Protecting property rights in an economy is an indispensable condition for the economy's growth and prosperity, since they generate the adequate environment for transactions and provides legal certainty about the precedence of rights and obligations of real estate and corporations. The more solid the set of property rights are, the stronger the incentive to work, save and invest and higher the economy's efficiency is. In addition, the more efficient and easy it is to exercise property rights, the higher the incentive to regulate rights and situations is, strengthening the formal economy as well as all the benefits derived from it.

The adequate implementation of property rights, as well as the definition of its owners, will mean higher security levels, more trust and easy access to investment and credit, as well as to innovation and development. Therefore, an efficient system for protecting property rights will guarantee the economic return of investments, generating economic growth and contributing to social development.

RPPs and Cadastres are key institutions in the Mexican economy. Their main objective is to establish and secure property rights and real estate with certainty and transparency. Their adequate operation will be a bridge to promoting investments, productivity and growth in any economy.

In Mexico, RPPs are generally under the responsibility of state governments, while Cadastres operate less homogeneously, sometimes under the responsibility of state governments, sometimes under the administration of municipal governments. This has resulted in a highly complex and heterogeneous performance and operation in Mexico.

Protecting property rights is essential for Mexico's economic and social development, and requires modern and solid institutions, which need a robust legal framework with the appropriate tools to guarantee its effective and efficient operation. Achieving this goal requires promoting and implementing modernisation actions for both RPP and Cadastres that...
OECD country experience indicates that for an effective regulatory governance, there must be well designed institutions, capable of discharging their regulatory duties effectively.

Regulatory governance refers to the process by which regulations are conceived, designed, enforced, and evaluated. Regulatory governance makes possible to establish a high-quality regulatory framework, which does not impose unnecessary costs on business and citizens, promotes productivity and contributes to economic and social development.

One of the essential elements for effective regulatory governance is the existence of modern institutions that are able to discharge their regulatory duties efficiently. In the case of the RPP and cadastres, this means ensuring that these institutions fulfil effectively their duty to protect property rights in Mexico. Therefore it is necessary to promote and implement modernization actions that ensure that the building blocks of RPP and cadastres are appropriate and properly developed: institutional settings, legal framework, use of ICT tools, labour policies, among others.

With the purpose of improving the performance at these institutions, the Federal Government has designed and implemented the Public Property Registry and Cadastre Modernization Programme.

The Federal Government’s Public Property Registry and Cadastre Modernization Programme (PMRPPC), together with their state equivalent aim at establishing the RPP and the Cadastres as modern institutions, emphasising the appropriate development of the essential elements that constitute them, in order to lead these institutions to comply effectively and efficiently with their goal of protecting property rights.

The PMRPPC offers Mexican states the technical and financial support to improve the performance of both RPP and Cadastres. The program includes measuring robust parameters by means of the Public Property Registry Integral Model and the Optimal Cadastre Model, in addition to promoting an integrated view of the RPP and Cadastres.

This report includes case studies – the best practices – of the best performing states in terms of modernising their RPP and Cadastres. These practices represent learning opportunities and lessons to be emulated by the rest of the Mexican states.
This survey documents the best practices both in terms of registries and cadastres applied by Mexican states according to the components of the Public Property Registry Integral Model and Optimal Cadastre Model developed by the Federal Government. The states part of the case studies were among the highest performing in terms of the most recent baseline measurement, which measures both the RPP and the cadastre development stage in terms of the Integral Model and the Optimal Model, respectively.

For the RPP, the report includes success stories for states such as Baja California, Colima, Guanajuato, Jalisco, Mexico, Morelos, Querétaro and Yucatán. For the Cadastre, the survey includes success stories for Morelos, Campeche, Nuevo León, Puebla, and Sonora, as well as the Federal District.

