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**High-level landscape  
analysis of civil society  
support ecosystems:  
Mexico**



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IN PHILANTHROPY

# High level landscape analysis of civil society support infrastructure in Mexico

## Executive summary

Mexico's civil society support infrastructure is both diverse and robust. Due to the predominantly project-based nature of donor funding, civil society organisations (CSOs) typically lack adequate resources to invest in institutional sustainability and capacity building. Over the past two decades, however, some private foundations and bilateral funders have increased their support for CSOs development, fostering diversification in the supply of organisational development (OD) in Mexico.

Demand for local consultants is partly driven by some funders providing resources to grantee organisations and by organisations seeking to strengthen themselves. Access to quality OD support, however, remains unevenly distributed, with more established organisations generally enjoying greater access than start-ups or community-based ones.

The quality of OD services varies, and information about the market is fragmented, making it challenging for organisations to identify the most suitable provider efficiently. CSOs often access quality services through regranteeing organisations and informal peer recommendations. Local regranteeing organisations and local foundations play a vital role in expanding access and improving the quality of services available, contributing to an increasingly responsive OD market that better meets CSO needs.

## 1. Summary of target audience and scoping/sampling strategy

The target audience for the study's key informant interviews (KIIs) included four stakeholder groups: CSOs, organisations and individual consultants providing OD services ("OD Providers"), funders, and regranteeing organisations.

The sampling strategy for the KIIs was designed to ensure a diverse range of perspectives. For CSOs and OD providers, geographic diversity was prioritised to include organisations operating in various regions of Mexico. The selection of CSOs included community-based organisations and those working on different issues, with priority given to organisations focusing on climate-related work.

For funders, the sample included private foundations and bilateral donor agencies. Regranteeing organisations were selected based on their support for a variety of thematic areas, providing a broader understanding of Mexico's organisational development landscape.

## 2. "Setting the scene": CSOs' needs, development, and access to support

Mexico's diverse and dynamic civil society ecosystem reflects decades of growth and adaptation, addressing a broad spectrum of social, political, and economic challenges. The development needs of organisations, as well as the mechanisms through which they access support, vary significantly.

These differences are shaped largely by their stage of organisational maturity and the resources available to them.

### CSO needs

Given the heterogeneity of the CSO ecosystem in Mexico, it is important to acknowledge the inherent risk of overgeneralisation when discussing the primary challenges these organisations face. Different types of organisations often encounter unique obstacles that may not align with the experiences of others. While this analysis seeks to capture sufficient nuance, the scope of this high-level overview may inevitably limit the level of detail provided.

Resource mobilisation, navigating constant changes in tax and financial regulations, strategic and budget planning, and leadership development are among the most critical development aspects for CSOs, regardless of the organisation's type or maturity. However, certain differences surface depending on the organisations' maturity, size and whether they are community-based. Start-up and community-based organisations such as Tlalij and Amigos de la Monarca to name two examples require support in building foundational capabilities, such as administrative, accounting and planning and, often, governance. In contrast, more established organisations like Fundar Centro de Análisis e Investigación, Reforestamos México, and Centro Mexicano de Derecho Ambiental tend to seek professional assistance for managing leadership transitions, improving human resources management, and enhancing strategic communications and knowledge management.

Financial sustainability is a common challenge across organisations at all stages. Within the realm of resource mobilisation, securing flexible funding is a particularly difficult hurdle. A large proportion of CSOs' funding is project-based support, which severely limits the resources organisations can allocate to their internal development and long-term sustainability. The project-based funding model, which dominates much of CSO work, has long been cited as a major reason for organisations to neglect their own internal development.

### Current state of CSO development

CSOs in Mexico adopt different strategies for developing their organisational capacity, depending on their available resources, operational maturity, and growth plans. In the early stages of their development, organisations tend to focus primarily on program implementation, often relegating OD to a secondary priority. A common trend is that young organisations only begin to address development needs because of interactions with funders who provide resources specifically designated for this purpose. In some cases, funders may impose specific OD requirements, conditioning their support on the organisation's engaging in a specific OD process. A handful of funders such as Ford, the Fund for Global Human Rights, and Oak Foundations offer flexible or general operating support, allowing organisations to allocate resources as they see fit, including for OD efforts.

For over two decades, a small number of private foundations and bilateral funders in Mexico have invested in building CSO capacity<sup>1</sup>, contributing to a robust and diverse OD infrastructure. Funders

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<sup>1</sup> Private foundations that have a history of investing in building CSO capacity include Ford Foundation, The William and Flora Hewlett Foundation, W.K. Kellogg Foundation, Luminate, MacArthur Foundation and Oak Foundation. Among bilateral funders, USAID and the German cooperation agency GIZ have implemented different programs aimed at strengthening CSO capacity.

play a crucial role in fostering CSO development by providing essential resources—whether through flexible funding or by permitting higher indirect cost ratios in project grants, and by connecting them to OD providers.

