

OECD Regulatory Policy Outlook 2015

Country profile

MEXICO



Access links

- **OECD Regulatory Policy Outlook 2015:** www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm
- **Indicators of Regulatory Policy and Governance and the underlying data:** www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm
- **Regulatory policy in Mexico:** www.oecd.org/regreform/regulatory-policy/mexico.htm
- **Regulatory Policy Outlook country profiles:** www.oecd.org/regreform/regulatory-policy/outlook-country-profiles.htm
- **OECD regulatory policy website:** www.oecd.org/governance/regulatory-policy/

Overview

Mexico's regulatory policy is formally established in the Federal Law of Administrative Procedure (LFPA). Mexico's efforts on regulatory policy date from the mid 80's. In 2000, reforms to LFPA were introduced to give birth to the main current institutional arrangements of regulatory policy in Mexico. The LFPA defines the main elements of this policy which include the establishment of the Federal Commission for Regulatory Improvement (COFEMER) as the oversight body, the responsibilities of line ministries and regulators as part of the better regulation policy, as well as the establishment of tools for regulatory improvement, such as Regulatory Impact Assessment (RIA), administrative simplification, and consultation. COFEMER is also in charge of co-ordinating the forward planning regulatory agenda; it provides advice to sub-national governments, reviews the stock of regulation, and can suggest reforms to the President.

Substantial reforms to the Mexican RIA process were adopted between 2010 and 2012. This included the distinction between regulations that are expected to have moderate impacts and those expected to have high impact. An online tool – the Regulatory Impact Calculator – was developed to enable regulators to assess their proposed regulation at an early stage of the process. The RIA Manual was further modified to introduce additional types of RIAs, to focus on competition impact analysis, risk analysis, or a combination of both. Mexico also issued an agreement that allows COFEMER to request an *ex post* RIA to ministries and decentralised bodies that issued technical standards accompanied by high-risk RIAs. The *ex post* RIA assesses the accomplishment of regulatory objectives, their efficiency, effectiveness, impact and permanence. The culture of regulatory improvement at federal level in Mexico should also permeate to other areas of government. Next steps could include processes for RIA and consultation for federal states, municipalities and for constitutional autonomous bodies, and RIA, *ex post* evaluation and consultation for Congress.

