

2025 ANNUAL REPORT

STRENGTHENING TO SUSTAIN **THE FUTURE**



fundación **merced**



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Glossary

2025 was a year that closed with strategic reassessments and major changes for the organization. Today, we see it as the end of a cycle that generated very positive results, which will serve as the foundation for launching a new stage of growth for the Foundation.



Throughout the year, we reflected on what we do and how we do it, in light of the country's current context and the needs of both our partners and the people served by the programs we implement. Our purpose was to redefine our approach, strategies, and ways of working. This led us, among many other things, to update our Vision and Mission, which you will find in this report.

None of this prevented us from continuing to strengthen partnerships and support the projects of those working for a more just and compassionate Mexico. We maintained our strategy of joining efforts and building bridges because we are convinced that this way of working is one of the most effective paths toward sustainable relationships, greater collective impact, and better use of available resources to help ensure a more equitable society for future generations.

CSOs in this country must stop thinking that we are going through a particularly adverse, demanding, or complex period, and instead recognize that this is the definitive environment in which we will have to operate for many years to come. Continued work will depend on institutional strengthening—with solid structures and governance—as well as on the creativity needed to identify sources that can ensure economic sustainability.

It is also important to communicate that the survival of CSOs is fundamental, as they are one of our main options for building a better country by creating community, awareness, and citizenship. It is important to emphasize that this year's achievements are the result of the effort and trust of our financial, strategic, and operational partners, as well as the organizations and individuals who have collaborated in our many projects. To all of them, our gratitude for their effort, dedication, and participation.

Finally, I would like to use this space to say goodbye to the entire team, partners, and friends of Fundación Merced, as my term as President of the Board comes to an end this month. I want to thank you for your support, accompaniment, and for everything I have learned from each of you over these years. Each recognition granted through the "Razón de Ser" awards has shown that there is hope and motivation to join a great cause. This has been a deeply enriching experience that has allowed me to understand more clearly the challenges and needs we face as a country, but also the great will and effort of countless people who work actively every day, from different fronts, to make Mexico more just and equitable.

Gerardo Cándano
President of Fundación Merced

A MOMENT THAT DEMANDS MORE THAN WILL

2025 was no ordinary year for civil society organizations.

In Mexico and across Latin America, CSOs faced an increasingly demanding environment: greater institutional pressure, rising regulatory requirements, and a shrinking civic space.

This has been documented by recent international analyses (CIVICUS, 2024; ICNL, 2023; ECLAC, 2023; OECD, 2020).



But there is something those analyses do not always state clearly: what is at stake is not only the operation of organizations. It is nothing less than the very possibility of building a different future.

In a context where the future feels uncertain, fragmented, or even contested, CSOs are among the few institutions that continue to build it, community by community, project by project.

And to keep doing so, they need more than resources. They need solid structures, function-

al governance, financial models that do not depend on a single donor, and the capacity to measure their own results. In a word, they need institutional strength.

The continuity of CSOs no longer depends solely on social commitment. It depends on their ability to sustain themselves. Against this backdrop, in 2025 Fundación Merced reaffirmed a conviction that has guided its work from the beginning: strengthening organizations is not a complementary effort to social change. It is what makes social change possible.



OUR CONVICTION: STRENGTHENING MEANS BUILDING THE FUTURE

In an environment that demands greater institutional capacity, Fundación Merced renews itself and assumes an active, strategic role within Mexico's social ecosystem. Not as a spectator of the context, but as a response to it.

Mission

Fundación Merced is a leading organization that accompanies and supports those working for a more just, compassionate, and prosperous Mexico, connecting initiatives across different sectors of society through listening, contextual understanding, and organized citizen participation.

Vision

We promote and connect multisectoral initiatives that improve the living conditions of people and communities in Mexico through capacity strengthening, collective learning, the visibility of results, and effective management of social investment.

These definitions are not aspirational; they are operational. They guide every strategic decision, every partnership, and every process we promote.

Our intervention model follows a systemic logic. We do not fund disconnected activities: we build installed capacity. We do not promote dependency: we advance institutional autonomy. We do this through five lines of action:

1. We mobilize financial and human resources with strategic, long-term criteria.
2. We strengthen organizational capacities to ensure institutional sustainability.
3. We professionalize the sector through evidence-based learning processes.
4. We connect networks and partnerships that amplify collective impact.
5. We make results visible to strengthen trust and social legitimacy.