Access to support varies significantly across regions. Organisations in urban areas generally have better access to OD services. In contrast, smaller organisations operating in rural and smaller communities often encounter substantial barriers in securing the support they need. Regranting organisations (*Mexican organisations that manage and distribute resources from larger funders*) play a significant role in the OD ecosystem. Acting as hubs, they offer grantees invaluable information about quality OD services and help connect smaller or start-up organisations—including those located in non-urban areas—with OD providers. These intermediaries have been instrumental in making OD support more accessible and effective for organisations across Mexico.

### Access to support

External trends affecting CSOs and their ability to address their organisational development needs include:

#### **Increased regulatory stringency**

Mexico's government is increasingly leveraging tax enforcement as a control tool, leaving CSOs in a precarious position. Rapid, unprecedented changes to tax and money laundering prevention procedures heightened the risk of non-compliance. At the same time, reduced tax incentives for business donations, stricter reporting requirements, and increased financial scrutiny further exacerbated their challenges. As a result of the harsher tax and legal compliance measures, organisations find themselves scrambling to both improve their internal administrative processes and find qualified tax advisors. While some entities produce and disseminate tax-related information at no-cost by way of webinars, specialised one-on-one technical assistance is expensive and obtaining it puts organizations in financial strain.

Mexico's law to counter money laundering and its regulations impose heavy requirements on compiling, reporting and safeguarding of certain information, and deficient compliance puts organisations at risk of exorbitant fines. Complying with reporting obligations, such as those requiring detailed information about donors and their representatives, constitutes a major challenge for CSOs, often because donors resist providing grantees with specific documentation considering it sensitive information.

#### **Hostile political environment**

The previous government (2018–2024) adopted a hostile stance toward CSOs, questioning their legitimacy, openly accusing them of corruption, and discrediting their work. Consequently, CSOs in Mexico have adopted a lower profile and refrained from carrying out necessary advocacy work for fear of being singled out and harassed during the then President's morning press conference. In addition to the overtly oppositional discourse, the deterioration of Mexico's civic space during this recent period was characterised by verbal attacks to the press, attempts to discredit Mexico's feminist movement, and closing channels of institutional dialogue. After the 2024 elections, with the same party still in power, it remains uncertain whether the ongoing campaign of mistrust and allegations of foreign ties will cease under the new president.

#### **The starvation cycle**

Access to OD support remains unevenly distributed, with more established organisations typically enjoying greater access to resources compared to younger or community-based ones. Driven by entrenched donor expectations to minimise overhead spending, many CSOs allocate a small fraction of their funding to institutional sustainability and strengthening. This chronic underinvestment in organisational infrastructure significantly hampers development efforts and influences how infrequently CSOs seek OD support. Although this trend persists in Mexico, a small number of global funders—particularly U.S. private foundations—have changed their approach in two ways: some are encouraging grantee organisations to realistically budget indirect costs and be transparent, and others are providing general support grants, enabling organisations the flexibility to invest in critical development areas.

### 3. The ecosystem of support

The accessibility and relevance of existing support services for CSO development in Mexico vary significantly. Insights from diverse stakeholder experiences reveal that while the OD support ecosystem is diverse and robust, organisations face challenges in identifying the right type of support or the most suitable approach to meet their specific needs.

#### Existing support, accessibility and effectiveness

Mexican CSOs find OD support in two main formats: tailored technical assistance, designed to address the specific needs of an individual organisation, and group-based training sessions offered to a broader audience. Training sessions are often standardised, delivered as one-off events, and focus on general knowledge sharing. While tailored technical assistance is the most beneficial format, it is costly and difficult to afford. A third approach, adopted by regrantee organisations and some OD providers, involves engaging small cohorts of organisations with common needs and similar levels of capacity. In this model, either the regrantee organisation or OD provider designs a process where peer organisations participate in learning exchanges, guided by a specialist who facilitates discussions and supports participants in addressing implementation challenges. For example, OD provider *Creatura* implements a process for a cohort on strengthening their compliance with tax regulations; staff from those organisations begin gaining skills, learning with peers and receiving support from the *Creatura* specialist. Regrantee organisations like *Acento*, *Hispanics in Philanthropy*, and *FONNOR*, among others, use the same approach with positive results.

The ecosystem of OD support includes nonprofit organisations, private firms, and individuals. The quality of OD services varies. However, CSOs generally manage to access quality services, thanks to regrantee organisations, local foundations and informal recommendations obtained through peer networks. The information provided by regrantee organisations and local foundations have effectively simplified the process of selecting reliable OD providers.

Existing OD support covers a wide range of areas, including governance, strategic planning, recruitment, fundraising, security, and leadership development. While there is no significant thematic gap in available OD services, most providers rely on methodologies suited to well-established, urban nonprofit organisations. It remains challenging to find providers with approaches tailored to smaller, community-based organisations with unique structures and needs, as well as those deeply familiar with the local context. Regrantee organisations that have been

operating for a long time, are relatively more successful at identifying local providers with more appropriate methodologies. But even well-established organisations at times find it challenging to identify OD providers in specific subjects who use frameworks that reflect their values, such as anti-colonialist, anti-patriarchal, and anti-racist approaches.

