GUIDE TO IMPROVE THE REGULATORY QUALITY OF STATE AND MUNICIPAL FORMALITIES AND STRENGTHEN MEXICO’S COMPETITIVENESS
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Since the mid-90s, the Organisation for Economic Co-operation and Development (OECD) has had a work programme in the area of regulatory improvement that has encompassed the development of the Checklist for Regulatory Decision Making (1995), studies on regulatory policies and agencies for 23 member countries (including two surveys on Mexico, published in 1999 and 2004) as well as for Brazil, China, Indonesia and Russia, the creation and publishing of the OECD Guiding Principles for Regulatory Quality and Performance (2005), the Recommendation of the Council on Regulatory Policy and Governance (2012) and the creation of the Regulatory Policy Committee in 2009.\textsuperscript{1,2}

The Organisation’s work in the field of regulatory improvement focuses mainly on national policies and agencies, albeit acknowledging that, in addition to a cross-cutting strategy, improving the regulatory environment for businesses and citizens requires innovation, investment and implementing good practices at the sub-national level. In fact, the Recommendation of the Council on Regulatory Policy and Governance, published in 2012, states among its principles that countries should “promote regulatory coherence co-ordination mechanisms between the supra national, the national and sub-national levels of government” and “foster the development of regulatory management capacity at the sub-national levels of government”.\textsuperscript{3} The OECD has incorporated this perspective of “multi-level regulatory governance” (i.e., involving the different levels of government) into studies on Australia, Italy and Sweden. The collaborative work with Mexico in this area contributes to deepen and expand the OECD’s reach in terms of the generation of diagnoses and defining priorities for subnational governments.

The advances evidenced by the Mexican states indicate that regulatory improvement is a policy supported equally by governments from different political parties, whose main feature consists in being governments that have prioritised the competitiveness and governance agendas in their administrations. Developing a solid regulatory improvement programme is a permanent task in a plural political system accountable to its citizens and open to consultation among the social and economic agents.
The OECD has supported Mexico’s efforts by providing advice, based on successful international practices, in the design, implementation and expansion of the tuempresa.gob.mx portal, as well as in the simplification of processes as part of the regulatory reform strategy known as Base Cero, the updating and improvement of the Regulatory Impact Analysis (Manifestación de Impacto Regulatorio) and improving the applicable regulation within government agencies. These projects are succeeding by improving the regulatory environment in Mexico, as acknowledged by different surveys, and they will derive valuable lessons for other countries.

1.1. The initiative Strengthening Economic Competition and Regulatory Improvement for Competitiveness in Mexico and its multi-level agenda

This toolkit is among the outcomes of the initiative Strengthening Economic Competition and Regulatory Improvement for Competitiveness in Mexico (Fortalecimiento de la competencia económica y la mejora regulatoria para la competitividad de México). This initiative, implemented in 2008, emanates from the interest shared by Mexico’s Ministry of Economy and the OECD to establish a project aimed at improving the nation’s competitiveness. The objective of the regulatory reform pillar is to improve the business environment through strengthening the regulatory framework and the institutions that participate in a business’s starting and operation procedures, as well as to simplify the interactions between citizens and government authorities, putting citizens front and centre in the regulatory improvement process.

The 2012 edition of this toolkit is preceded by the 2010 edition and the follow-up process in the application of the recommendations emanated in both states and municipalities in Mexico, as well as two projects related to the multi-level regulatory agenda, which will provide information and data for its production. In terms of the follow-up of the 2010 edition, during the second half of 2011, the OECD, together with COFEMER, carried out a monitoring exercise of the application of the recommendations in Baja California, Colima, Chiapas and Sinaloa, aimed at proving the applicability of the recommendations, supporting states and municipalities in their implementation and identifying good practices. These four states, with their respective municipalities, were selected based on criteria as having participated in the review Short-term Measures to Improve Competitiveness at the Sub-national Level, political commitment to regulatory improvement, degree of institutional development; and on the fact that they were not in election period, among others.

Box 1.1. Selection Criteria for the States and Municipalities Participating in the 2011 Follow-up Exercise

The selection of the states and municipalities that would take part in the exercise of monitoring the implementation of the recommendations from the 2010 edition of the toolkit was based on a number of specific criteria, among which are the following:

- Participation of the state and municipality in the project Short-term Measures to Improve Competitiveness at the Sub-national Level: this project resulted in a prioritised improvement agenda for the nine states and municipalities taking part; consequently, these agendas along with the toolkit recommendations would be the subject matter of monitoring to be performed.
Box 1.1. Selection Criteria for the States and Municipalities Participating in the 2011 Follow-up Exercise (continued)

- States and municipalities that do not find themselves immersed in or close to an election period: this was necessary to ensure that state and municipal governments paid enough attention to the project and had time to implement the recommendations that follow from it. Furthermore, experienced showed that governments in their early stages rely on more political capital to advance ambitious reforms; which is not always the case in their later stages. It was also important to have the assurance that participating governments would not stop in the reform efforts at the end of the pilot project, but that they would continue with improvements that can only be materialised in the medium to long term.

- Level of development in the institutional design of the regulatory reform: this factor took into account the institutional capability of the state to plan and implement regulatory improvement measures, as well as its capacity to coordinate with the municipalities. Closed criteria were used to evaluate this factor, so that it could accurately determine the existence or lack of a regulatory tool or agency within states and municipalities; for example, that there will be an entity responsible for the regulatory improvement policy, a regulatory improvement law, advisory bodies, and citizen and business participation in the design and development of the regulatory policy, a centralised registry of administrative procedures, and Systems for Quick Business Start-up (SARE).

- Contribution to the national economic activity: aiming for an implementation of the toolkit resulting in the maximum benefit, it was desirable to enroll states with a relatively high economic contribution. To that end, it was established that the entities in the pilot project had economic conditions that could maximize the impact of implementing the recommendations. As in the previous case, objective variables were used to measure the level of economic activity of the states, such as the state contribution to the national industrial and services production, the average rate of growth of industrial and services activities in the last five years, the contribution to national employment, and the number of businesses created by the state, among others.

As for the two projects mentioned above, the first it Short-term Measures to Improve Competitiveness at the Sub-national Level (Medidas de corto plazo para mejorar la competitividad a nivel subnacional, hereinafter Short-term Measures), aimed at delivering concrete and short-term recommendations to nine Mexican states and their respective municipal capitals. These recommendations are based on successful national and international practices and are aimed to improve and simplify state and municipal processes with high impact in economic activity.

The review was co-ordinated by the Ministry of Economy and carried out by the OECD with the Mexican Institute for Competitiveness (Instituto Mexicano para la Competitividad, IMCO). The first phase of the project consisted of surveying entrepreneurs from the participating states to identify the processes that were more complicated from their perspective. These procedures were then analyzed and both the officials responsible for them and the clients were interviewed to define the challenges and the necessary improvements. The last step consisted of producing a manual of recommendations for improvement that agreed with the state and municipal officials involved in the processes and based upon the identification of best practices and solutions implemented in the nine states. The participating states were: Baja California, Colima, Chiapas, Jalisco, Michoacán, Puebla, Sinaloa, Tabasco and Tlaxcala.
Secondly, the Guide is also based upon the project titled Successful Practices and Policies to Promote Regulatory Improvement and Entrepreneurship at the Sub-national Level (Prácticas y políticas exitosas para promover la mejora regulatoria y el emprendimiento a nivel subnacional). The OECD identified the best practices and successful policies in several sub-national jurisdictions both in Mexico and in other countries with the purpose of offering lessons and strengthening the strategies implemented by the Mexican states. The report describes the agents behind the regulatory improvement policy, plus the institutions and the policies applied to improve regulatory structures and facilitate entrepreneurship.

1.2. Objectives of the Guide

The main objective of this document is to provide a manual for public servants in both states and municipalities containing a concrete checklist with high-impact measures that may be implemented in the short-term to improve the procedures and processes for Starting a Business, Obtaining a Construction permit, Property Registration, Application to the Supplier’s Registry and to enhance Access to Information and Regulatory Transparency as well as the Efficiency in Process Management. The above processes were selected as a result of considering the procedures acknowledged internationally as the ones with the highest impact in terms of ease for doing business. Other criteria included survey results to determine the most complex processes as identified by entrepreneurs in the states that participated in the Short-term Measures review. The purpose of this effort focuses on simplifying these processes, as well as making them more efficient and reducing the administrative load citizens must bear and, consequently, improving regulatory quality and competitiveness across Mexican states.

The outcome of the survey applied among entrepreneurs for the Short-term Measures review proves that there is wide margin for improvement in terms of regulatory quality at the sub-national level as well as in terms of simplifying the processes carried out by these levels of government. The high-impact recommendations contained in this Guide to improve the above-mentioned processes and procedures are based on a larger list of recommendations prepared for the states participating in the Short-term Measures project. In this review, all recommendations went through a socioeconomic cost-benefit analysis which allowed classifying those suggestions with the highest net benefit contribution. This toolkit introduces the recommendations with the highest net benefit levels and those most frequently observed among the states participating in the review.

This 2012 edition includes detailed descriptions of good practices at the national level as well as a summary of international practices. A number of the former was included in case studies that exemplify measures implemented by Mexican states or municipalities. The case studies for Baja California, Colima, Chiapas and Sinaloa are derived from the direct analysis of practices implemented with the aim of adopting the recommendations emanated from the 2010 edition of the toolkit. Each case study contains a brief description of the background of the practice in question, its impact on clients or users of the processes as well as among the agencies and public servants in charge of managing the processes and, in most cases, a brief description of the resources (human, financial, technical, etc.) used in their development. Technical Annex A contains an explanation of the criteria used to identify the good practices addressed in this toolkit.

With the purpose of illustrating the potential impact of the recommendations, this toolkit contains two diagrams for each process: one illustrating the current steps and instances that the citizen has to complete or visit in order to finalize a process, titled “Current Process Diagram”, and a second one titled “Improved Process Diagram” that contains the steps and instances included in the improvements derived from implementing the recommendations. Both diagrams are based on the individual processes that each state determined as the outcome of a process analysis in each of the nine states participating in the Short-term Measures review and the specific improvement recommendations.
Firstly, states and municipalities may employ this toolkit to verify whether their processes are in line with the high-impact recommendations and, if they are not, to implement the necessary reforms. Secondly, they can use the case studies as a detailed reference on how the reforms were carried out in different sub-national levels, both in Mexico and in other OECD member countries. In order to attain the processes equivalent to those illustrated by the “improved process diagram”, in addition to implementing the high-impact recommendations included in this toolkit, state and municipal governments should identify and execute additional measures that deal with barriers specific to their situation. This toolkit does not include these measures, since the experience of the Short-term Measures review indicates that the heterogeneous organisation schemes among state and municipal governments resulted in recommendations specific to each of the nine participating states and their municipalities, which prevents their inclusion in the high-impact recommendations in this toolkit.