The best practices documented in this report exemplify the commitment, dedication and the outcomes obtained in the task of modernizing the RPP and the Cadastres. They reflect the leadership, joint efforts; clear work programmes with achievable goals supported by an adequate organisation and financing that make change and reform possible. These best practices represent learning opportunities and lessons to emulate by the rest of the Mexican states in their effort to improve and modernise RPPs and Cadastres.

The best practices documented in this report allow for the identification of a number of lessons that should be considered by the Mexican states during the planning and execution of modernization actions in the RPP and cadastre. These lessons are the outcome of globally reflecting upon the documented cases. In addition, the case studies help define the work that is yet to be done by the Federation and by the Mexican states.

The lessons worth considering are:

- The essential and most important element for RPP and Cadastre modernization is the highest-level leadership and political support which must translate, among other things, into availability of financial resources.
- An effective RPP and cadastre modernization necessarily requires reforming the legal framework.
- The involvement of the staff in charge of modernisation tasks employed at the RPP and Cadastres is key to achieve a shared vision and create a sense of belonging, which contributes to the irreversibility of the improvements so far implemented.
- Modernisation efforts require a clear programme, with readily defined and achievable objectives and, at a second stage, the use of ITC must be included as tools to reach such objectives.
In terms of Cadastre modernisation it is desirable to establish co-operation agreements amongst the states and municipalities, which allows pooling resources and experiences in order to deal more effectively with the challenges posed by cadastral activities.

The tasks to be undertaken are:

- The Federal and state governments should guarantee the permanence of the modernisation actions, regardless of changes in executive personnel and administrations.
- The states lagging in modernising their RPP and Cadastres should adopt decisive and forceful improvement measures.
- The federation and the states should quicken the pace of the modernisation actions in Cadastres.
- The vision of integration between RPP and Cadastres must be reinforced.

This report contributes to and extends the work carried out by OECD to improve regulatory governance at state and municipal level in Mexico.

Since 2008 OECD has worked in coordination with the Federal Government of Mexico in improving regulatory governance at state and municipal level. This work includes the study “Short term measures to improve competitiveness of federal entities in Mexico”, and the OECD publications “Successful practices and policies to promote regulatory reform and entrepreneurship at the subnational level”, and “Guide to improve regulatory quality of state and municipal formalities in Mexico”.

On aggregate, these reports and publications, including the present study, provide Mexico with recommendations, examples of best practices, and lessons to follow, to improve their regulatory policies and institutions, and to employ the best regulatory tools available. The final aim is to improve competitiveness at regional and local level in Mexico, in order to boost employment and economic growth.
Lessons Learned and Future Tasks

The best practices on registries and cadastres documented in this survey identify a number of lessons that should be considered by the Mexican states during the planning and execution of the RPP and property register updating actions. The key lessons worth paying attention to are the outcome of a global reflection of success stories. This reflection helps define the work that is yet to be done on the part of the Federation and by the Mexican states. Executing such tasks will be the means to approach the key short and medium-term challenges to updating the RPP and property registers.
Protecting property rights is essential for Mexico’s economic and social development, and requires modern and solid institutions, which need a robust legal framework with the appropriate tools to guarantee its effective and efficient operation. The Federal Government’s Programa de Modernización de Registros Públicos de la Propiedad y Catastros (Public Property Registry and Cadastre Modernization Program), together with their state equivalent, aim at establishing the RPP and the Cadastres as modern institutions, emphasising the appropriate development of the essential elements that constitute them, in order to lead these institutions to comply effectively and efficiently with their goal of protecting property rights.

This survey documents the best practices applied by Mexican states in terms of registries and cadastres according to the components of the Modelo Integral del Registro Público de la Propiedad and the Modelo Óptimo de Catastro (Public Property Registry Integral Model and Optimal Cadastre Model) developed by the Federal Government. The states documented in the survey were among the highest performing in terms of the most recent baseline measurement, which is part of the Programa de Modernización Federal (Federal Modernization Program) which measures both the RPP and the cadastre development stage in terms of the Integral Model and the Optimal Model, respectively.