In a country marked by deep social gaps, strengthening organizations means strengthening the civic infrastructure that sustains democracy, social cohesion, and sustainable development. Fundación Merced is not only a funder, nor only an accompanier, nor only a connector. It is an infrastructure for sustaining the future.

RESOURCES THAT BECOME INSTALLED CAPACITY

In 2025, we channeled MXN \$15,241,703.00 through our programs, working with organizations across 28 states in Mexico.

The reach was broad: 168 CSOs, 1 collective, 9 social enterprises, and 2 organized groups.

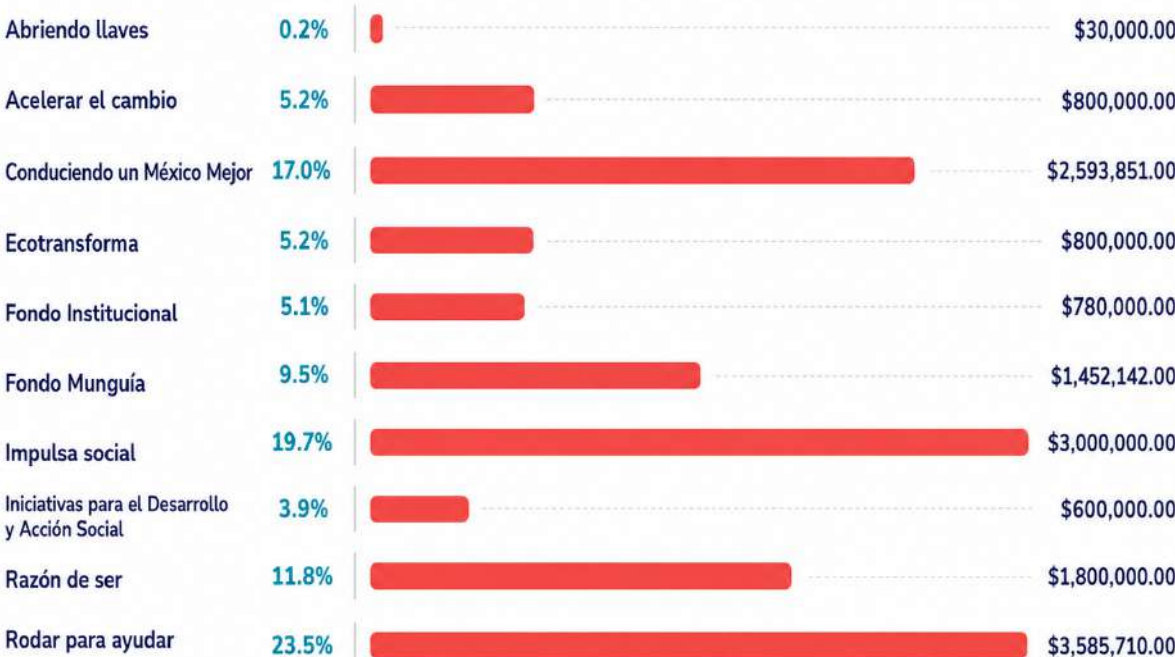
9 programs implemented
+
7 calls for proposals
+
46 CSOs accompanied
+
17 organizations selected to implement projects
+
MXN \$12,231,217 allocated to high-impact projects

Distribution of resources granted by program in 2025

Amount delivered and percentage of distribution

Total amount **\$15,241,703.00**

Amount delivered % of distribution



The organizations were selected through rigorous public processes, ensuring transparency and solid technical criteria. Behind every figure lies a decision guided by the same question: what does this organization need in order to sustain itself?

"I am part of the group of women entrepreneurs who make handmade soap in the community of San Antonio Juárez, municipality of Tzicatlacoyan, Puebla. We would like to express our deepest gratitude to Fundación Origen for

the great support they have provided through various training sessions. We are equally grateful to Fundación Merced for the project they awarded us, since thanks to this support we can continue making our products and generate income that benefits our families."