1.3. The relevance of simple and efficient procedures

An enabling environment for businesses is an important element in economic prosperity. Making the lives of businesses easier and facilitating their entry into the formal market fosters competitiveness and growth. As necessary as regulation is to start and operate businesses, sometimes implementing these regulations becomes a complex and costly process, which discourages entrepreneurial activity.

When an entrepreneur must comply with endless processes in order to obtain the permits, authorisations and documents needed to start and operate a business and has to deal with a wide array of agencies in all three levels of government, redundancies, delays and additional costs are generated. In addition to paying fees, charges and taxes, entrepreneurs incur an opportunity cost derived from the time invested in complying with administrative procedures, which can lead to the emergence of “intermediaries” that handle the paperwork (frequently incurring in irregularities) and this increases the cost of starting a business to excessive levels.

The complexity of the procedures and the delays generated frequently compel entrepreneurs to give up and abandon their projects, while others decide to continue without complying with all the required steps; in fact, many end up developing their activity in the informal sector. In trying to go unnoticed by the authorities, businesses that operate informally significantly limit their growth and employment creation potential. Informality not only creates insecurity for businesses and workers, it also deprives them from accessing government support. In addition, informality undermines the income sources of sub-national governments.

OECD studies on administrative burdens to new businesses suggest that there is ample opportunity for Mexico to improve in comparison with the rest of the member countries. These reviews show that economies with the lowest productivity levels also impose the highest administrative burdens on their businesses. In contrast, countries where the barriers to entry are low, such as Canada or Switzerland, are more successful in increasing their productivity, hence offering a higher level of welfare to their citizens.

In summary, when business procedures are simplified, the business climate improves, thus facilitating the creation of companies in the formal sector of the economy, hence fostering competition and productivity. Simple procedures reduce the cost of doing business and increase incentives to operate in the formal sector, thereby strengthening the economic capacity to create new jobs. In addition, simple and efficient processes and procedures eliminate the incentives for corrupt practices.
1.4. The accountability of different government participants vis-à-vis the citizens

The above discussion proves that it is imperative that all levels of government commit to the goal of leading regulations and procedures in line with the citizens’ point of view in order to favour economic growth. When a citizen visits a counter to, for instance, apply for a license to operate, what the citizen is looking for is not the document itself, but to establish a company to obtain income. On the way to this goal, the citizen has to deal with a series of regulations and procedures that, albeit being justified in terms of public interest, require a design as simplified as possible.

For this reason, governments and public officials involved in managing business processes must be included as part of a process that can generate added value to society without creating excessive burdens. When the citizen is in the middle of the process, procedures cease to be isolated links for which one or a handful of officials are responsible for, and become a mechanism of value creation for society, in which each government office is a key piece in guaranteeing a simple and agile process.

The goal is to generate a co-ordination and coherence dynamic among different government levels to avoid obstructing economic activity with their requirements. Let us keep in mind that the benefits of quality regulations and processes at a certain level of government can be annulled by costly and poor-quality procedures in other levels. It is also pertinent to consider that regulatory burdens are heaviest for micro, small and medium-sized businesses (SMEs) that do not have resources to pay for complicated procedures and, nonetheless, account for most of the businesses in Mexico.

In summary, the different levels of government should commit to their citizens and entrepreneurs to be perceived as part of an administrative procedures process that while protecting public interest (health, environment, competition, etc.) is as simple, predictable and expeditious as possible to foster economic growth and social welfare.

1.5. Relevance of the multi-level regulatory agenda

The development of a regulatory policy, aimed at the permanent improvement of the regulatory environment, has replaced previous concepts such as “deregulation”, leading to the idea of “regulatory governance”, which involves understanding the mechanisms by which regulatory practices are able to improve markets functioning, the public sector effectiveness, and citizen satisfaction with public services. It is not only a matter of deregulating, but also of regulating again and aspiring to a higher-quality regulatory framework, supported by strong institutions.

The reasons for regulatory quality are justified in theory and practice; particularly, regarding its links to productivity and employment. As to the former, it is noteworthy that among the most remarkable factors influencing the growth of GDP per capita, labour utilisation (hours worked per capita) and labour productivity (output per hour worked) stand out; in turn, both are strongly influenced by regulatory policies. In fact, low labour productivity is the main factor underlying the low economic growth in Mexico in recent decades.

If regulations efficiently correct market failures, productivity will increase by allowing consumers to make better choices, fostering competition in markets, and reducing negative externalities in production. Regulations, however, can also have an adverse impact on business productivity by reducing incentives to invest or adopt leading technologies and innovate. An inadequate regulatory framework raises the costs of market entry, eliminating competitive pressures and distorting the
allocation of resources among the sectors of the economy. Furthermore, insofar as the lack of competition raises prices, the effect generates a “cascade” increasing the cost of intermediate goods.

The regulatory framework also harbour significant potential to reduce structural unemployment, mainly through regulations that make entry market easier and favour competition, which eliminates rent-seeking and enables the expansion of production. Some specific regulatory measures to make competition and market entry easier are reducing or removing restrictions on trade and foreign investment, furthering domestic competition, and simplifying administrative procedures to start and operate a business. It is precisely on this last item where sub-national governments have an important contribution to make. This toolkit is intended as a tool to achieve it.

Different levels of government coexist in most OECD countries. Central government bodies, supported by a network of institutions and rules, work together with regional and local governments that have their own sets of rules and powers. In this context, the various levels of government have the capacity to design, implement and enforce regulations. This multi-level regulatory framework poses a number of challenges affecting the relations between public entities and citizens and business; and, when mismanaged, it can have a negative impact on economic growth, productivity and competitiveness. The challenges include avoiding the redundancy or overlapping of rules, low-quality regulation, which is costly, and uneven enforcement, among others.

In most cases, the reasons in favour of quality in the national regulatory framework can also be applied at the sub-national level. Local regulatory systems become even more important insofar as sub-national jurisdictions compete for investment and jobs. Therefore, as in the national framework, sub-national regulatory policies should pursue the following goals: 11

- Increasing social welfare allowing, over time, a better balance of economic and social policies.
- Stimulating economic development and consumer welfare by encouraging innovation, competition, and market entry and promoting, thus, competitiveness.
- Controlling regulatory costs locally to improve productive efficiency by reducing unnecessary costs, particularly for SMEs.
- Improving the effectiveness and efficiency of the public sector at the sub-national level through reforms to public management.
- Organising and redefining local laws.
- Improving the rule of law and democracy through legal reforms, including improved access to regulation and the reduction of excessive discretionary powers of regulators and law enforcers.

Sub-national regulatory quality is also important because there is a strong regional influence on the ability of a country to attract investment and create jobs. For example, the policies aimed at developing clusters or innovation systems are essentially regional in nature and, consequently, they need a favourable regional environment for business in which regulatory quality undoubtedly plays an important role.

Finally, it should be highlighted that the impact of a high-quality regulation on a government level can be tarnished by poor regulatory policies and practices at other levels, negatively affecting the performance of economies and the activities of business and citizens.

In order to ensure the regulatory quality in the different levels of government, the guidelines to be followed should be agreed upon at sub-national levels, establishing clear definitions and the effective implementation of mechanisms to achieve and improve coordination, coherence, and homologation.
in the development and enforcement of regulation. Lastly, measures to prevent and eliminate overlapping responsibilities are essential to minimize administrative costs to entrepreneurs, on one hand, but also to ensure the protection of public interests that regulations pursue to safeguard, on the other.

It is to be celebrated that Mexican states are putting increasing emphasis on regulatory improvement. So much so, that 20 of the 32 states have a law on regulatory reform; 21 rely on a specific city council on regulatory reform, and 9 have advisory councils in economic development which are mandated, among others, to put forward and implement strategies for regulatory reform. However, the level of commitment with the regulatory reform varies significantly among states. While in some of them there are centralized procedures registries, regulatory impact assessment are performed, and administrative simplification is strongly promoted through e-government tools, in others, the issue is not included in the public agenda. The same, although with greater diversity, happens in the case of municipalities, where regulatory agenda has a long way to go, and where it is necessary to develop the institutional capacity and infrastructure to take it forward.

Notes

1. For further information on these publications, please visit www.oecd.org/department/0,3355, en_2649_34141_1_1_1_1_1,00.html.
2. The Regulatory Policy Committee was created in October 2009 by the OECD Council to support Member and non-Member countries in the development and strengthening of their efforts towards regulatory improvement. Its mandate includes carrying out cross-cutting studies in regulatory policy and fostering better understanding of this policy, with the aim of enhancing regulatory governance. It is also a platform to assist countries in adapting their regulatory policies and agencies by learning from international experience.
3. When this toolkit was written, the Recommendation was still being discussed by the OECD Regulatory Policy Committee, but its publication is expected during the first months of 2012.
5. The states and municipalities to participate in the follow-up were selected seeking to illustrate how some of them were implementing the recommendations included in the Toolkit 2010 edition and there was no prejudice on the existence of political commitment and better regulatory improvement practices in other states and municipalities of the country.
7. The socio-economic benefits of the recommendations may be quantified in terms of GDP increase in the target population, i.e., the population of the metropolitan area that houses the municipalities and agencies analyzed in the Short-term Mesaures review. On the other hand, costs are quantified in terms of components (human resources, training, vehicles, hardware, software, building, remodeling and others), both at an annualized cost level as well as by the number of units required. Net present value was calculated for both benefits and costs.
8. The case studies are based on qualitative and quantitative information provided by the states and municipalities they refer to and, although each practice operation was directly observed, data was not verified in the field by the OECD or by the Secretary of Economy. Therefore, their description in this publication does not imply the validation of the scope and results of such practices.
The simplicity or complexity of the process entailed in starting a business may influence the choice over where to locate an investment. In the nine states reviewed in the Short-term Measures project, the average number of days needed to start a business is 19.9, with a maximum of 29 and a minimum of 13 days (notice the substantial difference between maximum and minimum days). As to the number of procedures, the average is 8.2, with a maximum of nine and a minimum of seven.

The process includes procedures at the three levels of government. The procedures at the federal level are: name use permit, registration in the Public Registry of Commerce (Registro Público del Comercio), registration in the Federal Taxpayer Registry (Registro Federal de Contribuyentes, RFC), enrolment as employer in the Social Security Institute (Instituto Mexicano del Seguro Social, IMSS) and enrolment in the Mexican Business Information System (Sistema de Información Empresarial Mexicano, SIEM). At the state level, there is usually a need to enroll in the Payroll Tax Registry. In addition, municipal procedures include starting and operation permits or licenses as well as civil protection and environment inspection resolutions, among others, that may vary depending on the municipality.

