed timelines, objectives, and resources in order to make progress on implementing the reform. Such a process could be facilitated by the package of model laws which was released by the federal Ministry of Public

Function (*Secretaría de la Función Pública*, SFP) in October 2016 to support states in advancing the implementation of the NACS at subnational level. Furthermore, Coahuila could consider the working method followed by other states in Mexico, such as Mexico City, which set a clear roadmap for implementing the NACS reform.

In Mexico City, the preparation of the roadmap for the NACS implementation was led by the Office of the Comptroller General (*Contraloría General de la Ciudad de México*). In Coahuila, the Ministry for Audit and Accountability (*Secretaría de Fiscalización y Rendición de Cuentas* or SEFIR), which has important responsibilities in promoting integrity within the government of Coahuila (Box 1.4), should take the lead in this transitional phase and ensure the full engagement and commitment of all relevant ministries and municipalities. In this way, Coahuila could be brought in line with the Constitutional reform.

Box 1.4. SEFIR's integrity and anti-corruption-related tasks

Within the government of Coahuila, SEFIR is given the mission to run the public administration with legality, transparency, and effectiveness. For this purpose it is given a number of responsibilities pursuant to the Public Administration Organic Law (*Ley Orgánica de la Administración Pública de Coahuila de Zaragoza*, LOAP) which gives SEFIR competence on government and public procurement audit; efficiency of public administration; innovation; human resources and transparency. In particular, SEFIR is in charge of:

- Controlling and monitoring public expenses
- Monitoring compliance with rules regulating instruments and procedures on control, transparency, and assessment of public administration
- Checking compliance of departments and entities with legal provisions on budget planning and accounting, human resources, and procurement
- Issuing the general rules to carry out audits, inspections, and evaluation of departments and entities
- Nominate, co-ordinate, and advise heads of internal control entities (*órganos de control interno*, or OCI) of departments and the Attorney General Office
- Providing administrative rules and guidelines to ensure compliance on procurement matters
- Keeping a register of contractors
- Dealing with complaints from private citizens in relation to tenders or contracts
- Collecting and registering the public officials' assets declarations, as well as verifying their content through relevant investigations
- Initiating and investigating administrative responsibilities of public officials, applying sanctions and eventually, forwarding the complaints to the prosecutor's office
- Formulating policies in relation to efficiency, transparency, accounting, and access to information
- Ensuring consistency among departments' internal regulations and manuals
- Simplifying administration and promoting e-government tools

Source: Public Administration Organic Law (*Ley Orgánica de la Administración Pública de Coahuila de Zaragoza*, LOAP).

The secondary legislation defining NACS framework at the federal level, intended to be replicated by subnational entities, also gives state legislators key responsibilities to implement and put the system in motion. On the one hand, Coahuila's congress should

avoid legislative bills that are not harmonised with the federal laws and that are weaker in nature, thus shielding the corresponding executive power from sanctions. Indeed, other Mexican states have had to deal with this problem (Box 1.5).

Box 1.5. Ensuring local integrity systems comply with national legislation

In the spring of 2016, the then-outgoing Governors of Veracruz, Chihuahua, and Quintana Roo introduced bills to establish their respective states' anti-corruption systems, including the offices of the Anti-corruption Prosecutor and judges for the administrative tribunals.

These bills were criticised by opposition parties and other organisations as containing provisions to shield them from future prosecution for corruption. Following the passing of these bills, the incoming governor-elect of Quintana Roo filed a constitutional challenge against all three of the proposed bills. His challenge argued that the bills were not consistent with the principles of Mexico's proposed National Anti-corruption System.

In September 2016, the Supreme Court of Justice (*Suprema Corte de Justicia de la Nación*, SCJN) declared the respective anti-corruption laws of the states of Chihuahua and Veracruz unconstitutional, on the grounds that the regulations for the local anti-corruption systems had been issued and approved before the federal laws of the National Anti-corruption System had been adopted.

The SCJN also declared that while the laws passed by the states of Chihuahua and Veracruz for the Anti-Corruption Prosecutors were unconstitutional, they could not remove nor invalidate the appointed prosecutors from their posts. Nevertheless, by virtue of these laws being unconstitutional, all acts derived from that law (such as their appointment) are void.

Source: OECD (2017c), *OECD Integrity Review of Mexico: Taking a Stronger Stance Against Corruption*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264273207-en>.