Aurelia Meza
"Esencias de San Antonio Comunidad": San Antonio Juárez, Tzicatlacoyan, Puebla
Program: IMPULSA SOCIAL

PROGRAM	PARTNER
	VOLKSWAGEN DE MÉXICO
	
	TOYOTA
	
FONDO MEMORIAL FAMILIA MUNGUÍA	
FONDO INSTITUCIONAL FUNDACIÓN MERCED	
	
	
	
	

Together, the organizations served 99,239 people: 59.62% women, 39.77% men, and 0.89% people of other identities. The predominant group was adults between 30 and 59 years of age. Beyond the number of people served, the year's most significant finding was where resources

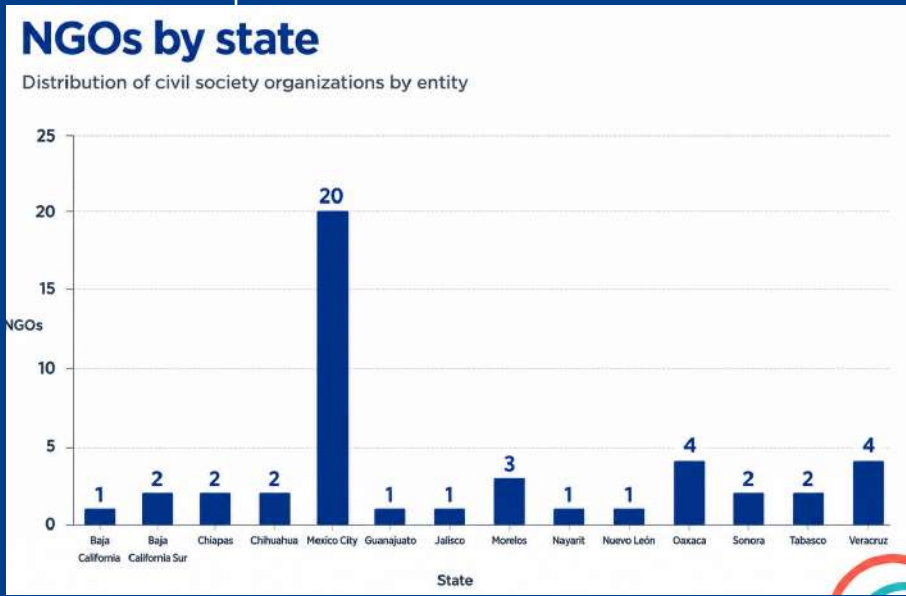
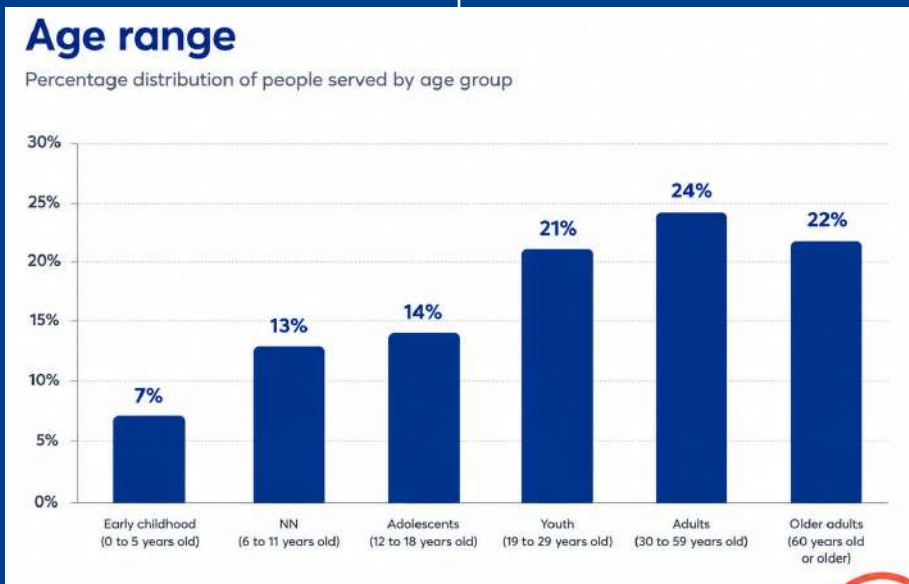
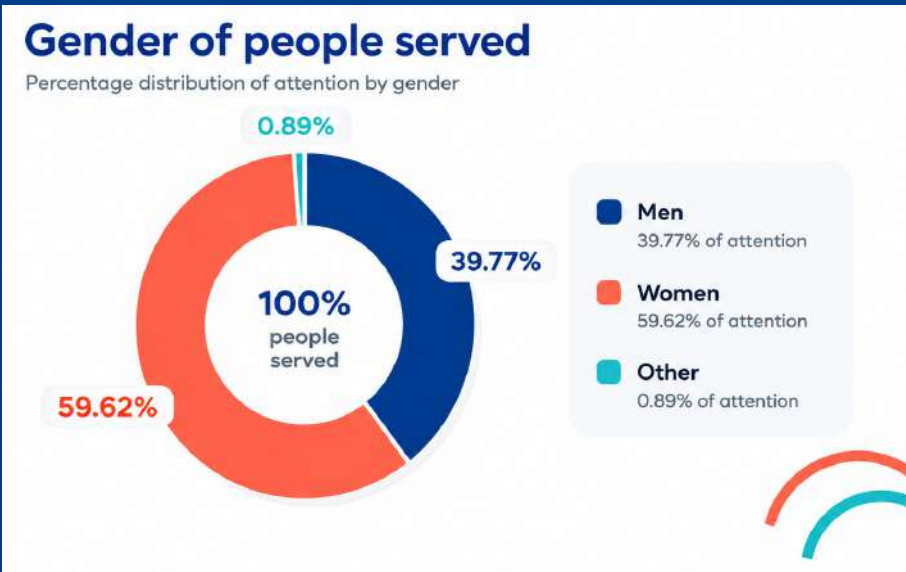
were directed: the largest share went to Sustainability and Growth.