The current process has over 10 federal, state and municipal agencies participating. The citizen must contact and carry out the procedures with each of them.
2.1. The ideal process

The ideal process assumes that the citizen is at the centre of the government activity. This implies visualizing governmental management as a whole, achieving coordinated and coherent measures at the three levels in order to offer the citizen a one-stop service, whether virtual or physical, to access full information about processes and procedures and the ability to carry out on the same site all the transactions needed to start a business.

The portal tuempresa.gob.mx is an effort of the Federal Government in this sense. Currently, the portal incorporates in a single virtual window the procedures for business or company name (SE), enrolment in the tax registry RFC (SAT), formalisation of the charter (notary public), registration in the Public Registry of Property and Commerce (Registro Público de la Propiedad y del Comercio, RPPC) and pre-registration in the Social Security Institute (IMSS). The portal consolidates these procedures and allows their online completion, generating an electronic file, thereby reducing time and cost of the procedures for entrepreneurs.

However, in order to reach its maximum potential, the ideal procedure implies that states and municipalities must establish their own electronic one-stop shops to interface with the tuempresa.gob.mx portal. The ideal process would include this interface linking, in a first stage, the processes related to land use and enrolment in the Payroll Tax Payment Registry (ISN), which would generate a municipal license for low-risk business lines. A second stage would involve interfacing with other municipal procedures, such as civil protection, environment and publicity, and expansion to other lines of business, including electronic tools for scheduling, follow-up and verification inspections in a simplified and co-ordinated manner. The goal is to issue the municipal operating license electronically for all lines of business and have the entrepreneur only printing the license. This process would also include paying the fees, scheduling inspections online and the required assessments, as well as the possibility for the user to verify online the status of the procedures.
In so doing, the citizen will be able to carry out the procedures in one single visit to the portal, which distributes the information obtained to the federal agencies and allows interfacing with other government levels, thereby significantly expediting the process and reducing time and cost involved in it.

**Figure 2.2. The Ideal Process for Starting a Business**

2.2. Process diagrams

The process of Starting a Business in each of the states involves different procedures, steps, response deadlines and, therefore, agencies. The current process diagram presented in Figures 2.3 and 2.4 reflects the procedures that are more frequently required in the nine entities participating in the Short-term Measures. Hence, their objective is to show a typical diagram, or one representative of the nine entities participating in the review. For the diagrams in this section, the timeline for each procedure or the steps in the process were obtained by calculating a simple average of the deadlines in which the authorities should provide a resolution in these nine entities.

A description of the starting process for companies according to their line of business was included in the diagram as: A (low risk) or B (high risk).

a) Current process diagram

The procedure for Starting a Business is the one that requires the most federal processes among those included in this toolkit (Figures 2.3 and 2.4). The main variation of the process among the nine entities included in the Short-term Measures review was found in the procedure denominated “Notarizing the charter and enrolment in the RFC”. Only two entities have these procedures carried out separately and, therefore, the total period for resolution increases.

The main feature of the diagrams is that they are divided in two parts. The upper section, the Municipal procedures for starting a business step, is abbreviated. In the lower section, this step is developed in...
each of its components. Thus, for A-type business lines, the average for the Municipal procedures for starting a business takes 17 days (upper section of Figure 2.3), divided into three steps: land use license, approval from the Civil Protection authorities and Operation License (lower section of Figure 2.3).

**A-type business lines**

When incorporating the municipal procedures for starting an A-type business, the Starting a Business process takes an average of 32 days and involves seven procedures at the three levels of government (Figure 2.3). The main difference is observed among the municipalities that have implemented the System for Quick Business Start-up (Sistema de Apertura Rápida de Empresas, SARE) and those that have not. This diagram illustrates a case in which there is no established SARE in order to emphasize the benefits of the system, even when the most common case among the states under review involved an operating SARE. As depicted in Figure 2.3, the municipalities that have still not implemented the system require that applicants obtain a license to use the land as well as an authorisation from the civil protection authorities before applying for an operation license. Both procedures, on average, double the response periods and increase the number of processes needed.

**Figure 2.3. Current Process Diagram for Starting a Business for Firms in Industry A**

<table>
<thead>
<tr>
<th>Current process</th>
<th>32 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business name permit</td>
<td>2 days</td>
</tr>
<tr>
<td>Notarizing of charter and registration in the RFC</td>
<td>7 days</td>
</tr>
<tr>
<td>Registration of charter in the Pub. Reg. of Property and Commerce</td>
<td>3 days</td>
</tr>
<tr>
<td>Municipal process for starting a business - Type A</td>
<td>17 days</td>
</tr>
<tr>
<td>Enrolment in the Social Security Institute (Instituto Mexicano del Seguro Social)</td>
<td>1 day</td>
</tr>
<tr>
<td>Enrolling the company in the Payroll Tax Registry</td>
<td>1 day</td>
</tr>
<tr>
<td>Enrolment in the Business Information System</td>
<td>1 day</td>
</tr>
</tbody>
</table>

**B-type business lines**

There is a wide array of municipal procedures required to start B-type businesses. When incorporating these requirements to the process of starting a business, the total length time of the process is 36 days and requires an average of 10 different procedures (Figure 2.4). The municipal process of starting B-type businesses was designed considering the four main procedures among the nine states participating in the Short-term Measures review. In addition to the procedures included in the lower section of Figure 2.4, some entities require environmental authorisations and others require certificates attesting that the applicant has no pending debt, as well as Fire Department permits and publicity license procedures.

**Figure 2.4. Current Process Diagram for Starting a Business for Firms in Industry B**

<table>
<thead>
<tr>
<th>Current Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business name permit granted by the Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Notarizing of charter and registration in the RFC</td>
</tr>
<tr>
<td>Registration of charter in the Pub. Reg. of Property and Commerce</td>
</tr>
<tr>
<td>Municipal Process for starting a business - Type B</td>
</tr>
<tr>
<td>Enrolment in the Social Security Institute (Instituto Mexicano del Seguro Social)</td>
</tr>
<tr>
<td>Enrolling the company in the Payroll Tax Registry</td>
</tr>
<tr>
<td>Enrolment in the Business Information System</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Municipal process for starting a business - Type B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Use</td>
</tr>
<tr>
<td>Civil Protection</td>
</tr>
<tr>
<td>Start or Operation Notice</td>
</tr>
<tr>
<td>Operation License</td>
</tr>
</tbody>
</table>
b) Improved process diagram

The shortened time frame and the reduced number of procedures in the improved process owes mainly to the availability of the portal tuempresa.gob.mx (Figures 2.5 and 2.6).

A-type business lines

Installing the SARE reduces the starting a business municipal process to one single procedure. In addition, with the implementation of the portal tuempresa.gob.mx the average days can amount to seven, with a total of four procedures (Figure 2.5).

Figure 2.5. Improved Process Diagram for Starting a Business for Firms in Industry A

<table>
<thead>
<tr>
<th>Starting a business after implementing improvement actions</th>
<th>7 days</th>
<th>2 days</th>
<th>3 days</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business name use permit SE, notarizing the charter at the RPP and enrolment in the ISN</td>
<td>Portal Tu Empresa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrolment in the Social Security Institute (Instituto Mexicano del Seguro Social)</td>
<td>IMSS (F)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrolment in the Business Information System</td>
<td>SIEM (Chambers)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved Municipal Process for Starting an A-type Business</td>
<td>3 days</td>
<td>3 days</td>
<td>1 day</td>
<td>1 day</td>
</tr>
<tr>
<td>Operation License</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B-type business lines

Improvements in the processes for B-type business lines (Figure 2.6) stem from three main sources. First, the implementation of the portal tuempresa.gob.mx. Second, the reduction of the time frames for the procedures that form the intermediate step Municipal process for starting a business. Third, the elimination of all those additional municipal procedures that, because of their specificity, were not included in the typical diagram, such as environmental authorisations, non-debt certificates, Fire Department permits and publicity licenses.

In summary, these improvements reduce the time frame from 36 to 15 days.

Figure 2.6. Improved Process Diagram for Starting a Business for Firms in Industry B

<table>
<thead>
<tr>
<th>Starting an B-type Business - Improved</th>
<th>15 days</th>
<th>2 days</th>
<th>11 days</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business name use permit SE, notarizing the charter at the RPP and registration in the ISN</td>
<td>Portal Tu Empresa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal process for starting a business B-type</td>
<td>IMSS (F)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrolment in the Social Security Institute (Instituto Mexicano del Seguro Social)</td>
<td>Chambers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrolment in the Business Information System</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved Municipal Process for Starting a B-type Business</td>
<td>11 days</td>
<td>2 days</td>
<td>4 days</td>
<td>3 days</td>
</tr>
<tr>
<td>Land Use</td>
<td>Urban Development (Municipality)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civil Protection</td>
<td>Civil Protection (Municipality)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation Notice</td>
<td>Health (State)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operation License</td>
<td>Municipality</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.3. High-impact recommendations

a) Increase the efficiency and speed up notary publics’ participation in the process of starting a business by adopting digital government tools.

In the current process of starting a business, notary publics perform a significant role in procedures such as notarizing the company’s charter and its registration in the RPPC. They also play important roles in other processes, such as the ones related to the RFC and the IMSS. In fact, the highest cost entrepreneurs must pay, about 60% of starting a business, is related to paying the fees charged by notary publics, therefore, the process of starting a business will improve noticeably if the performance of notary publics becomes more efficient and expeditious. A way of achieving this is to integrate digital tools to the processes in which notary publics participate.

In some states, one of the tasks still needed to promote digital processes is the notary publics’ adoption of the use of modern tools such as Fedanet and the Immediate Business Registry (Registro Inmediato de Empresas, RIE), sub-systems of the Registry Management Integral System (Sistema Integral de Gestión Registral, SIGER). On May 29, 2000 the Official Gazette of the Federation (Diario Oficial de la Federación, DOF) published the approved reforms to the Public Registry of Commerce (Registro Público de Comercio), which lays the legal groundwork for automated procedures.

The Ministry of Economy (SE), co-ordinated with the governments of the 32 federal entities in Mexico, is operating the Public Registry of Commerce through the SIGER to modernise and unify provision of this service. This tool guarantees the integrity of the information with the use of the advanced digital signature, in addition to its backup on a centralized database. It also allows registration and queries online, which turns it into a leading-edge instrument.