The best practices identified in this chapter exemplify the commitment, dedication and the outcomes obtained in the task of modernizing the RPP and the Cadastres. As such, they are a source of inspiration in the efforts to modernize the rest of the Mexican states. Containing concrete and detailed information on their modernisation efforts, these best practices may be emulated and adopted by other states.

The best registry and property practices documented in this survey identify a number of lessons that should be considered by the Mexican states during the planning and execution of the RPP and property register updating actions. These lessons are the outcome of globally reflecting upon the documented cases. In addition, it helps define the work that is yet to be done on the part of the Federation and by the Mexican states with the purpose of consolidating and reinforcing the modernization efforts. Executing such tasks will be the means to approach the key short and medium term challenges to the goal of updating the RPP and property registers. The lessons and tasks are detailed below.

**Lessons learned**

*The essential and most important element for RPP and Cadastre modernization is high-level leadership and political support, which must translate, among other things, into financial resource availability.*

Federal Government efforts to modernize the RPP date back to the 1990s. These efforts changed and evolved until reaching their current form, which includes a well-defined RPP modernization programme that involves clear tools and processes which have already been developed for the Cadastres. Despite the fact that these have been key elements in advancing on the path to modernization, their effectiveness is the result of strong leadership and commitment in the Federal Government. This leadership and support has been made evident in promoting the modernization programme and its adoption by the Mexican states. It is also essential to replicate this same level of leadership and commitment at the state government
level, where the head of the federal Executive branch plays the most important role. Otherwise, the intra-state efforts run the risk of dissolving.

The evidence gathered on the case studies indicate that the leadership and support elements of the modernization programme must be reflected in terms of concrete actions, namely, and most important amongst them, the availability of financial resources. In order to guarantee the expected and promised outcomes, high-impact and lasting modernization requires financial resources.

An effective RPP and cadastre modernization necessarily requires reforming the legal instruments.

The number of improvement opportunities at institutions such as the RPP and the cadastre is extensive. These opportunities run the gamut from small improvements in daily processes—such as eliminating the need for an additional signature or seal in a process—to major changes, such as the creation of a single institute responsible for the registered and cadastral activities. While every improvement contributes to reach the objective for improving performance amongst the register and cadastre personnel, which must aspire to maximise the impact of these improvements and making such improvements long-lasting. In order for this to happen, the case studies suggest that there must be changes to the legal and regulatory scaffolding that surrounds the RPP and the Cadastres.

Legal reforms contribute, for example, to make the vision of the modernization effort operative, by means of creating new institutions or reforming the existing ones and making the adoption of improved processes and support tools binding. The legal instruments to be reformed are varied, depending on the vision and objectives to accomplish, as well as of the situation in which they currently are: state laws and bylaws, internal regulations, and procedure manuals, among others.

States should consider including the changes required for the activities related to the actions reforming the operative framework that leads cadastre and property registry navigate into a system based on the use of electronic tools. Examples of electronic tools are: a) the use of the Folio Real Electrónico (Real Electronic Folio); b) the Digital Media Law; c) Electronic signature use; d) linking the RPP and Cadastre databases; and, e) the use of the Cédula Única Catastral (Exclusive Cadastre Certificate), according to the technical regulations issued by INEGI. Adopting and implementing these measures will significantly improve RPP and Cadastre performance, since this will improve and make the processes simpler.

Since the mechanics of legal reform may be complex, state governments should adopt a strategy including key actors—such as the state Congress, state ministers, other public servants, businessmen and civil society—as part of the measures to modernise the RPP and Cadastres, thereby increasing the will to modernise and minimise resistance to change.

The involvement of the staff in charge of modernisation tasks employed at the RPP and Cadastres is key to achieve a shared vision and create a sense of belonging, which contributes to the irreversibility of the improvements so far implemented.
An additional element contributing to the permanence of the improvements is to involve the staff working at the RPP and the Cadastres so that they will "own" the modernization actions. In order to improve RPP and Cadastre performance Case studies documented suggest that this may be achieved by training and courses, both for unionised and non-unionised personnel.