This points to a clear evolution: organizations are prioritizing their long-term continuity and institutional autonomy, not only project implementation.

“When we were introduced to the ‘Bats’il Son’ project, we decided to join, even though we knew that no woman in our community had ever been a traditional musician. We felt it was time to try.”

**Flor, 16-year-old Tseltal youth
Program: IDEAS**





RAZÓN DE SER: WHEN RECOGNITION RAISES STANDARDS

The 2025 Razón de Ser Recognition served as a platform for connection and collaboration that strengthened institutional capacities, promoted responsible partnerships, and helped raise standards across Mexico's social sector.

Under the theme “Collaborating today, sustaining tomorrow,” this edition placed a clear conviction at the center: social impact is not an isolated act, but the result of solid structures, robust intervention models, and collaborations that ensure continuity and a long-term vision.

This edition received 69 applications, following a rigorous and transparent process supported by 25 specialists on the evaluation committee. In partnership with actors committed to social development, we recognized five organizations that show that transformation is possible when experience, institutional discipline, and community commitment come together:

Ceforma Centro de Formación para la Mujer I.A.P., recognized by Toyota Financial Services México in the Education: Knowledge that Creates Opportunity category. It has trained more than 20,000 women in over 30 communities in Hermosillo, strengthening their economic autonomy through practical job-skills training.



Ch'ieltik IDEAS A.C., recognized by Fundación Diez Morado in the Health: Healthy Minds in Motion category. It has reached more than 51,000 Maya adolescents and young people in Chiapas, promoting leadership, rights, and community participation.

CAEC A.C., recognized by Fundación ADO in the Women Community Leaders category. It promotes community-based leadership processes with a territorial approach.

SmartFish A.C., recognized by Fundación Grisi in the Environment category. It promotes sustainable fishing models that integrate economic value creation and environmental care in coastal communities.

Fundación Appleseed México A.C., recognized by Fundación Merced in the Institutional: Transformations and Collective Impact category, for its contribution to equitable access to justice through free legal assistance and pro bono work.

Beyond recognition, Razón de Ser activates something deeper: it builds trust, strengthens institutionality, and consolidates partnerships that scale impact. Each selected organization, each strategic partner, and each committee member is part of a collective effort that translates into better practices, greater sustainability, and more opportunities for communities.



INSTITUTIONAL CAPACITY AS A STRATEGIC ADVANTAGE

83% of the CSOs that worked directly with Fundación Merced participated in our six strengthening programs, designed to address key areas of organizational development. Strengthening is no longer a corrective intervention; it has become a strategic commitment.

374 organizations strengthened
+
92 collectives accompanied
+
24 states reached
+
380 participants
+
80% participated with two or more members per organization

Participation in Strengthening Programs by State



Our approach prioritized organizational ownership and the practical application of knowledge. Strengthening means transforming the way organizations make decisions, manage resources, evaluate results, and build sustainability.

In 2025, we promoted the following strengthening programs, each designed with strategic partners:

Learning Community LAB 3/ Next Generation

We turn 10 civil society organizations into leaders of new ways of working by applying innovation methodologies and building a community of support and learning among them, through a training program focused on developing Organizational Management Capacities.