On the other hand, Fedanet aims to allow notary publics and public brokers the use of digital media to register business legal measures in the RPPC thereby guaranteeing legal safety and reducing response times to only two working days, without having to visit the registry office to enroll. By the same token, the RIE allows the notary public and the public broker to register a company charter in one day by means of both the digital payment and the digital signature.

The launch of the portal tuempresa.gob.mx opened an additional means for notary publics to register charters in the Public Registry of Commerce at the same time that entrepreneurs comply with other procedures.

In order to support the digitalisation of the RPPC, authorities may collaborate with notary publics to have them use standardized digital formats to produce deeds which, in addition to the online tools for their registration, would expedite their intervention in the process of starting a business. In many states, this information is still turned in as hardcopy.

Sometimes, adopting these tools is a slow process, either for lack of information or bureaucratic inertia, which is why it would be valuable to evaluate the possibility of reforming the RPPC bylaws to include a rule to make digital processes mandatory in terms of the registrations notary publics are responsible for. It is recommended that a transition period be established in order for notary publics to acquire the necessary infrastructure and receive training on how to manage these systems. In some states, notary public associations have also proposed training the staff on the use of electronic tools, since in the end it is the staff that carries out the company registry process.

Nonetheless, beyond incorporating digital tools to expedite notary publics’ work, there needs to be a comprehensive update program at the RPPC offices (see Recommendation B in Chapter 4).
Box 2.1. Modernisation of the Public Registry of Commerce (Registro Público de Comercio) and Implementation of the SIGER in the Federal District (Distrito Federal)

The relevance of the Federal District (Distrito Federal, D.F.) as one of the main sites for commercial business in Mexico as well as the volume of historical data, brought up the need to modernise its Public Registry of Property and Commerce.

In April 2007, the Mayor of the Federal District signed the Coordination Agreement to Operate the Public Registry of Commerce (published in the Federal District’s Official Gazette on July 17, 2007) and in November of that year a diagnosis on the integration of the SIGER to the operation of the RPPC was carried out. The diagnosis contains the following:

- Analysis of the registry procedures and systems used by the D.F. government and those written in the Commercial Code.
- Review of the digital system (databases, images or documents) of the D.F.’s Public Registry of Commerce to resolve on the feasibility of migrating the information over to the SIGER, digitalising the historical archive or carrying out both procedures.
- Technical description, quantifying of the IT and telecomm hardware needed to operate the Public Registry of Commerce.

Based on the previous elements, a transition plan was produced to implement the integration of the SIGER to the Public Registry of Commerce of the D.F. Once the analysis stage was taken care of, the RPPC was equipped and the SIGER installed, as well as the interface with the central database, which is under the Ministry of Economy (SE) purview.

The implementation of the SIGER in the processes and procedures in the D.F.’s Public Registry of Commerce was scheduled in two stages: The first stage consisted of the registration of Nuevas Constitutivas and their subsequent acts (it began operating in March 2009), and the second stage related to capturing and digitalising the historical archives, as well as migrating the databases to the SIGER, which has not begun yet as of this date.

A year and a half after beginning operations with the SIGER, the new tool has brought about successes and advances in the Public Registry of Commerce, mostly in terms of response times. Through the use of the SIGER, the use of the advanced digital signature was implemented to the modernisation of procedures in registration, facilitating the tasks of the notary publics. As a result of the above, from March 12, 2009 to September 30, 2010, there were 26,797 new business applications of which 25,686 were registered; of these, 12,117 were registered in less than 24 hours through the RIE, 450 via Fedanet and the remaining 13,119 were registered in an average of five days.

This means that 47% of the business registries are automatically done online in less than 24 hours, 2% via Fedanet and 51% by means of the physical delivery of documents at the one-stop center of the D.F. RPPC with the corresponding registry assessment.

Source: Information provided by the Dirección General del Registro Público de la Propiedad y de Comercio del Gobierno del Distrito Federal (General Directorate for Property and Commerce of the Federal District Government).
b) Updating the urban plan with allowed land uses and uploading online as a georeference map for consultation.

Defining where to locate a business is among the main needs of an entrepreneur. This depends to a great extent on the land uses allowed in each zone. Traditionally, this consultation should be done in the municipal urban development agencies, which sometimes can be complicated and slow, especially if the information is not quickly accessible or if the development plans are not updated.

It’s common to find in urban plans that the lines of business allowed in zones have become outdated because activities now exist that were not contemplated before. In some municipalities it is a frequent practice to deny the land use and for the applicant to appeal and offer evidence that there are “non-allowed” lines of business operating on the boundaries of the area in question. In addition, if maps and urban plans are not updated it will be very difficult to guarantee the entrepreneur legal certainty on the boundaries of the grounds in which the business will operate.

Since municipal development plans are the documents that describe land use, it is necessary to keep them updated and associated with a map. This will allow the identification of allowed land uses for each property.

While all of these tasks can be undertaken manually and in a relatively short time, the process can be facilitated even more by using digital tools. Georeferenced maps may be consulted online, so the entrepreneur can verify, quickly and remotely, the land uses and feasibility of drinking water and sewage services. Nonetheless, there is no use for this type of tool if urban plans and maps are not updated.

Sinaloa and Colima apply some of the best practices on this subject (see Annexes 1 and 2). Culiacán, in Sinaloa, implemented an online system facilitating the identification of allowed lines of business according to the property. Likewise, Colima makes it possible to verify if a certain line of business is allowed in a specific location. These tools assist the entrepreneur in defining in a few minutes if the line of business is allowed in a certain location, eliminating the need of a formal procedure or a visit to the urban development agency.

c) Implementing a single database allowing sharing of information among agencies.

Each information requirement issued by an agency generates administrative costs for the entrepreneur, either in terms of time or of money for the search, certification and processing of information, completion of formats, etc. The main goal of an information-sharing tool is to offer access to data to different public sector agencies in order to accelerate processes and prevent requesting entrepreneurs the same information several times.

The principle that rules this strategy consists in collecting information only once to use it as many times as needed in government procedures, always safeguarding the security of all personal information. The entrepreneur will no longer have to present the same information (copies, certificates, etc.) more than once, which eliminates administrative costs. Even in the case of digital procedures, entrepreneurs save time by avoiding the need to type the same data repeatedly.

There are different ways of sharing information:

- Smart cards: users store common use information on their cards and may share it with different agencies. Although highly practical, they require a costly infrastructure.
Box 2.2. International Experience regarding Tools to Share Information among Agencies

In Holland, agencies share information provided by companies, avoiding the need to provide it more than once. The “Walbis-SUB” programme, managed by the Ministry of Finances, Social Affairs and Employment, was introduced in January of 2006 to reduce the administrative burden of social security regulations. With this programme, businesses only provide information to fiscal authorities, but it may be transmitted to other agencies requiring it. In the past, businesses had to submit the same information to different agencies to comply with wage and social security regulations.

In Norway, the ALTINN portal allows businesses to provide information shared in three ways: i) online formats completed by the businesses, ii) digital reports generated from the business information systems, and iii) digital reports generated by professionals (accountants, for example) on behalf of the company.

Portugal has the Tarjeta del Ciudadano (Citizen’s Card) that allows individuals to identify themselves when using online public services such as digital signature of documents. This card, shown below, replaces several identification cards issued by different authorities, such as ID cards, taxpayer card, social security and health services cards and facilitates access to public and private services to both

- Portals: a portal is shared for a series of services by different agencies and is used to collect all the information they require. Then, the portal distributes this information to the agencies that require it.

- Shared databases: government agencies share specific information among them through databases.

In this case, a first step would be to analyze the agencies involved in the process of starting a business at each level of government. Once this is done, it is necessary to identify the administrative procedures they process and their information needs. Process diagrams for Starting a Business in section 2.2 may be a good starting point. This is used to determine if there are common information needs and, therefore, the agencies that need to participate in a shared platform. Once a state or municipality has its database, it will be possible to aim at interfacing with databases from other levels of government.

A single code or number would be useful in the creation of a business centralized data bank so that, once registered, it would not be necessary to submit all documents each time a procedure needs to be undertaken, but would imply presenting the documents only once and receiving a registration code that may be used for procedures in any agency. In fact, if the interface is in real time, the database may facilitate simultaneous handling of different processes.

For the information process to be effective, several changes are needed for the technology infrastructure of the public sector, in order to create interconnected information systems as well as to
Box 2.2. International Experience regarding Tools to Share Information among Agencies (continued)

individuals and businesses, such as starting a business online through the business portal, requesting an industrial license or unemployment benefits as well as opening a bank account.

There are also relevant experiences at the subnational level. British Columbia, in Canada, uses a tool called National Business Number (BN). This tool allows the business to interact with different agencies from different government levels by using a single identification number. Once the business information has been submitted to an agency, it is transferred to others without the need of any further administrative procedures.

In Piedmont, Italy, the Conferencia de Servicios (Conference Services) tool allows several agencies to share information and carry out different administrative procedures simultaneously, expediting processes that require approval from different agencies. Catalonia, in Spain, offers the Plataforma para la Integración y Cooperación Administrativa (PICA) (Platform for Administrative Integration and Co-operation) and IT platform to share information, including the inhabitant registry, social security titles, tax-agency certificates, national identity document data, certificates from the Catalan employment service and others. The volume of procedures handled during 2009 reached 1,348,929.

offer all guarantees that personal data will remain private. A wide array of processes could be facilitated by sharing information among agencies. For instance, if the urban development and property registry offices had information in common, the property tax and land use procedures could potentially be consolidated.

d) Make inspections faster and more efficient in order for them not to hinder the process of starting a business.

An important problem in terms of starting a business is that usually inspectors are only trained to review elements related to one single agency. In addition, frequently the number of inspections required to obtain a municipal operating license are not synchronized, and this delays their issuance.

An alternative that has proven successful in expediting and coordinating inspections is the “multi-disciplinary inspectors” (see Annex 2 for Colima). This has been useful because, firstly, it allows several inspections in one visit (observations, photographs, etc.) required by different agencies, reducing the burden for entrepreneurs. Secondly, it facilitates the application of technical criteria, homogeneous and transparent, as it consolidates tasks in one single inspection body. In this sense, the recommendation is to develop inspection manuals normalising inspector behaviors and facilitating access to information on citizen rights and instances to which they can turn to in case of appeal.

The municipality of Guadalajara, in Jalisco, established a single inspection body called Multi-function Verification Unit (Unidad de Verificación Multi-funcional) in charge of inspections for agencies such as Registry and License, Public Works, Environment and the Fire Department, producing quicker and less costly inspections.