However, in order for the employees to adopt and own the modernisation vision and pride themselves in the actions and benefits resulting from this effort, there is a need for additional efforts. Among these, it is necessary to adopt performance indicators and metrics in order to establish comparisons in time and measure the impact of improvement measures, which must be accompanied by a communication strategy, internal and external, relating to these outcomes. This communication may include identifying the employees that contribute to achieving the outcomes.

This is how modernisation programmes and actions will generate a sense of belonging amongst employees. When employees are convinced of the benefits brought about by the improvements and are aware that it is a direct outcome of their effort, they can act as security elements to prevent dismantling the practices already adopted. This leads to the irreversibility of modernisation actions, even in the face of executive staff changes that come with political cycles.

An important element to achieve the goal of involving personnel in modernisation efforts consists in the RPP and Cadastre employing from the start personnel with the appropriate profiles to perform substantive tasks. The benefits of modernisation will thus be easier to communicate amongst the employees, maximising their sense of belonging in terms of the reforms. The nature of RPP’s substantive tasks suggests the need to hire personnel whose profiles include law studies, while the Cadastre is more inclined to civil engineering and architecture. In order to accomplish this task, profile definition and recruiting policies should be considered and supplemented with capacity development amongst the current staff.

Modernisation efforts require a clear programme, with readily defined and achievable objectives and, later, including the use of ITC as a tool to reach such objectives.

One element that must be emphasised as essential in the task of modernising RPPs and Cadastres is that local governments establish a structured programme, defining specific and achievable goals, including the path to such goals as well as the parties responsible for achieving them. It is at this point where the contributions of the Modelo Integral del Registro Público de la Propiedad and the Modelo Óptimo de Catastro are most valuable, since they expedite the definition of these programmes and objectives.

Information and communication technologies (ICT) are among the most effective tools to simplify the property register and cadastre registries. Both Models define the adoption and use of ICTs among the basic commitments in the modernisation programmes for RPP and cadastres. Therefore, since ICTs are a tool, their use is not an objective in itself, but its use must be subject to the objectives and critical paths set out in the modernisation programme.

Evidence gathered in case studies indicates that the use of ICTs played an essential role in cases such as digitising the documentary acquis both at the RPP and the Cadastres, which led to increase process efficiency, which in turn benefitted citizens and businesses. A fundamental
In terms of Cadastre modernisation it is desirable to establish co-operation agreements amongst the states and municipalities, which allows pooling resources and experiences in order to deal more effectively with the challenges posed by cadastral activities.

Case studies point to the advisability of establishing co-operation agreements between municipalities and state governments. The technical nature of cadastral activities demands intensive use of specialised equipment and personnel, which translates into financial resource needs that sometimes cannot be covered by the municipalities. Evidence from case studies indicates that, faced with this situation, some municipalities have opted to transfer these technical tasks to the state, by means of co-operation agreements, without prejudice of their autonomy.

An example of this collaboration is Nuevo León, where normative cadastral functions and the concentration of a cadastral database are responsibilities of the state government, so that municipalities benefit from the data systems as well as from the technical support the state offers. This is how the cadastral database is updated and is transmitted to municipalities at no cost, which generates synergies and takes advantage of the economies of scale present in this strategy.

Future tasks

The Federal and state governments should guarantee the permanence of the modernisation actions, regardless of executive personnel and government changes.

RPP and Cadastre reforms and improvements must be understood as continuous actions requiring from sustained effort throughout time. The changes in executive personnel or the changes in governments as a result of political cycles are a risk for the continuity of RPP and cadastre modernisation programmes.

