

## PARTNERING TO MAKE BUDGETS WORK FOR THE PEOPLE

# Fundar, Centro de Análisis e Investigación – Mexico

Fundar was created in January 1999 with the goal of strengthening public participation in decision making and deepening democracy. Since then budget and policy analysis has become the core area of activity of the organization. Fundar applies its substantial technical expertise around policy and budget analysis toward achieving specific goals related to different sectors, processes, and issues, such as: budget formulation and execution, poverty reduction programs, health policies, legislative oversight, transparency and access to information, monitoring law enforcement agencies and promoting their democratic reform, and oversight of human rights agencies and policies.

## Fundar's Public Farm Subsidy Database Stimulates Debate and Reforms

In October 2008 Fundar, in collaboration with *Asociación Nacional de Empresas Comercializadoras de Productores del Campo* (a national small grain farmers' association), the University of California–Santa Cruz, and the Environmental Working Group, launched an online database called *Subsidios al Campo en México* (Farm Subsidies in Mexico), which provides quick and easy access to government data about “who gets what” from Mexico's major agricultural production subsidy programs.

Following the North American Free Trade Agreement (NAFTA), Mexico established a series of direct-payment farm subsidy programs that were designed to “compensate” farmers for losses related to the opening of agricultural markets to free trade. During the past 15 years, over US \$20 billion in public funds have been paid directly to more than 2 million farmers through the two largest of these programs, *Procampo* and *Ingreso Objetivo*. Since their inception these and other agricultural subsidy programs have been characterized by a lack of transparency. Until the launch of the *Subsidios al Campo* database, it was very difficult for the public to access information on who was

getting how much from the direct transfer of public funds in the form of agricultural subsidies.

In accordance with Mexico's Federal Transparency and Access to Information Law, the government started making lists of who received agricultural and other subsidies available to the public in 2003. However, the publication of these lists was not enough to bolster transparency

MEXICO

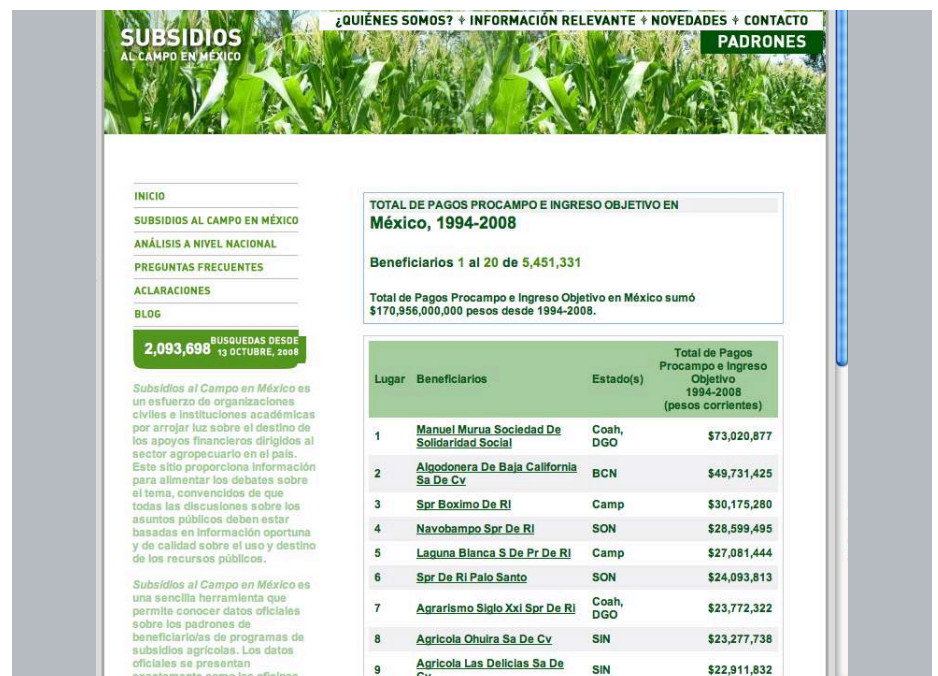
Open Budget Index 2010

Overall Score: 52

Government provides some information to the public on how it manages public resources.

Availability of budget documents critical for effective public input:	
Pre-Budget Statement	Yes
Executive's Budget Proposal	Yes
Citizens Budget	No
Enacted Budget	Yes
In-Year Reports	Yes
Mid-Year Review	No
Year-End Report	Yes
Audit Report	Yes
<a href="http://www.openbudgetindex.org" style="color: #0056b3;">www.openbudgetindex.org</a>	

or accountability, since the presentation of the data was extremely difficult to understand.