In addition to consolidating the different inspections in one, the process can be further simplified by allowing scheduling in advance, either online or on the telephone. In some states, entrepreneurs must visit the agencies to apply for an inspection, wait for help or for an inspector to be available and, finally, return to the agency for a resolution.
The issue with this traditional scheme is that inspections are scheduled on a first-come, first-served basis. This practice, in addition to implying that the user must be present to apply (which increases the opportunities for corruption), prevents the agencies from planning their workloads, thereby generating chaos, inconveniences and delays for the applicants. Also, frequently the number of inspectors is insufficient, which worsens the bottleneck that inspections usually represent.

In contrast, inspections could be scheduled remotely, offering the entrepreneur a fixed date for the inspection which allows delivery of the required documents during the inspector’s visit, and this, in turn, will allow onsite delivery of the appropriate certificates, in case the applicable requirements are fulfilled. This regulation allows for better planning of agency workloads, optimizing inspector assignments. It also saves time for entrepreneurs, by eliminating the need for visiting the agency and waiting for an available inspector.

It is convenient to document the inspection process by adopting the scheduling scheme and certifying it with a quality standard such as ISO9000. This will imprint more discipline to the process, as well as establish a clear organisation and permanent assessment of objective performance indicators.

The risk approach is another practice allowing the simplification of procedures involved in an inspection. Risk approaches allow the regulating authority to concentrate its resources in areas in which societal risks are highest, simplifying procedures for non-risk activities. This practice allows for reducing workloads, since the authority can concentrate on the businesses that imply more risks, resulting in an improvement of time spent and quality of service. For instance, the approval from civil protection authorities as well as the statements of preventive measures for low-risk lines of business could be eliminated, as it is done with the implementation of the SARE. Other specific procedures this strategy may be applied to are health or environmental authority resolutions.

Finally, the presence of controls with regard to inspectors’ discretion is important. Baja California adopted the practice of audio and video recording some inspections. When the inspection takes place, the authority notifies the inspected party that the inspection will be recorded. According to the state’s financial authorities, since this practice was implemented complaints from entrepreneurs in terms of being victims of corruption acts have been reduced. A similar practice is used in British Columbia, where before an audit fiscal inspectors show entrepreneurs a video communicating their rights and obligations.
e) Operationalise the tuempresa.gob.mx portal in the federal entity and establish the state and municipal portals for starting a business, interfacing with the tuempresa.gob.mx portal, so that the complete process can be managed online by the entrepreneur.

Legally, there is a need for a co-ordination agreement between the state and the Ministry of Economy in order to make tuempresa.gob.mx operational. In some states, such as Colima and Sinaloa, work is being done to implement such co-ordination and interface of the different portals. It is also necessary to publicize and generalise the use of the tuempresa.gob.mx portal among the different participants working in the process of starting a business (notary publics, entrepreneur service centres, the SARE and other state and municipal agencies). In some states, in coordination with the local economic development agencies, the federal branch offices of the Ministry of Economy have organised trainings on the use of the portal for the staff who work in notary public offices, since they will be directly carrying out the procedures of registering company charters.

As the results of the World Bank report Doing Business 2010 and 2011 show, launching tuempresa.gob.mx brought about a significant improvement in the number of procedures needed to start a business. The report uses Mexico City as the evaluation point and indicates that the number of days needed to start a business decreased from 13 to eight and the number of procedures from eight to six. These improvements, derived to a great extent from the use of the tuempresa.gob.mx portal, resulted in a 23-position advance for Mexico in the global list of business startings. States can achieve similar improvements by making tuempresa.gob.mx operational and by promoting it extensively.

States and municipalities must coordinate the implementation of portals allowing online completion of procedures that are part of the process of starting a business, much as Sinaloa did with the abretuempresa.gob.mx portal and Colima with the miempresa.coli.gob.mx portal (see Annexes 1 and 3). This might not be so simple, since procedures may differ in each municipality. The recommendation would be to start with the municipalities where a higher percentage of economic activity takes place in a state and expand gradually to the rest. It would also be advisable to invite municipalities to standardize their procedures for starting a business.

In operational terms, the implementation and intensive use of digital tools such as SIGER, Fedanet, RIE and shared databases at the state and municipal level to handle procedures online must be viewed as part of a process to fully interface with the tuempresa.gob.mx portal, in such a way that the whole process of starting a business may be completed online.

In case there is no such tool, a single state and municipal registry of business procedures contributes to systematize their information, paving the way for digital tools. In Baja California, for instance, there is the Catalogue of Procedure and Service (Catálogo de Trámites y Servicios) that includes information by agency and municipality and was updated and purged during 2010 and 2011 (see Annex 5). In the state of Puebla, the portal TRAMITAPUE provides information on procedures and services offered by the state and its municipalities (see also box 6.4 of The Federal Registry of Procedures and Services).

The OECD estimates that, owing to the simplification and rationalization of procedures achieved through tuempresa.gob.mx, the administrative costs of constituting a partnership have been reduced by at least 65%. Nonetheless, this reduction would still be higher if state and municipal procedure portals interfaced, allowing the great potential of the multi-level regulatory approach to be seen. This has been corroborated internationally in other successful cases, such as British Columbia’s OneStop and BizPal portals.
Box 2.4. British Columbia’s (Canada) OneStop and BizPal Portals

British Columbia is the leader in digital government strategies to simplify procedures through one-stop online portals. The first portal worth mentioning is OneStop, implemented in 1996 to facilitate interaction with different levels of government. The site allows businesses to carry out commonly required transactions and registrations, such as business registration, federal and province tax payments as well as applications for the municipal business license. Entrepreneurs can also obtain approval for their business name and address changes. Currently, close to 200 organisations from the public and private sectors participate in OneStop, including municipal governments. According to opinion polls, 93% of entrepreneurs point out that directions in the portal are easy to understand and 96% would use it again or would recommend it. When it is used along with the BN, OneStop eliminates five hours in the process of registering a business and from six to seven hours for changing an address. In fact, by using OneStop, entrepreneurs can carry out their registration in less than an hour.

Another one-stop online portal is BizPal, which allows entrepreneurs to determine the permits and licenses that they must comply with at different levels of government. The portal saves entrepreneurs over six hours in format searches. The British Columbia government set a goal of interfacing 95 out of 160 municipalities with BizPal by 2010. La meta de interconectar 95 de 160 municipios con BizPal para el 2010.

f) Implementing the SARE and guaranteeing its continuity in the face of changes in municipal administrations.

The SARE represents a risk-based approach allowing citizens interested in starting a business considered as low-risk to do so by obtaining a municipal operation license or permit in 72 hours or less. The SARE is promoted by the Federal Commission for Regulatory Improvement (Comisión Federal de Mejora Regulatoria, COFEMER), that provides technical advice to states and municipalities in Mexico with the aim of implementing the system.

The simplification SARE brings into receiving a municipal license or permit to operate a business is the outcome of process re-engineering, administrative simplification processes in the intermediate procedures involved and the use of IT. According to COFEMER figures, the response time to receive a municipal operating license in the 38 SARE established between March 2010 and November 2011, decreased from an average of 25.2 to just 2.4 days.

In 2011, COFEMER presented the Impacto del Sistema de Apertura Rápida de Empresas en México (Impact of the System for Quick Business Start-up in Mexico) review, which assessed the impact of SARE implementation in generating new businesses and jobs in the formal economies of municipalities representing five Mexican states that adopted the system in 2009-2010. The municipalities selected belong to the following states: Chiapas, Colima, Hidalgo, Morelos and Puebla. Three months after the SARE implementation, the share of entrepreneurs in the sectors considered in SARE catalogues increased as follows: 27.37% for the Chiapas case; 11.63% for Colima; 23.58% for Hidalgo; 14.32% for Morelos, and 29.9% for Puebla.

However, in order to guarantee the continuity of the benefits derived from implementing the SARE, the system must prevail in the face of changes in municipal governments. While preparing the studies Short-term Measures and Successful Practices and Policies to Promote Regulatory Reform and Entrepreneurship at the Sub-national Level during 2009 and 2010, the OECD noted that the system was
suspended in several Mexican municipalities with high economic relevance, when it was operating in previous municipal administrations. This suspension reverts the benefits of administrative simplification and regulatory improvement for entrepreneurs.

In contrast, the OECD found evidence that in a good number of cases in which the SARE transcended the change of municipal government, active participation in leadership and guidance from state governments and technical support from COFEMER were key components.

In order to guarantee the SARE permanence, in addition to the key role played by state governments, other tools should be considered by state and federal governments, such as economic and non-economic incentives. Non-economic incentives may include periodic publication of comparative municipal performance lists as well as public acknowledgements and awards.

**Box 2.5. High-impact Recommendations for Starting a Business Processes**

a) Increase the efficiency and speed up notary publics’ participation in the process of starting a business by adopting digital government tools.

b) Update the urban plan with allowed land uses and upload it online as a georeference map for consultation.

c) Implement a single database to allow sharing information among agencies.

d) Make inspections faster and more efficient in order for them not to hinder the process of starting a business.

e) Operationalise the portal *tuempresa.gob.mx* in the state and establish the state and municipal portals for business start-up, interfacing with the *tuempresa.gob.mx* portal, so entrepreneurs can handle the complete process online.

f) Implement the SARE and guarantee its continuity in the face of changes in municipal administrations.

**Notes**

1. In order to identify the procedures for the *Starting a Business*, *Construction permit* and *Property Registry* processes, the same assumptions were used regarding the features of the business models used in the methodology of the report *Doing Business* available in www.doingbusiness.org.

2. The time frames and number of processes referred to in this paragraph do not consider the procedures needed to start a business (*A* and *B* types), which are described in section 2.2.

3. On December 15, 2011, the DOF published the decree under which several provisions of the Law on Foreign Investment, the General Law of Mercantile Companies, the Organic Law of the Federal Public Administration, the Federal Law on Rights, the Federal Law on Administrative Procedures and the Federal Law for the Promotion of Microindustries and Artisanal Activity, are added and abolished. This decree reforms Article 15 of the Law on Foreign Investment, establishing the following: “The Ministry of Economic will authorise the use of the denomination and trade name with which the companies pretend to be constituted”. The second provisional establishes that “the reforms to the Law on Foreign Investment and to the Federal Law on Administrative Procedures will be valid for a six month term after its publication in the Official Gazette”.

4. Once a business is constituted through the portal, an applicant may carry out additional procedures before the Federal Commission for Protection Against Health Risks (*Comisión Federal para la Protección contra Riesgos Sanitarios, COFEPRIS*), the Mexican Institute of Industrial Property (*Instituto Mexicano de la Propiedad Industrial*), the IMSS, and the Ministry of Environment and Natural Resource (*SEMARNAT*).