On the other hand, Article 18 of the CLACS Law establishes that the Congress of Coahuila has the responsibilities to select nine members of the Selection Committee. This committee will ultimately choose the Citizen Participation Committee after collecting proposals from the corresponding state's academic and research institutions, as well as from civil society organisations. Without key members of the Co-ordination Committee in place, the CLACS cannot start properly working and therefore its implementation may be delayed. Strong political leadership on the part of Coahuila's legislative power to fill these positions is thus required; at the same time, the need to advance this process should not undermine the open and merit-based character of the appointment process, the nominations of which should not be politicised in order not to undermine the legitimacy and effectiveness of the CLACS.

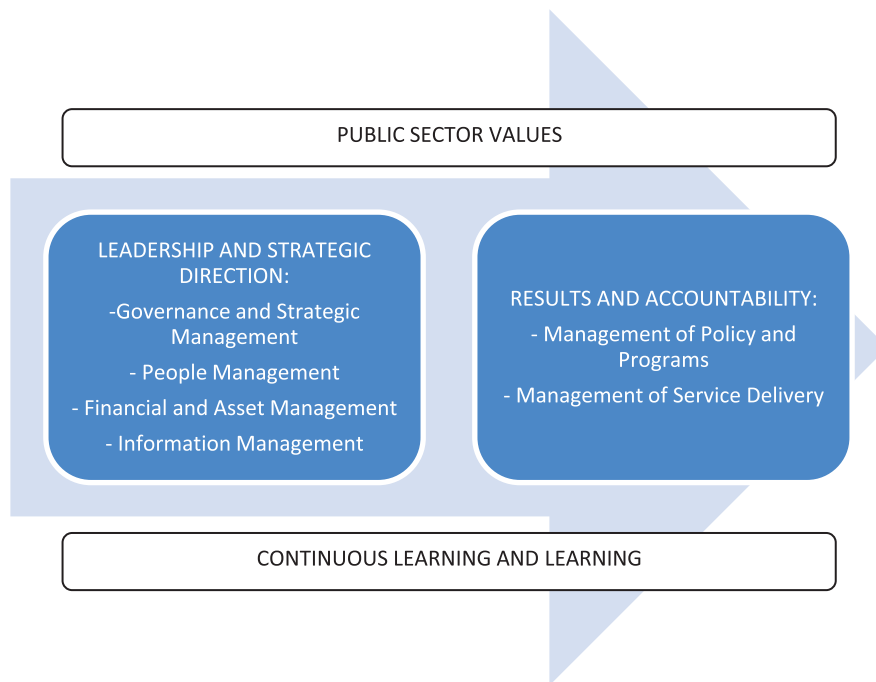
Considering the key role of senior and middle managers in implementing the CLACS, mechanisms should be introduced to define clear responsibilities and hold them accountable throughout the reform process.

The success of the CLACS reform implementation depends on the highest political will to set the necessary legal and institutional framework, but also on managerial commitment to implement obligations at the organisational level and, more generally, to advance the integrity agenda. Managerial commitment emerged as a weak point in key areas such as ethics and internal control.

The implementation of the CLACS reform package implies numerous reforms to organisational integrity policies and tools such as manuals and guidelines. In other words, managerial commitment will be crucial for the implementation of the system at the

organisational level. As a consequence, Coahuila should introduce mechanisms to link specific responsibilities to each management level by integrating assessment results in a broader performance framework to favour accountability for implementing the necessary reforms. As Coahuila is working to implement integrity systems, a parallel effort to improve performance and managerial assessment, in general, would help create a work environment that encourages ethical behaviour (OECD, 2005). In this context, Coahuila could consider the experience of the Treasury Board of Canada Secretariat (TBS) Management Accountability Framework, which provides a model for widening the framework of performance assessments beyond managerial results to include public sector values, people management, and management of policy and programmes (Figure 1.3).

Figure 1.3. **Management Accountability Framework in Canada**



Source: Government of Canada, *Management Accountability Framework*, www.canada.ca/en/treasury-board-secretariat/services/management-accountability-framework.html.

This is nevertheless complicated by the fact that in Coahuila, as in Mexico more generally, there is a high turnover rate and many senior officials are not included under the General Employment Framework of the civil service. As a result, these positions are not subject to the same standards of performance assessment and evaluation, and accountability for objectives is made less clear. Indeed, the government of Coahuila has not developed a professional and formal civil service.

Enhancing legitimacy through wide stakeholder participation in the system

Coahuila has to ensure that the appointment and renewal procedures for members of the Citizen Committee are carried out in an open and transparent way.