Similarly, in the area of fiscal and tax compliance, identifying quality providers with expertise in the nonprofit tax regime remains difficult. A small number of firms and organisations have emerged over the past decade, offering valuable services. However, these providers are predominantly based in large cities, and often start-up organisations as well as smaller, non-urban, and community-based organisations—lack access to information about their services.

### The market and development of local consultancy support

Information about the market for OD support is fragmented; this means that information is spread across various sources, making it difficult to get a cohesive understanding of the market. The OD services market in larger urban settings is characterized by sufficient offerings of OD providers in most areas of CSO's needs. Because of systemic disparities and concentration of resources in large cities, organisations working in rural contexts or smaller cities struggle to find quality OD providers. Additionally, some OD providers that cater to the for-profit corporate sector make their services available to CSOs even though their methodologies are generally not suitable for nonprofit organisations. Some CSOs have contracted services from this type of providers with disastrous results. For instance, one organisation that received a grant from a Mexican foundation ended up losing over a third of the grant amount to taxes because of the erroneous advice from a tax specialist.

The quality of OD services varies greatly, irrespective of the type of service or issue area. Having accumulated expertise about the local contexts, the nuanced development needs of CSOs, and the most successful approaches, regranteeing organisations serve an important quality control function. Their decision-making process for selecting OD providers generally includes tapping into peer knowledge of recommended providers through their networks, gathering feedback from grantees, and consistently monitoring providers' performance. By developing rosters of effective and trusted OD providers, they are better able to match CSOs and providers based on needs, context and methodologies.

Demand for local consultants is determined by a combination of funders' investments in CSO capacity and CSOs proactively seeking support for their institutional needs. CSOs seek consultancy support provided that the following conditions are present: a certain level of self-awareness of a particular institutional need, and available resources. From this research there is enough evidence to suggest that demand for consultancy support in specific areas such as strategic planning, leadership development, and fundraising have grown steadily, with a current spike in demand for specialised legal services in fiscal and tax regulations, technology applied to different aspects of CSOs work, holistic security and resource mobilisation (beyond the standard fundraising model of cultivating donors).

Consultants seek opportunities to develop their skills and connect with others through webinars, and by participating in initiatives focused on strengthening civil society organised by funders. Funders play an important role in fostering connections among OD providers, although not necessarily in resourcing providers' skill development. Most consultants operating in Mexico are

located in Mexico, but there may be some exceptions; the rates of international consultants are unaffordable by the majority of CSOs. Consultants' ability to find work is closely connected to the extent to which international funders continue to resource CSOs' work in Mexico. None of the consultants interviewed expressed a need for additional networking activities. They do welcome additional funding from donors to pay for professional development trainings suitable for their area of expertise.

## 4. Conclusion

The civil society support infrastructure in Mexico is vast and diverse, but significant disparities persist in accessibility, relevance, and affordability—particularly for smaller, community-based organisations and those in rural or high-conflict areas. While tailored technical assistance is the most effective form of support, its high cost creates substantial barriers for many start-up organisations. The critical role of regrating organisations and foundations in identifying, vetting, and customising OD support is evident, as their efforts help bridge gaps in quality and accessibility. Yet, systemic inequities—such as the concentration of resources in urban centres and the lack of context-sensitive methodologies—highlight the need for more inclusive and localised approaches. The efficacy of OD support depends greatly on the ability of the provider to understand the particularities of a given context, adapt its methods and provide a fully tailored approach that ideally includes continued implementation support. Rather than efforts to further enhance providers' skills, strengthening the ecosystem requires improved information-sharing among stakeholders so that organisations can identify the best match for their institutional needs. Secondly, access to sufficient flexible funding would ensure that CSOs can afford the best available OD services they can find. By addressing these challenges, funders and OD providers have the potential to contribute to a more effective role of OD providers in Mexico's CSOs' sustainability.

## Annexe 1: case study

Hispanics in Philanthropy works to advance philanthropy in support of communities in the Americas. It sees itself as a philanthropic catalyst well positioned to mobilise resources and strengthen participation and leadership of traditionally excluded communities. In Mexico, HIP is well known as a regrating organisation that has partnered with various funders, like Oak Foundation and Wellspring Philanthropic Fund, in a wide range of thematic areas.

With over twenty years of presence in Mexico, HIP has crucially focused on strengthening CSOs' organisational capacity. By implementing a series of OD programs for a significant number of grantee cohorts, it has identified and documented valuable lessons on the most effective partnerships between OD providers and organisations. For example, based on a deep assessment of grantees' needs, as part of its role managing Oak Foundation's Issues Affecting Women's Program, HIP built a robust capacity strengthening program characterised by putting grantees in the driver's seat in choosing the path to enhance their development. This meant that organisations are guided in a reflection process to identify and prioritise their institutional needs, set their own goals, engage in peer-learning and select the OD provider of their preference. Additionally, through its long-term relationships with several dozens of OD providers and by working closely with them, HIP has accumulated considerable knowledge of the OD ecosystem, gained an understanding of

providers' strengths and areas where additional skill building is needed. HIP is a resource for the organisations' it supports directly, but also to other donors in Mexico and other Latin American countries.