5. The digital file is the set of user data and documents safeguarded by the Federal Government which may be
used to carry out different processes online related to constituting, starting, operating, developing and closing down a business. The digital file is generated when the user completes online, for the first time, a procedure related to these measures. This tool has the potential of sparing the user from completing multiple formats and eliminating duplication of information and documents required for each procedure or for each time the applicant wishes to carry out a procedure after the one that originated the digital file.

6. The procedure of pre-registration to the IMSS aside, the other four take an average of 12.6 days to complete. With the implementation of the tuempresa.gob.mx portal, all four procedures take an average of 3.4 days, which implies a reduction of 73%.

7. This municipal license will allow low-risk lines of business to begin operating immediately, and this would help entrepreneurs recover their investment more quickly.

8. Nevertheless, during the period between capturing data for the Short-term Measures review and preparing this toolkit, both states in which the procedures were carried out separately interfaced with tuempresa.gob.mx. This makes it possible to carry out both procedures in one single step.


10. The data collected refer to 2009 and 2010, respectively.

PRACTICAL NOTES

Main lessons

Priorities for my state or municipality

Strengths of my state or municipality in terms of implementing the recommendations

Challenges of my state or municipality in terms of implementing the recommendations

Strategies to overcome the challenges
In order to start a business and initiate an economic activity, it is common that entrepreneurs build their own facilities. By the same token, the housing and infrastructure availability are intrinsically linked to the construction industry. This is an industry among the most dynamic in Mexico, considered also key for employment growth and creation. For these reasons, it is essential that the legal framework that affects this industry facilitates investment and demotivates informality, and at the same time guarantees building quality and prevents risks for the population.

Among the nine states studied in the Short-term Measures review, the average number of days it takes to obtain a construction permit is 57.7, with a maximum of 83 and a minimum of 39 (notice that the minimum, to which all states may aspire, is less than half the maximum). As to the number of procedures, the average is 9.3, with a maximum of 11 and a minimum of seven.

In the current Construction Permit process, an applicant must comply with procedures from the three levels of government, even though most of them concentrate at the municipal level, particularly in the Urban Development and Public Works or similar agencies. Federal procedures are carried out before the Federal Electricity Commission (Comisión Federal de Electricidad), and the state-level procedures are usually carried out before the water supply agencies which, albeit being municipal, in most municipalities are operated by the state government. Some of the procedures at the municipal level pertain to alignment and official number, land use feasibility, building license, civil protection authority inspection and notice of completion of construction.

The processes may involve up to seven federal, state, municipal and private agencies. The citizen must contact and carry out procedures with each one of them.
3.1. The ideal process

Much as in the case of Starting a Business, the ideal process assumes that the citizen is at the centre of the government activity. This implies visualizing governmental management as a whole, achieving co-ordinated and coherent measures at the three levels in order to offer the citizen a one-stop service, whether virtual or physical, to access full information about processes and procedures and the ability to carry out on the same site all the transactions needed to comply with the requirements of the procedure.

Figure 3.2. Ideal Construction Permit Process Obtained through an Electronic One-stop Portal
The ideal process for obtaining a Construction Permit is simplified to seven procedures: land use, feasibility consultation, obtaining feasibility certificates, building license, utility connections (drinking water, sewage and electricity) and notice of completion of construction. The ideal process requires that the Construction Site Director (director responsable de obra, DRO) coordinate the procedures internally by means of a single one-stop electronic portal, thereby becoming co-accountable. Firstly, an online map allows consulting for feasibility (land use, water, sewage, access to electricity, risk areas, etc.). Second, the process is undertaken online by means of a procedure before the municipality’s Urban Development agency which, in turn, communicates with other agencies (Environment, Civil Protection, the agency operating water supply and sewage provision, etc.) by means of a shared database, resulting in the issuance of land use licenses, feasibility certificates and building licenses. On the other hand, the and notice of completion of construction automatically updates the information in the Cadastre Office (Catastro).

The ideal process, then, requires a database shared by all agencies involved to be consulted by the DRO and where several procedures may be carried out. It also requires designating a unique number to each construction project, generating a digital file so that each one may be easily identifiable by the different agencies and the DRO may follow up on the procedures in detail.

Figure 3.3. Construction Permit Single Database

3.2. Process diagrams

The process of obtaining a Construction Permit in each of the states involves different procedures, steps, response deadlines and, therefore, agencies. The current process diagram presented in this section reflects the procedures that are more frequently required in the nine states participating in the Short-term Measures. Hence, their objective is to show a typical diagram, or one representative of the nine states participating in the review. Nonetheless, there may be differences when procedures coincide between states and municipalities, the order in which they must be submitted or the relationship between one and the other, such as if one is a pre-requirement for another or if the procedures may be initiated simultaneously. The reader must then consider this heterogeneity. The time frame for each procedure was calculated by averaging the time frames in which the authorities of the nine states respond.
a) Current process diagram

The process to obtain a construction permit takes an average of 57 days, considering as was already mentioned, the need to comply with federal, municipal and private agency (telephone company) procedures. The only federal-level procedure is carried out before the electricity supply service (Comisión Federal de Electricidad) that offers the same response time for the nine cases reviewed. Three areas are involved in terms of municipal procedures: Urban Development, Water Supply and Civil Protection.

Figure 3.4. Current Construction Permit Process Diagram

In eight out of nine states participating in the Short-term Measures review the process begins with the procedures to obtain the alignment and official number. This procedure takes on average three days, although in one of the cases reviewed it can be carried out in a day. The second procedure that most states require has to do with a land use report. The average delay for this process is four days. Two cases stand out: a previous one for requiring another report on land use which adds two days to the process; and a second one in which the procedure is integrated to the process of obtaining a building license and a certificate of secure construction, which reduces the time frame by approximately half with regard to other states.

Five of the cases reviewed, in addition to the process to install/connect water and sewage services, require as a previous step a feasibility certificate for provision of these services. This requirement adds an average of 11 days to the process, in addition to the average 13 days required to connect the service. The considerable dispersion between the response delays for this process is noticeable, since while one state grants the connection in two days, in average the rest exceeds 20 days.

The notice of completion of construction and the building license are the processes with the highest number of common elements (eight out of nine cases).

b) Improved process diagram

The procedure to obtain a Construction permit resulting from implementing the improvement measures suggested by the Short-term Measures review presents an average reduction of 17 days and eliminates three processes. The procedures to connect to the electrical power and telephone services were not modified, hence the lack of change in terms of average number of days.

Figure 3.5. Improved Construction Permit Process Diagram
The decrease in the number of procedures needed is a result of the integration of urban development processes. On the other hand, the procedures related to connecting water and sewage provision services might bring, on average, a larger reduction in response delays.

### 3.3. High-impact recommendations

**a)** Update the urban plan in order to speed up alignment, official number and land use procedures integrating these into one process, as well as to generate legal certainty among builders. In the medium-term, the use of geo-referenced maps and a single, coordinated database may contribute to facilitate these procedures even more.

Before carrying out a construction project, the entrepreneur must know if the land use allows building on site and the viability of access to basic utilities. Traditionally, these consultations should be done in the municipal urban development agencies and the service operators’ offices (water and sewage agency, for instance), which sometimes can be complicated and slow, especially if the information is not quickly accessible or if the development plans are not updated.

It is not uncommon to find urban plans with obsolete lines of business allowed by area, since there are activities that are not yet contemplated. In some municipalities it is a frequent practice to deny the land use and for the applicant to appeal and offer evidence that there are “non-allowed” lines of business operating on the boundaries of the area in question. In addition, if maps and urban plans are not updated it would be very difficult to guarantee the entrepreneur any legal certainty on the boundaries of the land in which the business will operate. Since municipal development plans are documents that indicate in detail the land uses, they must be regularly reviewed and updated, as well as associated to a map. Once this is taken care of, it is possible to speed up alignment, official number and land use procedures, integrating them into one single format. An updated map allows a faster determination of boundaries and the official number for the lot, as much as an updated urban plan facilitates a quick definition of allowed land uses for a certain lot, as well as utility availability.

While all these tasks can be undertaken manually and in a relatively short time, in the medium term the process can be facilitated even more by using digital tools. Geo-referenced maps may be consulted online, so the entrepreneur can verify, quickly and remotely, the land uses and feasibility of drinking water and sewage services. Nonetheless, there is no use for this type of tool if urban plans and maps are not updated. Aguascalientes, Colima and Sinaloa are states that have implemented some of these good practices.

In addition, the process would benefit from developing a single, coordinated database that allows sharing information among agencies, assigning a unique number to each construction project to facilitate procedure follow-up. A digital file of construction projects and lots would allow faster consultation on owner history, land use and utility feasibility and risk areas, among others, that would simplify procedures such as the obtention of feasibility certificates.

In this case, a first step would be to analyse the agencies involved in the process of obtaining a Construction Permit. Once this is done, it is necessary to identify the procedures they process and their information needs. The process diagrams for obtaining a Construction Permit described in section 3.2 may serve as a starting point. This data may be used to determine if there are common information needs and, therefore, the agencies that need to participate in a shared platform.
In summary, a coordinated database would speed up the process by facilitating data communication and sharing. In this case, the use of a one-stop portal is recommended. A wide array of processes could be facilitated or eliminated by sharing information among agencies. For instance, currently in many states the user must visit the Cadastre Office to register the construction project after receiving the notice of completion of construction. If the urban development and the cadastre offices shared information, the data in the latter would automatically update when the notice of completion of construction is presented before the former.

b) Implementing the express license or the accountable statement on the basis of a risk approach and making the DRO co-accountable.

Risk approaches allow the regulating authority to concentrate its resources in areas in which societal risks are highest, simplifying procedures for lower-risk activities. Under this principle, an express license, authorized and downloadable online, could be implemented for low-impact construction projects (instead of having to deliver in person several sets of blueprints) or for constructions that repeat specifications that have been approved in previous permits (frequent users) making the DRO co-accountable. This practice allows for reducing workloads, since the authority can concentrate on those projects that imply more risks, resulting in an improvement of time spent and quality of service. Certain specific procedures to which the strategy could also be applied are the civil protection or environmental resolutions.

Box 3.1. The Neighborhood and Condominium System in Aguascalientes (Sistema de Fraccionamientos y Condominios, SIFRAGS)

The urban development management state system of Aguascalientes (Sistema Estatal de Administración del Desarrollo Urbano de Aguascalientes) contemplates the concurrence of the state and municipal governments in terms of ruling and regulating human settlements in the states’ territory; determines the legal framework to authorise developments; establishes the regulations in terms of land use and the general rules related to construction projects; the regulations in terms of regularising land ownership; the competencies of the authorities; and the participation of society in terms of urban development through collegiate agencies such as the Urban Development State Commission (Comisión Estatal de Desarrollo Urbano, CEDU) and the Conurbation Commission (Comisión de Conurbación).