The reform that gave birth to the National Anti-corruption System placed great emphasis on the role of civil society as one of the most fundamental actors in defining policies and overseeing the work of the system as a whole. This is reflected in the governance set by

the CLACS, which identifies the Citizen Participation Committee as a pillar and gives it the Presidency of both the Co-ordination Committee and the Executive Secretariat. Among its tasks, the Citizen Participation Committee is called to propose co-ordination mechanisms and non-binding recommendations, build a network of civil society organisations and experts, channel the inputs of civil society and academic institutions into the system, and implement its own annual work programme. This annual work programme may include research, investigations, and projects for improving the digital platform or citizen reporting of corruption.

The institutional framework envisaged by the NACS and CLACS Law is in line with the OECD Recommendation on Public Integrity, which stresses the importance of working together with the whole of society to build effective public integrity systems, and which calls upon states to engage relevant stakeholders in the development, regular update, and implementation of the public integrity system. Similarly, it goes along the lines of the United Nations Convention Against Corruption (UNCAC), encouraging states to “promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency, and accountability” (Article 5(1)). However, as stressed by Fundar, a leading research and investigation centre in Mexico, one of the main challenges in the implementation of the Local Anti-corruption System is the configuration of the Citizen Participation Committee. This committee should develop mechanisms that allow citizens to truly take part in local systems (Animal Político, 2017a).

In order for civil society to be a leading body of the CLACS, the first priority for Coahuila is to ensure that the appointment procedure is carried out through open and transparent means enabling the participation of independent and reputable experts representing various components of civil society. This will not only enable the effective contribution of civil society, but it will also help to strengthen the overall legitimacy of the system.

According to the procedure laid down by the CLACS Law, the selection of the Citizen Participation Committee will be conducted by members of civil society and research institutions, who are in turn elected by the State Congress. In particular, the latter will set up a Selection Commission consisting of nine experts, five of whom will come from research and academic institutions, and four who will be part of civil society organisations specialised on integrity, audit, and anti-corruption issues (Figure 1.4).

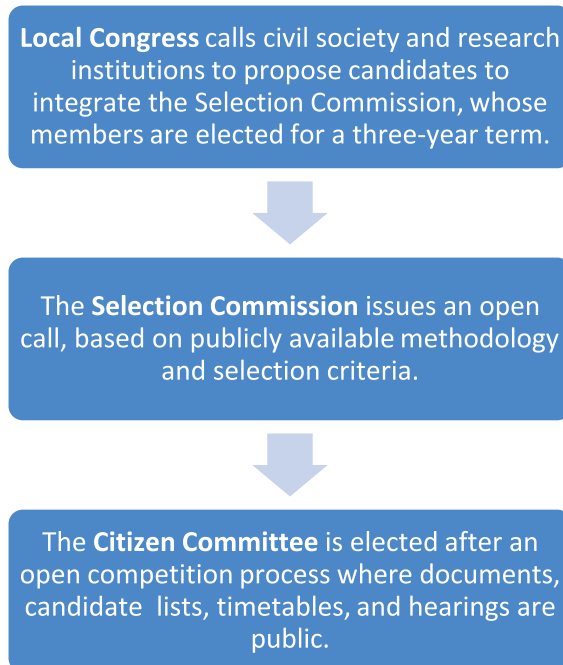
Considering the pivotal role of state-level congresses in initiating and leading the selection process for the Citizen Participation Committee, Coahuila’s Congress should make sure that all steps to create the Selection Committee are subject to the highest standards of transparency and guarantee the fairness and inclusiveness of the process. In this sense, both Coahuila’s Congress and the Selection Committee could consider providing additional information concerning the justification for the final decision – including explicit reference to the experience and knowledge of the selected members – as well as some financial information concerning the selected candidates. This information could include their assets and activities, and a signed declaration disclosing any conflict of interest which could affect their work.

With regards to the selection process of the Citizen Committee – but also to the legislative work concerning all the instruments and amendments which will need to be adopted to implement the CLACS (Table 1.1) – Coahuila should also consider following the highest standards of parliamentary openness set in the Declaration on Parliamentary Openness (Opening Parliament, 2012), a document supported by more than 140 organisations

from over 75 countries and which identifies 44 principles on openness, transparency, and accessibility of parliaments grouped in the following areas:

- Promoting a culture of openness
- Making parliamentary information transparent
- Easing access to parliamentary information
- Enabling electronic communication of parliamentary information

Figure 1.4. **The selection process of the Citizen Committee in the CLACS Law**



Source: OECD elaboration from CLACS Law.

A broader participation of stakeholders into the local anti-corruption system of Coahuila can help to build a more inclusive and responsive public sector integrity system.