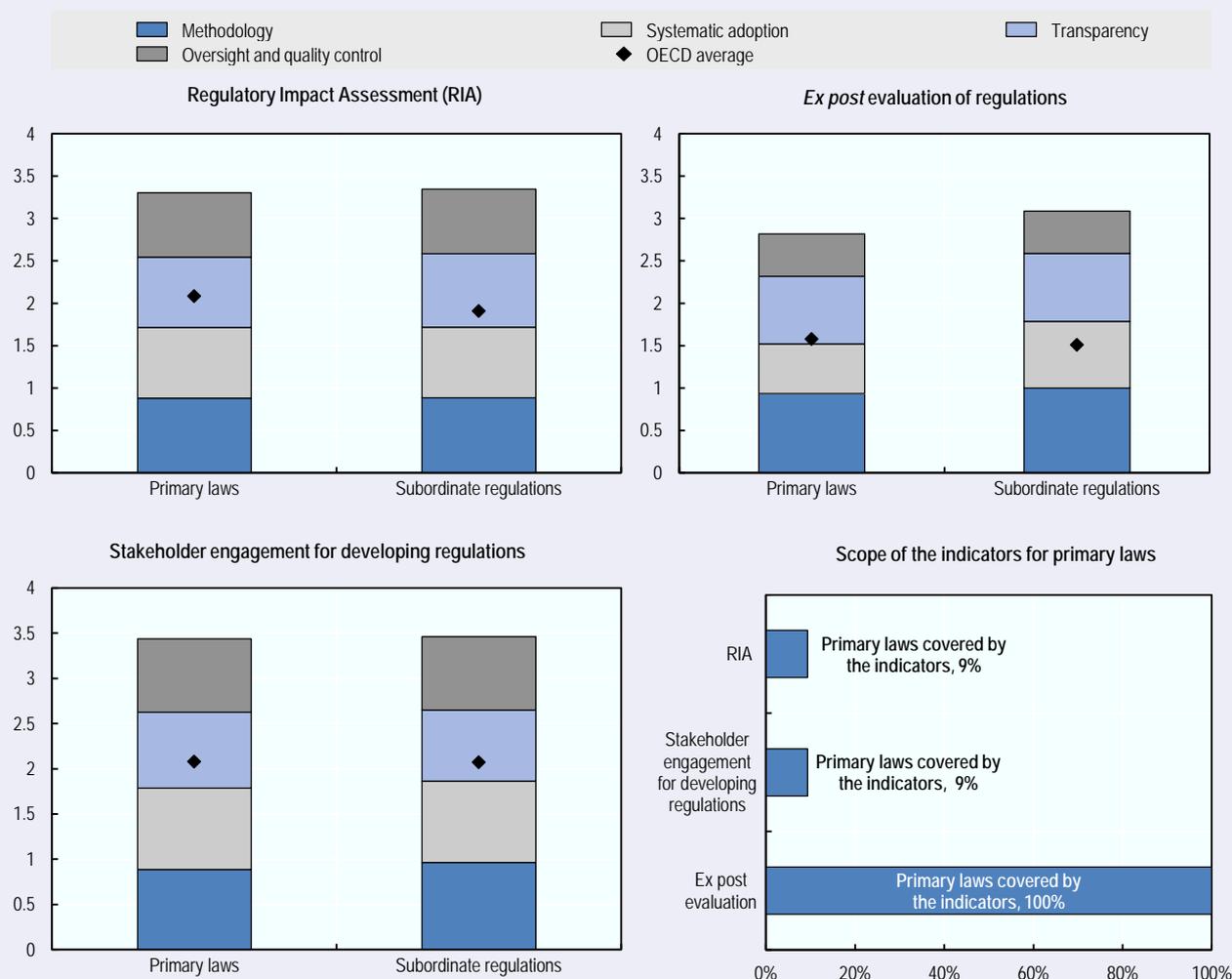


Spotlight: Consultation in Mexico

COFEMER publishes all draft regulations and RIAs on www.cofemersimir.gob.mx, including regulations that are exempted of RIA, upon reception, as well as their comments and all inputs received from stakeholders. COFEMER's response to the draft regulation and RIA provides stakeholders with additional information that can potentially allow them to participate more effectively in the process. The draft regulation and its RIA are required to be open to consultation for at least 30 working days but, in practice, longer consultation periods appear to be the norm. COFEMER also supports effective engagement in consultation by actively providing the draft regulation and the RIA to key stakeholders and soliciting their inputs in many cases. Social media, e-mail alerts, website, and an ongoing engagement with formal media (newspapers, and occasionally TV and radio) are also employed heavily by COFEMER to promote public consultation.

Indicators presented on RIA and stakeholder engagement for primary laws only cover processes carried out by the executive, which initiates approx. 9% of primary laws in Mexico. There is no formal requirement in Mexico for consultation with the general public and for conducting RIAs to inform the development of primary laws initiated by parliament.

Indicators of Regulatory Policy and Governance 2015



1. The figures display the aggregated scores from all four categories giving the total composite score for each indicator. The maximum score for each category is one and the maximum score for each aggregated indicator is four.
2. The information presented in the indicators for primary laws on RIA and stakeholder engagement only covers processes of developing primary laws that are carried out by the executive branch of the national government. As in Mexico approx. 9% of primary laws are initiated by the executive, the indicators on RIA and stakeholder engagement cover approx. 9% of primary laws. The information presented in the indicators for primary laws on *ex post* evaluation covers processes in place for both primary laws initiated by parliament and by the executive. The percentage of primary laws initiated by parliament is an average between the years 2009 to 2013.

Source: 2014 Regulatory Indicators Survey results, www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Statlink: <http://dx.doi.org/10.1787/888933263256>

Indicators of Regulatory Policy and Governance (iREG)

The three composite indicators provide an overview of a country's practices in the areas of stakeholder engagement, Regulatory Impact Assessment (RIA) and *ex post* evaluation. Each indicator comprises four equally weighted categories:

- Systematic adoption which records formal requirements and how often these requirements are conducted in practice.
- Methodology which gathers information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used.
- Oversight and quality control records the role of oversight bodies and publically available evaluations.
- Transparency records information from the questions that relate to the principles of open government, e.g. whether government decisions are made publically available.



The composite indicators are based on the results of the *OECD 2014 Regulatory Indicators Survey*, which gathers information from all 34 OECD countries and the European Commission as of 31 December 2014. The survey focuses on regulatory policy practices as described in the 2012 *OECD Recommendation on Regulatory Policy and Governance*. The more of these practices a country has adopted, the higher its indicator score. Further information on the methodology is available online at www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Whilst the indicators provide an overview of a country's regulatory framework, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform.

OECD Regulatory Policy Outlook 2015

The *OECD Regulatory Policy Outlook* (www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm) provides the first evidence-based, cross-country analysis of the progress made by OECD countries in improving the way they regulate. Findings are based on the results of the *OECD 2014 Regulatory Indicators Survey*.

Key findings:

- Laws and regulations are essential instruments, together with taxes and spending, in attaining policy objectives such as economic growth, social welfare and environmental protection. OECD countries have generally committed at the highest political level to an explicit whole-of-government policy for regulatory quality and have established a standing body charged with regulatory oversight.
- Implementation of regulatory policy varies greatly in scope and form across countries. While RIA has been widely adopted, few countries systematically assess whether their laws and regulations achieve their objectives. Stakeholder engagement on rule making is widespread in OECD countries, taking place mostly in the final phase of developing regulation.
- The national executive government has made important progress over the last decade to improve the quality of regulations. Parliaments, regulatory agencies and sub-national and international levels of government need to be more engaged to ensure that there are evidence-based and efficient laws and regulations for stimulating economic activity and promoting well-being.
- The impact of regulatory policy could be further improved by addressing shortcomings in the implementation and enforcement of regulations and by considering new approaches to regulatory design and delivery such as those based on behavioural economics.

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