The SIFRAGS, launched in 2005, is a system that guarantees transparency and order in the process of creating files for new developments in terms of the required approvals and the supervision of urbanisation works in order to establish an optimal level of state control through a digital system. This is a unique system in the country, since it makes both graphic and documentary information available online to the agencies involved in the process, as well as for other parties, such as developers and the purchasing citizens or potential purchasers of an asset. The system also works as a decision-making tool since it allows and gives certainty in terms of an adequate infrastructure, equipment and urban service provision, bringing transparency to the decisions made in this regard.

The project stems from the identification of a series of problems: i) between 1992 and 2004, developments were authorised without full integration of files, which did not comply with the Urban Code (during this time, 288 developments were authorised without fully complying with the requirements), ii) the administration and control functions of the urban development department operated with obsolete technologies, and there was no IT tool allowing for general, faster and updated consultation of development files already authorised or in process of being integrated in order to learn of the situation at the start and the expiration of the authorisation, iii) authorisation time was between six and eight months, excluding the time required to create the file, iv) the integration of the information into the files was diffuse and disorderly, which led
Box 3.1. The Neighborhood and Condominium System in Aguascalientes (Sistema de Fraccionamientos y Condominios, SIFRAGS) (continued)

the administrative procedure to be excessively slow, opaque and subject to discretionary decisions, generating incentives for corruption, vi) there was no information on the file’s status or its integration, as well as with regard to compliance with applicable regulations, vii) there was no coordination between the state and its municipalities, which brought about differences in integration of files and control of commitments, viii) there was no way to maintain communications in real time between the officers in charge of the process, the developers and the general public, ix) the follow-up of progress and quality of urbanisation works was done manually, x) there was not any efficient technical method to transfer the project to a georeferenced level in order to update the state’s cartography, xi) the administrative procedures to authorise and monitor the developments being built and the completion of works were subject to discretionary powers, xii) there was no updated registry of experts and material quality labs available to the public, xiii) authorisations to begin urbanisation projects and promotion depended on personal opinions, with no automatic tool to prevent discretionary elements from influencing the process.

An outcome of continuous improvements, the SIFRAGS has adapted to the changes in the legal framework, implementing a module dedicated to supervising urbanisation works in order to create a constant flow of information and processes within a critical route scheme, issuing notifications automatically when the requirements and percentages of construction progress were complied with, avoiding discretionary decisions and corruption of public servants.

The project brings about the following tangible benefits: i) an adequate integration of the file by feasibility, since the system will not allow issuing a feasibility certificate or registering an administrative procedure pertaining to subsequent phases if the previous ones have not been complied with, thus generating a transparent process since it is available online to the developers, agencies and the general public. In addition, the system allows to check the percentage of progress in compliance with requirements as well as those yet to be complied with, ii) all actors participating in the process may access the information online, including the follow-up stage, guaranteeing transparency and compliance with the rules and regulations in the process, iii) the determination of requirements as well as the integration of the technical-legal file is available online to all participants involved as well as to the general public, iv) the resolution is obtained four times earlier, v) information among government agencies is integrated in order to make administrative procedures more transparent and faster, allowing the verification of information that the other party is considering valid, vi) serves as a basis for updating the urban mapping information of the state and supports the property registration of the map information, vii) links to the education, health, culture, sports and housing areas of the three levels of government in terms of urban planning and equipment, thus avoiding duplication in functions and expenditures for infrastructure and urban equipment projects, viii) the Urbanisation Works and Certified Material Quality Laboratories Registry was implemented, guaranteeing technical compliance in urbanisation works, as well as bringing certainty to the value of the assets purchased and increasing transparency, ix) one-on-one attention was implemented online to sustain a dialogue in real time with officers involved in the process, avoiding trips, loss of man-hours, saving public and private inputs.

The users directly benefitting from the project total 150 developers who require authorisation for their developments and follow-up of their commitments. It should be noted that these developers generate investments, on average, up to an annual $238,514,375 pesos, as well as 1,373 permanent jobs and 2,553 temporary positions. In addition, about 50,000 citizens benefit every year as potential development purchasers.
Box 3.1. The Neighborhood and Condominium System in Aguascalientes (Sistema de Fraccionamientos y Condominios, SIFRAGS) (continued)

The SIFRAGS was developed in ASP code, using SQLServer as database server and ARCLMS as map element visor. The system was awarded the Innova 2005 prize, the acknowledgement of the National Housing Commission (Comisión Nacional de Vivienda, CONAVI) in 2007 and named by the federal Ministry of Social Development as the best practice in terms of urban development.


In Tuxtla Gutiérrez, Chiapas, the construction express license significantly reduced response times. This practice is primarily based on co-responsibility, as the DRO and the owner signed commitment letters taking responsibility for the application, the documents submitted, and for the process of construction of the work (see Annex 6).

An alternative to the express license is the accountable statement, which is basically a notice to the authorities about the start of an activity (in this case, construction), stating implicitly the compliance with applicable regulations. Under this scheme, the role of the authority changes, since it no longer issues permits, but only makes sure that individuals use them responsibly, concentrating inspection activities according to risk levels. In these cases, it is common that at the same time there is more flexibility for the individuals who must comply with the requirements, the penalisation is higher for those who violate the regulations. Procedures are thus simplified (substituting a license for a notification), but infractions are punished more severely.

Box 3.2. International Experiences with Risk Approaches

In Piedmont, Italy, a tool called Activity Start Report allows an entrepreneur to start a business subject to this notification to the authority, without having to obtain an administrative approval. Although some exceptions apply, this tool eliminates the wait time for the resolution of the process.

In Catalonia, Spain, the “accountable statements” that substitute additional documentation requirements with a notice that implies that individuals are complying with the regulations, making them accountable otherwise. Another instrument is the “previous communications” that substitute licenses and allow the entrepreneur to begin operating a business once they are presented to the authorities.

Bavaria, in Germany, implemented a system in which requirements are subject to the type of construction with three possible risk categories: low, medium and high. This strategy has contributed to achieve a balance between safety and cost in constructions, while at the same time procedures are facilitated, mostly for the first two categories.4
Box 3.3. Trust Permits in the Municipality of General Escobedo in Nuevo León

The objective of the Trust Permit (Permiso a la confianza) created by the municipality of General Escobedo, N.L., is to grant a temporary approval the next working day after receiving the construction permit application with all the required documents, which allows citizens, entrepreneurs or investors to begin the planned construction immediately. An initial file review, that takes place during the first working day after the application is turned in, consists of a general evaluation of the information and blueprints on file in order to guarantee convenient safety standards as well as minimal risk levels. At the same time that the applicant starts construction, the municipality assesses and reviews the application in depth, prepares the necessary technical and legal opinions and issues the final construction permit according to the regulations in force. If applicable, the municipality mandates adjustments to the construction project according to safety and minimal risk criteria, and the applicant must carry out the adjustments or the final construction permit will be denied.

The Trust Permit employs a risk approach since, although any citizen may apply for it, its target population is businesses that have previously obtained construction permits, the so-called “frequent flyers”. This allows the assumption that with the new application, the construction project will be the same or similar to the previous ones, so safety conditions and risk minimisation for the new building will be the same as in construction projects already approved in the past. As an additional consequence it is expected that the likelihood of ordering adjustments to the project will be low, since the tool stimulates the applicant to establish the same safety and mitigation measures as in previous applications. A scheme of co-responsibility and mutual trust is thus established between the municipality and the applicants of construction permits.

The main benefit for entrepreneurs is a quicker recovery of investment and an improved planning to take advantage of business opportunities. Compared to the previous situation in which the applicant could only start building with the final permit, the Trust Permit allows to start construction up to 40 working days before, which advances the start of the sales. In addition, the applicant is certain that the construction permit will be granted provided the safety measures of the building are the same as in previous applications.

Between December 1st, 2009 and December 1st, 2011, the municipality of General Escobedo granted 1,862 Trust Permits, which materialised into construction permits creating more than 10,500 new (direct and indirect) jobs worth revenues of more than $10.3 million pesos in permits and property taxes for the municipality.

Source: Information provided by the Ministry of Urban Development and Ecology of the Municipality of General Escobedo, N.L.

c) Speed up and increase inspection efficiency so they are not an obstacle to obtaining a construction permit.

Just as with the inspections related to Starting a Business, it is recommended that the following practices be implemented:

- Multi-disciplinary inspectors.
- Scheduling inspections in advance through remote media (telephone and/or online).
- Total quality certification of the inspection process.
- Risk approaches for inspections (see Box 2.3).
- Control mechanisms to handle inspectors’ discretionary decisions.
d) Transparency in the DRO’S work.

As already described, the ideal process makes the DRO co-accountable in terms of how the procedures required to obtain a construction license are handled. In many states, the quality of the DRO and the number of sites he/she is responsible for, as well as the sanctions they face in case of non-compliance are not known by the general population, and this is why this information should be more transparent. Making the DRO co-accountable is also crucial in terms of implementing the express license and expediting inspections. The proposal consists in implementing an online consultation system and allowing public works or urban development agencies to access information on their performance.

This improvement would be a strong incentive to a good performance from the DRO, contributing to prevent non-compliance with the regulations and avoid practices outside the regulation.

**Box 3.4. The Certified Site Surveyor (Perito de Obra Certificado, Aguascalientes)**

Repeated inspections are among the elements that delay a construction project, increase costs and foster corruption. The Certified Site Surveyor (Perito de Obra Certificado, POC) was created in Aguascalientes as a figure responsible for complying with the regulations at the construction sites where she or he is responsible, committing to oversee the correct execution of the project together with the owner and the builder.

A POC is authorised to carry out inspections to obtain a construction license, thereby eliminating the need for municipal authorities to carry out the inspection at the beginning and during the execution of the project. This figure has been positive for both the municipal government and entrepreneurs. On one hand, it reduces the cost for municipal authorities, since they do not need to allocate staff to perform inspections. As it has been extensively documented, when municipal offices are responsible for carrying out inspections directly, usually there are not enough supervisors, leading to delays and corruption incentives. On the other hand, using a POC as part of the team allows the entrepreneur to estimate the time it will take to complete the construction as well as its cost, at the same time making sure to comply with the necessary regulations.

If a regulation is not complied with or false or erroneous information is provided, the surveyor loses his/her license, even permanently in serious cases.


e) Given the relevance of the urban development office in granting construction permits, municipalities must make sure that the internal procedures for evaluating applications are simple and faster.