**SUBSIDIOS AL CAMPO EN MÉXICO**

¿QUIÉNES SOMOS? + INFORMACIÓN RELEVANTE + NOVEDADES + CONTACTO

**PADRONES**

**INICIO**

**SUBSIDIOS AL CAMPO EN MÉXICO**

**ANÁLISIS A NIVEL NACIONAL**

**PREGUNTAS FRECUENTES**

**ACLARACIONES**

**BLOG**

**2,093,698** Búsquedas desde 19 OCTUBRE, 2008

Subsidios al Campo en México es un esfuerzo de organizaciones civiles e instituciones académicas por arrojar luz sobre el destino de los apoyos financieros dirigidos al sector agropecuario en el país. Este sitio proporciona información para alimentar los debates sobre el tema, convencidos de que todas las discusiones sobre los asuntos públicos deben estar basadas en información oportuna y de calidad sobre el uso y destino de los recursos públicos.

Subsidios al Campo en México es una sencilla herramienta que permite conocer datos oficiales sobre los padrones de beneficiarios de programas de subsidios agrícolas. Los datos oficiales se presentan exactamente como las oficinas

**TOTAL DE PAGOS PROCAMPO E INGRESO OBJETIVO EN México, 1994-2008**

**Beneficiarios 1 al 20 de 5,451,331**

Total de Pagos Procampo e Ingreso Objetivo en México sumó \$170,956,000,000 pesos desde 1994-2008.

Lugar	Beneficiarios	Estado(s)	Total de Pagos Procampo e Ingreso Objetivo 1994-2008 (pesos corrientes)
1	Manuel Murua Sociedad De Solidaridad Social	Coah, DGO	\$73,020,877
2	Algodonera De Baja California Sa De Cv	BCN	\$49,731,425
3	Spr Boximo De Ri	Camp	\$30,175,280
4	Navobampo Spr De Ri	SON	\$28,599,495
5	Laguna Blanca S De Pr De Ri	Camp	\$27,081,444
6	Spr De Ri Palo Santo	SON	\$24,093,813
7	Agrarismo Siglo XXI Spr De Ri	Coah, DGO	\$23,772,322
8	Agrícola Ohuira Sa De Cv	SIN	\$23,277,738
9	Agrícola Las Delicias Sa De Cv	SIN	\$22,911,832

In 2007 Fundar and its partners decided to create a user-friendly, accessible database for the public using the official information from the government's farm subsidy lists. After over a year of work, the online database was launched, allowing users to search for information on exactly how public funds for subsidies have been distributed over time.

One of the key problems brought to light by the farm subsidy database was the way in which the funds were distributed. Though many farm subsidy programs claim to target the neediest farmers, the reality revealed through *Subsidios al Campo* was that a small group of wealthy farmers had captured the vast majority of subsidy funds over time (the top 10 percent of recipients had received over 50 percent of the funds). This finding indicated that a lack of institutional accountability mechanisms had allowed special interests and powerful actors to capture the subsidy programs. Furthermore, the lack of meaningful transparency in the subsidy programs excluded the public from any discussion of

whether the programs were an effective and appropriate use of public funds.

Fundar was able to raise these issues in the public debate about farm subsidy policy at a time when the global food crisis was already prompting questions about it. Media coverage of the issue and massive use of the website itself (which has received over 2 million hits) also raised some fundamental questions: Why were responsible agencies not able to control the distribution of these payments? Why were taxpayers helping wealthy farmers get richer, while poor farmers were struggling to survive? The fact that these questions emerged from analysis of official government data allowed Fundar to make a strong case about the need for transparency and accountability in the farm subsidy programs.

In the case of the *Procampo* subsidy program, the government implemented important reforms to cap individual payments and increase the amount provided to the smallest farmers.

Public officials responsible for program operations have been questioned formally in the Senate, and several have been removed from office. The government also has begun to implement measures designed to regain control over the distribution of these funds, ensuring that program funds reach the targeted beneficiaries. However, not all of the policy reforms that were promised have been effectively implemented, and institutional accountability mechanisms are still weak.

Fundar has since increased the scope of programs for which data are available on the *Subsidios al Campo* website. The organization also continues to draw attention to the government's lack of compliance with its own rules and regulations. With the help of the farm subsidy database, Fundar continues to engage in the debate on farm subsidy policy and act as a watchdog by monitoring how these massive subsidy programs are being managed and implemented.

## Participation in the Partnership Initiative

As part of the Partnership Initiative, Fundar will continue to develop and implement advocacy strategies aimed at transforming the budget process in Mexico, as well as increasing transparency and citizen oversight over public expenditures. The Partnership Initiative also will support research and monitoring activities that focus on health sector spending and infrastructure and access to health at the local level, with an emphasis on marginalized communities. Overall, the intervention strategies identified by Fundar seek to engage multiple stakeholders in developing creative solutions to transform opaque decision-making processes and enable more rigorous control and evaluation of resource allocation.

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*The IBP's Partnership Initiative is a collaborative effort that seeks to enhance the impact of civil society budget work in selected countries of Africa, Asia, and Latin America. The initiative strives to contribute to the development of sustainable institutions; to increase public access to timely, reliable, and useful information; to enhance the effective participation of civil society in policy and budget processes; and to establish a platform of good practices on which future generations of civil society can build.*