The involvement of civil society in the National and Local Anti-corruption Systems in Mexico is a key factor in the success of a whole-of-society approach to public integrity. However, stakeholder participation into the system currently seems narrow in scope, because the Citizen Participation Committee will consist of citizens who made outstanding contributions to transparency, accountability, or the fight against corruption (Article 16 of CLACS Law and Table 1.2). Similarly, Local Congresses nominate the Selection Commission, calling upon civil society and research institutions to propose candidates (Article 18 of CLACS Law and Figure 1.5). This was confirmed by the election, in January 2017, of the first Citizen Participation Committee of the National Anti-corruption System. Indeed, most of its members belong to academia or to civil society organisations (Animal Político, 2017b), or have previously held positions in autonomous bodies such as the National Elections Institute (*Instituto Nacional Electoral*, INE) and the National Institute for Transparency, Freedom of Information, and Personal Data Protection (*Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales*, INAI).

The activities of the public sector require interactions with a wide range of stakeholders. Corruption often takes place when public officials interact with the private sector. Interviews with private sector representatives during the fact-finding mission of July 2016 provided valuable input and ideas which could help to improve the integrity system of Coahuila; similarly, their involvement in the CLACS could contribute to a relevant and effective integrity system for the public sector. At the same time, bringing diverse stakeholders would guarantee further checks and balances among different actors and increase expectations that they will adhere to the standards and policies developed by the system. Third, a continuous dialogue and co-operation with state-wide or sectorial business associations could induce the development of their own integrity standards and initiatives, such as in Colombia, where the National Citizens Committee for the Fight against Corruption (*Comisión Nacional Ciudadana para la Lucha Contra la Corrupción*, CNCLCC) leverages such partnerships to promote, among other things, codes of conduct for the private sector. Coahuila could introduce mechanisms to ensure a multi-stakeholder participation scheme which includes private sector but also other non-governmental organisations such as trade unions and media. Countries such as Colombia and Peru have used such schemes (Box 1.6). With specific reference to the CLACS, its members could leverage the possibility provided for by Article 28 of the CLACS Law and regularly invite organisations not included in the Citizens Committee to the Co-ordination Committee through the Executive Secretary. In order to build continuous co-operation with these organisations, the mutual commitment could be formalised in agreements and monitored within the yearly reports of the Co-ordination Commission.

Box 1.6. Government and non-government stakeholders in National Anti-corruption Commissions: Colombia and Peru

Colombia

The Anti-corruption Statute established the National Moralisation Commission (*Comisión Nacional de Moralización*, CNM), a high-level mechanism to co-ordinate strategies to prevent and fight corruption. The CNM is a multipartite body including the President of the Republic, the Inspector General, the Prosecutor General, the Comptroller General, the Auditor General, the head of Congress, and the President of the Supreme Court. The National Committee for Moralisation is responsible for information and data exchange among the bodies mentioned above in order to fight corruption; it also establishes mandatory indicators to assess transparency in public administration; it adopts an annual strategy to promote ethical conduct in public administration, including workshops, seminars, and pedagogic events on topics such as ethics and public morality, as well as public officials duties and responsibilities.

The same Anti-corruption Statute of 2011 created the National Citizens Committee for the Fight against Corruption (*Comisión Nacional Ciudadana para la Lucha Contra la Corrupción*, CNCLCC), which engages Colombian citizens in assessing and improving policies to promote ethical conduct and curb corruption in both the public and private sectors. This Committee comprises representatives of a wide array of sectors such as business associations, NGOs dedicated to the fight against corruption, universities, media, social audit representatives, the National Planning Council, trade unions, and the Colombian Confederation of Freedom of Religion, Awareness and Worship. CNCLCC issues a yearly report on anti-corruption policy evaluation and promotes codes of conduct for the private sector, particularly in the realm of conflict-of-interest prevention. It closely monitors the measures taken in the Anti-corruption Statute to improve public management as well as public procurement, the anti-paperwork policy, the democratisation of public administration, access to public information and citizen services, and it also promotes the active participation of social media in reporting corruption.

Box 1.6. Government and non-government stakeholders in National Anti-corruption Commissions: Colombia and Peru (cont.)

Peru

Peru's High-level Anti-corruption Commission (*Comisión Alto-nivel de Anti-corrupción*, or CAN) was established by Law no. 29976 and its regulation in decree no. 089-2013-PCM, which also outlines the CAN's mandate and responsibilities. The CAN's main activities are articulating efforts, co-ordinating actions of multiple agencies, and proposing short, medium, and long-term policies directed at preventing and curbing corruption in the country.