Workshops for Project Design and Development Addictions Program

We provide learning spaces where participating organizations develop strong and comprehensive proposals for the 2025 call for proposals, using the Theory of Change methodology and Social Return on Investment calculation.



RÍO ARRONTE
FUNDATION

 Partner: **Gonzalo Río Arronte Foundation**

Training and Strengthening Program for CSOs

Partner: Fundación Femsa

We design, facilitate, and coordinate customized institutional strengthening based on the prioritized dimensions of 2 organizations, starting with an Institutional Maturity Assessment, and consolidating learning through practical resources and tools.



Partner: Fundación Femsa

Leadership and Team Management Workshop

Partner: Moisés Itzkowich Foundation

We strengthen leadership and team management skills for people in management roles in 15 organizations through reflection on emotional intelligence, collaboration, and assertive communication.



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FROM KNOWLEDGE TO ORGANIZATIONAL CULTURE

Knowledge that does not take root in practice does not change organizations. That is why our training processes are designed so that people not only learn, but also transform the way their organizations operate.

In 2025, 218 people from 23 states participated in training processes, with a 25% repeat participation rate—a sign that those who take part in these spaces return because they find value in them. 69% of participants were women and 31% were men.

- Institutional governance
- Financial sustainability
- Strategic planning
- Legal and tax compliance
- Monitoring and evaluation

Our Results Monitoring and Evaluation System made it possible to measure increases in knowledge from the beginning to the end of each process:

- +2.27 points in Institutional Governance
- +
- +2.32 points in Financial Sustainability
- +
- +1.12 points in Legal and Tax Compliance
- +
- +2.48 points in Monitoring and Evaluation



The greatest increase was recorded in Monitoring and Evaluation.

This reflects a deeper transition: CSOs are adopting a culture of evidence-based decision-making, moving beyond a compliance mindset toward continuous institutional learning.

Financial sustainability, in turn, is no longer understood as isolated fundraising, but as a structural function of the organizational model. Organizations that go through this process do not learn how to ask for money: they learn how to build autonomy.

“Despite being a highly recognized organization for the work we do, our fundraising area had never been organized or planned. Now we are going to begin planning how to generate additional income, identify active donors, and reaffirm partnerships. I really appreciated learning about these tools, which will help us grow.”

Cynthia Castañeda
La Jugarreta Espacios de Participación, A.C.



Fotografía: La Jugarreta



COLLABORATION AS INVISIBLE INFRASTRUCTURE

No organization sustains the future alone. Coordination among actors—foundations, networks, communities, and international organizations—is what turns isolated interventions into systems of lasting impact.

In 2025, Fundación Merced invested MXN \$1,188,600 in strategic coordination and network strengthening.

We took part in national and international initiatives that promote collaborative funds, community co-financing, sector dialogue spaces, and the defense of civic space, through networks such as Rutas para Fortalecer, PULSO OSC, and CEMEFL.

As part of the Fostering Capacities for Sustainable Development in Mexico Initiative—promoted by RedEAmérica’s Mexico Node, an alliance among various foundations to co-finance community projects focused on income generation and environmental care—we conducted visits to the selected organizations:

Alternare, Yomol A’tel, Medio Ambiente y Comunidad CEDO, Fondo Oaxaqueño para la Conservación de la Naturaleza, Grupo

Autónomo para la Investigación Ambiental e Interculturalidad, Salud y Derechos. Since 2015, this initiative has strengthened grass-roots organizations in seven states across the country.

We attended Latimpacto 2025: Impact Minds, where we presented the results of the first generation of the Impulsa Social program. We also continued working to defend human rights and strengthen civic space, actively participating in the Executive Committee and Communications Group of the Manifiesta tu Ciudadanía Initiative.

Collaboration is not an operational add-on. It is the invisible infrastructure that sustains collective impact.

STRENGTHENING WITHIN TO SUSTAIN IMPACT BEYOND

An organization that promotes the professionalization of the sector must be consistent with itself. We cannot support others in their strengthening if we do not first strengthen the people who make that work possible.