In order to guarantee the continuity in improvement actions, governments may adopt several of the actions identified in the lessons discussed above. This involves a certain commitment to modernisation from the executive levels of federal and state Governments as well as changes to the legal scaffolding, as well as creating a new modernisation culture among the RPP and Cadastre staff. These actions may be supplemented by the involving society through the Asociación Nacional del Notariado Mexicano (National Association of Mexican Notaries), the construction industry chamber, the Instituto Mexicano del Derecho Registral A. C., and the Instituto Mexicano del Catastro, appraisers, civil associations, as well as academia through which it will be possible to achieve the permanence of modernisation policies of RPP and the Cadastre.
The best practices identified in this survey indicate that reform dynamics are complex and that the elements that must come together to implement a successful modernisation effort are complicated in their gathering and implementing. Nonetheless, evidence also shows that it is possible to achieve reforms and modernisation and that this has been successfully done in a series of Mexican states.

The states, according to the most recent measurements from the baseline appearing the Modelo Integral del Registro Público de la Propiedad and the Modelo Óptimo de Catastro show a lag in terms of adopting modernisation measures, and might take advantage of the experiences of the states described in this report as an inspiration an examples to follow in terms of adopting improvement measures, which must be done decisively and forcefully.

***The federation and the states should quicken the pace of the modernisation actions in Cadastres***

In contrast with the modernisation efforts in the RPP, which have been applied and evolving for almost two decades, modernisation in Cadastres is only beginning. This situation, more than an explanation for the moderate performance in improving Cadastres in terms of the Modelo Óptimo (28% of the national average advance), in comparison with the RPP and their Modelo Integral (63% of the national average advance), is a challenge for the federal and state governments in terms of expediting the pace of modernisation and achieve a level of performance similar to RPP. Converging performances in RPP and Cadastres will develop into an extension of the benefits brought about an effective protection of property rights in Mexico.

An advantage is that the lessons and experience gathered by the Federal Government as well as the state governments in modernising the RPP can be applied more effectively and efficiently to the improvement actions in Cadastres. The most relevant lessons learned, including identifying successes and knowing which failures to avoid, may allow for the expedite execution of improvement measures in Cadastres.

***The vision of integration between RPP and Cadastres must be reinforced***

On a national level, the component on the Modelo Integral de Registro Público de la Propiedad that lags most according to the most recent baseline measuring is the links with other sectors (44% average advance), including linking with Cadastres. In addition, according to the most recent baseline measuring, the linking component with the RPP, the Modelo Óptimo de Catastro shows the lowest performance at the national level (5% average advance). These figures suggest that linking efforts between RPP and Cadastres must be reinforced.

In addition, the relevance of intensifying the efforts to link RPP and Cadastre is also embedded on the need to establish a global, holistic and common vision of public policies protecting property rights. Both institutions generate data on the real estate and parcel situation in the country, which, in turn, play the role of inputs to develop policies aimed at favouring economic and social development at the local and regional levels, with clear impacts in Mexico’s competitiveness. Inasmuch as this information is thorough and high quality, including its consistency, economic and social public policies will be more effective.
Generating better information on buildings and parcels in the country can only be achieved through a tighter link between RPP and the Cadastres.

For instance, linking the RPP and Cadastre databases, as well as their updating in real time will allow local and regional tax policies to be based on the property’s real value, instead of executing them based on the historical registry, which will then increase collection. Inasmuch as RPP and Cadastre’s databases converge and are consistent in terms of the information over the same parcel, it will be possible to represent the parcels, the blocks, the urban and rural areas in spacial terms, thereby bringing valuable elements for urban planning and land-use planning.

The main actions to reinforce the link with Cadastres must include actions to communicate more effectively the benefits brought about by linking. Such communication must be directed to the executive levels in state governments, as well as to the rest of the state public servants. On the side of the Cadastres, similar communication patterns should be implemented at the municipal level, emphasizing the relevance of Cadastres influence as real-estate information generators, beyond their traditional income-collection abilities.

Experience shows that among the most favoured measures favoured by some states to achieve this relationship is the creation of an institute consolidating state and registral activities. Nonetheless, it should be highlighted that, albeit the existence of these institutes, it is possible to reach an effective relationship, much as the State’s case.