Like in Colombia, the CAN involves public and private institutions and civil society and co-ordinates anti-corruption efforts and actions. Non-governmental actors include representatives of private business entities, labour unions, universities, media, and religious institutions. Bringing diverse stakeholders regularly around the table aims at encouraging horizontal co-ordination and guaranteeing the coherence of the anti-corruption policy framework. At the same time, it contributes to protecting the CAN from undue influence by narrow interests.

Table 1.6. The composition of the CAN (as of October 2016)

Members with vote (10)	Members with voice but without vote (11)
<ul style="list-style-type: none"> ● President of Congress (<i>Congreso de la República</i>) ● President of the Judiciary (<i>Poder Judicial</i>) ● President of the Cabinet Office (<i>Presidencia del Consejo de Ministros</i>, PCM) ● Minister of Justice and Human Rights (<i>Ministerio de Justicia y Derechos Humanos</i>) ● President of the Constitutional Court (<i>Tribunal Constitucional</i>) ● President of the National Council of the Judiciary (<i>Consejo Nacional de la Magistratura</i>) ● Attorney General (<i>Fiscalía de la Nación</i>) ● President of the National Assembly of Regional Governments (<i>Asamblea Nacional de Gobiernos Regionales</i>) ● President of the Association of Municipalities (<i>Asociación de Municipalidades</i>) ● Executive Secretariat of the National Agreement (<i>Acuerdo Nacional</i>) 	<ul style="list-style-type: none"> ● Comptroller General (<i>Contraloría General de la República</i>, CGR) ● Ombudsman (<i>Defensoría del Pueblo</i>) ● Executive Director of the Supervisory Body of Public Contracting (<i>Organismo Supervisor de las Contrataciones del Estado</i>, OSCE) ● President of the National Assembly of Deans (<i>Asamblea Nacional de Rectores</i>) ● President of the National Council for Public Ethics (<i>Consejo Nacional para la Ética Pública, Proética</i>) ● President of the National Confederation of Private Business Entities (<i>Confederación Nacional de Instituciones Empresariales Privadas</i>) ● Representative of the labour unions of Peru ● Representative from the Catholic church ● Representative from the Evangelic church ● Executive Director of the Peruvian Press Council (<i>Consejo Prensa Peruana</i>) ● General Co-ordinator of the CAN (<i>Coordinador General de la CAN</i>)

Source: OECD (2017d), *Integrity Review of Colombia*, OECD Publishing, Paris; OECD (2017c), *OECD Integrity Review of Mexico: Taking a Stronger Stance Against Corruption*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264273207-en>.

Proposals for Action

The implementation of the national anti-corruption system in Coahuila is a crucial step in building a coherent and comprehensive integrity system. To face the challenges involved in the process and leverage the possibilities offered by the new framework established by the reform, the OECD recommends that Coahuila considers taking the following actions:

Strengthening institutional co-ordination for integrity

- Although the CLACS is a valuable framework for co-ordinating relevant institutions, the system should ensure that integrity policies are mainstreamed through the whole-of-government and that they are linked with state-wide strategies.
- Nominating a contact point within each of the CLACS constituent institutions could strengthen the co-ordination with its governing bodies and favour the implementation of its activities throughout the government.

- The participation of municipalities in the CLACS provides for mechanisms to improve vertical co-ordination of integrity policies in the state of Coahuila. However, municipalities should be fully involved during the implementation of the system. Coahuila could create an ad-hoc working group in charge of elaborating co-ordination mechanisms and providing continuous support to build coherent municipal anti-corruption systems.
- The success of the institutional arrangements provided for by the CLACS will also depend on adequate planning and allocation of resources.

Demonstrating political and management commitment to support the public integrity system

- The implementation of the CLACS rests on the commitment at the highest political level to face the technical challenges involved, address political resistance, and favour an inclusive transition into the new system.
- Considering the key role of senior and middle managers in implementing the CLACS, mechanisms should be introduced to define clear responsibilities and hold them accountable throughout the reform process.

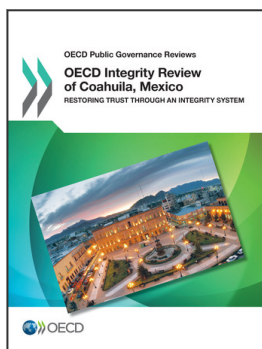
Enhancing legitimacy through wide stakeholder participation in the system

- Coahuila has to ensure that the appointment and renewal procedures for members of the Citizen Committee are carried out in an open and transparent way.
- A broader participation of stakeholders into the local anti-corruption system of Coahuila can help to build a more inclusive and responsive public sector integrity system.

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