In 2025, we invested 190 hours in internal team training, combining technical updates and integral well-being:

Tax updates

**Gender perspective and equity
(Men's Circle)**

**Civil protection and the Comprehensive
Risk Management Law**

**Self-care: active living and balanced
nutrition**

Real estate

**Certifications and compliance
with national standards**

"The training sessions Fundación Merced provided this year were a great boost to my day-to-day work. They helped me grow in an integral way: from taking care of my health and safety, to connecting better with my colleagues and with the environmental cause that drives us. On the technical side, staying up to date with legal and tax regulations gave me the confidence I needed. I am grateful that we are encouraged to keep preparing ourselves."

Diana Moreno de la Rosa
Fundación Merced Team

"The training sessions help us and contribute to our technical knowledge. The self-care topics bring us well-being and a better quality of life. I am grateful for this integral training."

Gustavo Contreras
Fundación Merced Team

We believe institutional coherence begins internally. The same logic we apply outward—strengthening to sustain—we apply within our own organization.

MOBILIZED RESOURCES

Throughout 2025, Fundación Merced mobilized financial resources and human capacities to strengthen the ecosystem of Civil Society Organizations (CSOs) in Mexico, through strategic partnerships with the private sector, international organizations, corporate foundations, and other civil society organizations.

Total Achievements 2025

Financial summary of mobilized and invested resources

Mobilized resources

\$22,810,761

Mobilized Resources

Resources Received from Real Estate Operations	\$21,660,415
Resources Invested from Financial Partners	\$8,051,258
Income from Training and Strengthening Programs	\$6,685,785
Transfer to Restricted Endowment	(\$13,909,283)
Pro Bono Volunteering	\$322,586
Total Mobilized Resources	\$22,810,761

Resources Invested in the Sector

Grants Awarded	\$17,921,000
Social Investment / Strengthening	\$25,740,860
Transfer to Restricted Endowment	(\$22,727,150)
Total Resources Deployed	\$20,934,710



THANK YOU! THE FUTURE DEMANDS STRUCTURE. WE CONTINUE BUILDING IT.

The environment will remain complex. The scarcity of resources for CSOs is not a temporary problem; it is a structural condition the sector will need to learn to manage with greater intelligence, stronger coordination, and greater autonomy. The sustainability of Mexico's social sector will depend on its capacity for professionalization, connection, and adaptation.

Fundación Merced reaffirms its commitment to serving as a bridge among diverse actors: companies, social organizations, networks, and communities. Not only to connect them, but so that together they can build something none of them could sustain alone.

Because when we strengthen organizations, we do not only sustain projects.

We sustain communities. We sustain rights. We sustain the future.

Nothing Fundación Merced promotes happens in isolation.

Behind every strengthened organization, every partnership built, every training process, and every community accompanied, there is a network of people and institutions that believe in collaboration as a way to build the future.

We are deeply grateful to the civil society organizations that place their trust in us and allow us to accompany their strengthening processes. Their work

sustains communities, expands rights, and keeps Mexico's social fabric alive.

Thank you to our associates, board members, committee members, facilitators, consultants, and volunteers, who contribute their time and expertise to strengthening the social sector from different spaces.

To our financial, strategic, and operational partners: thank you for investing in more sustainable, collaborative, and long-term models of social investment. Your trust allows us to continue building capacities, connecting networks, and generating collective impact.

And especially, thank you to the Fundación Merced team. Because strengthening organizations also requires sustaining, from within, a culture of commitment, listening, learning, and care.

This report is not the account of a single year. It is evidence of something deeper: when strengthening becomes collective, the future becomes possible.

GOVERNANCE BODY

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Treasurer: Enrique Arturo Nava Escobedo
Secretary: Arturo Perdomo Jiménez

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GLOSSARY

Strategic partner: An individual or organization that contributes knowledge and experience to the design, implementation, and evaluation of programs.

Financial partner: Companies, foundations, and organizations that contribute financial and human resources to generate positive impacts for people and communities.

Operational partner: Civil Society Organizations that implement projects supported by Social Investment programs, specializing in different social causes.

Institutional strengthening: One of the pillars of Fundación Merced's intervention model. It promotes the sustainability of CSOs through talent development, solid organizational structures, and improved technical capacities.

Social Investment: Collaborative and synergistic partnerships with diverse actors to address social issues sustainably, through the mobilization of financial and human resources.

Sustainable Development Goals (SDGs): A set of 17 goals adopted by the UN in 2015 as part of the 2030 Agenda, aimed at eradicating poverty, protecting the planet, and ensuring prosperity for all people.



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