The OECD identified a common feature of the states under review in terms of a series of redundancies and inefficient practices in the process of granting a construction permit that needs to be avoided. These redundancies and inefficient practices are detailed as examples in this section. When evaluating procedure applications, municipalities should aspire to standardised and uniform processes, in which redundancies, unnecessary steps and inefficiencies are eliminated.
Uniformity and elimination of inefficient practices allow for more predictable evaluation processes in procedure applications, increasing the perception of certainty from citizens, entrepreneurs and investors, discouraging informality and unlawful practices. In addition, simple, agile processes help municipalities to minimize resource use in the evaluation of procedure applications, thus freeing economic resources that may be used in other tasks and the design of public policies that generate higher benefits for the population.

However, evidence presented by the review of nine Mexican states shows that it is common to find redundancies, unnecessary steps and inefficiencies in the evaluation of construction permit applications within the urban development areas or directorates, which complicates and delays the process. Some examples include:

- Delayed application reviews due to an incomplete file received at the agency.
- Redundant application file review, evaluation and signature rounds within the same area of the urban development agency. A review round is defined as redundant when its objective is the same or similar.

Box 3.5. Experiences in Improving the Efficiency of Internal Practices in Municipal Urban Development Agencies

Eliminating steps to be fulfilled by the applicant and substituting them by internal coordination measures: The Urban Development Directorate in Tuxtla Gutiérrez, Chiapas, works in coordination with the Cadastre Office, exchanging information on notices of completion of construction. Periodically, the Urban Development Directorate delivers the Cadastre Office a copy of the notices of completion of construction issued so the Cadastre Office may update their files. This eliminates an additional procedure to be complied with by the entrepreneur at the Cadastre Office to provide the latter with the required information. This prevents the entrepreneur from having to perform an additional procedure at the property registry to submit the information required. Furthermore, the state government signed a cooperation agreement for cadastral purposes with the municipality to entrust it the cadastral operation and services; this has resulted in more internal coordination among the different areas of the municipality, including the Ministry of Public Works and Urban Development (see Annex 7).

The municipality of Colima created a shared database with information including procedures carried out before the Urban Development Directorate, the Cadastre Office and the water supply agency. The Cadastre Office may thus obtain an update on the change of status of the lots once the Urban Development Directorate enters the notices of completion of construction into the system.

- Several working day delays in delivering the official alignment and number for construction permits, despite the availability of identified and enclosed zones.
- Separation between the procedures of demarcation in the Cadastre Office and land use, which adds visits to the public agencies and, therefore, wait time. In any case, the suggestion is to merge the procedures into a single format and coordinate their evaluation internally (recommendation A).
- Incompatible state and municipal urban development plans.
- An additional procedure to register the construction project before the Cadastre Office, despite the fact that the notices of completion of construction has been presented at the municipal
development office. In any case, the construction registration procedure may be eliminated and
the Cadastre Office may register the construction internally when sharing information with the
urban development office.

In order to implement standardised and uniform processes in the evaluation of procedure applications,
the process of receiving and evaluating applications should be analysed to allow the identification of
redundancies, unnecessary steps and inefficient practices in order to eliminate them. Given the potential
benefit in terms of improving the local business environment derived from granting construction
permits based on a simple, agile and predictable process, the municipal urban development office
must implement internal application evaluation procedures that allow achieving this goal.

Box 3.6. High-impact Recommendations for the Construction Permit Process

a) Update the urban plan in order to speed up alignment, official number and land use procedures
integrating these into one process, as well as to generate legal certainty among the builders. In the
medium-term, with the purpose of facilitating these procedures, use of geo-referenced maps and a
single, coordinated database.

b) Implementing the express license or the “accountable statement” on the basis of a risk approach.

c) Speed up and increase inspection efficiency so they are not an obstacle to obtaining a Construction Permit.

d) Transparency in the DRO’S work.

e) Given the relevance of the urban development office in granting construction permits, municipalities
must make sure that the internal procedures for evaluating applications are simple and fast.

Notes

1. A specific agency should lead the task of managing the one-stop online portal, the shared database and the
digital files, as well as the information contained in them.

2. This recommendation also applies to the process of Starting a Business, since, as mentioned before,
entrepreneurs usually need to build their own facilities. Nonetheless, in the case of a Construction Permit, the
emphasis is on standardising the alignment, official number and land use procedures.

3. Coordination among municipal and state authorities is also key to guaranteeing their respective development
plans are consistent.

4. Instituto Mexicano para la Competitividad. Competitividad Urbana 2010: Acciones Urgentes para las Ciudades del

5. See recommendation d on the process of Starting a Business.
PRACTICAL NOTES

Main lessons


Priorities for my state or municipality


Strengths of my state or municipality in terms of implementing the recommendations


Challenges of my state or municipality in terms of implementing the recommendations


Strategies to overcome the challenges


The relevence of the Property Registration process lies in the legal certainty it brings, and in the clear statement of property rights, which promotes investment and productive activities. In the nine states reviewed in the Short-term Measures project, the average number of days needed to complete a process in the property registry is 19.3, with a maximum of 32 and a minimum of 13 days (notice the substantial difference between maximum and minimum days, which is more than double). As to the number of procedures, the average is 5.4, with a maximum of eight and a minimum of four.

Figure 4.1. Agencies Participating in the Property Registration Process
The procedures are concentrated among state and municipal authorities. On the one hand, the state procedures usually include the non-encumbrance certificate on the property and the registration of the deed on the Public Registry of Property. On the other, the municipal procedures have usually to do with property appraisal, non-liability certificate, informing the Cadastre Office of the ownership change and payment of the Tax on the Purchase of Real Estate (Impuesto Sobre la Adquisición de Bienes Inmuebles, ISABI).

More than five federal, state and municipal agencies participate in the current process. The citizen must contact and carry out the procedures with each one of them.

4.1. The ideal process

As in the cases described in previous sections, the ideal process assumes that the citizen is at the centre of the government activity. This implies visualizing governmental management as a whole, achieving coordinated and coherent measures at the three levels in order to offer the citizen a one-stop service, whether virtual or physical, to access full information about processes and procedures and the ability to carry out on the same site all transactions needed to comply with the requirements of the procedure.

The ideal process has the required procedures for the purchase or sale of a property integrated into four consultation steps and online processing with the different agencies involved. The first stage would involve online queries or obtaining non-liability (tax and mortgage) certificates from the state and municipal treasuries as well as the RPPC, although it might also be possible to eliminate these requirements and replace them with the most recent tax and utility payment receipts. The second stage would involve scheduling an appointment with the appraisal expert to obtain the cadastral value certificate. Third, the notary public prepares the contract and makes the ISABI payment online, using the calculator available on the site to determine the amount. Lastly, the notary public registers the deed before the RPPC and, assuming a database shared with the Cadastre Office, the information on the latter is updated automatically.

Figure 4.2. Stages in the Management of the Property Registration Process
The citizen will thus turn to the notary public, who would access a portal with the property’s file, obtain information on the agencies involved and make the transaction, all from a virtual one-stop site.

Figure 4.3. The Ideal Process of Property Purchase-sale

Even though simplification efforts have been implemented in some states, they are not coordinated. In other words, the RPPC and the Cadastre Offices have implemented digital tools to carry out procedures, but separately, thus limiting their potential significantly.

4.2. Process diagrams

The process of Property Registration in each of the states involves different procedures, steps, response deadlines and, therefore, agencies. The current process diagram presented in this section reflects the procedures that are more frequently required in the nine states participating in the Short-term Measures. The time frame for each procedure was calculated by averaging the time frames in which the authorities of the nine states respond.

a) Current process diagram

The Property Registration process is the one with the least variations with regard to the number of procedures involved. There is only one state in which there are additional procedures related to the issuance of certificates of different municipal charges. The average length of the process is 20 days, including two levels of government and participation from private agents (notary publics and experts).

There was ample variation observed, however, with regard to the sequence followed by the procedures. Therefore, while in some states the expert appraisal is an initial requirement, in others it is preceded by several certificates of non-liability before the different service provision agencies in the municipality. Readers are reminded that the diagram aims at depicting a prototypical case.

Among the nine states reviewed, the registration of the deed on the Public Property Registry is the procedure that presents the most dispersion in terms of the time it takes to resolve. The longest period is 12 days and the shortest is two.
b) Improved process diagram

The process after implementing the improvements is reduced by an average of ten days. This is the outcome of integrating the different non-liability certificates and appraisals. In addition, the improvements reduce the response times for the four remaining procedures.

4.3. High-impact recommendations

a) Increase the efficiency and speed up notary publics’ participation in the process of registering a property by adopting digital government tools.

In the current process for registering a property notary publics play a transcendental role in procedures such as preparing the contract, paying the ISABI and registering the deed before the RPPC. In fact, a good part of the time and cost of the process is concentrated on the procedures in which notary publics intervene. Therefore, the property registration process would improve significantly if the notary publics’ work is more efficient and faster. The most effective way of achieving this is to integrate digital tools to the processes in which they participate. For example, the ideal process establishes that the notary may obtain the non-liability certificates (tax and mortgage) online, as well as make the electronic payment of the ISABI, using an online tool to estimate the amount and registering the deed before the RPPC remotely.

Currently, Colima uses an electronic platform for notary publics through which they can handle real estate procedures online with the RPPC and the Cadastre Office. A tool like this allows, from the citizen’s perspective, the completion of the process in just one step.

In Baja California, the RPPC developed a Notarial Management System (Sistema de Gestión Notarial, SIGEN) that facilitates a more efficient management from notaries and allows the registration, payment and obtainment of a property registration proof with a digital signature. A company was hired for this purpose to carry out an analysis of the procedures followed by the notaries and, based on this, developed a software that allows managing 80% of the workload at the notaries resulting
in a deed and the possibility of pre-filling data onto forms. Currently, the SIGEN is in a pilot stage. Nonetheless, in January 2010, the Notary Public’s College of Baja California signed an agreement with the Institute for the National Housing for Workers Fund (Instituto del Fondo Nacional de la Vivienda para los Trabajadores, Infonavit) to make the process of generating deeds and registration in the RPPC more efficient. Among other agreements, the notaries of the state made a commitment to achieve a higher level of incorporation to SIGEN to digitalise the procedures and reduce the time frame for registering the deeds. Notary publics also receive personal visits to inform them about the system’s advantages.

Several states have not yet implemented real estate processes online, and have not taken advantage of standardised systems such as the Comprehensive Real Estate Registry Management System (Sistema Integral de Gestión Registral, SIGER Inmobiliario), which would allow notaries and other authenticating officers to carry out registrations remotely.

This tool guarantees the integrity of the information with the use of the advanced digital signature, in addition to its backup on a centralised database, as well as allowing registration and queries online. The SIGER was also developed for real estate registration in order to assist state governments in guaranteeing legal certainty.

Box 4.1. Implementing the Real-estate SIGER and Modernising Morelos’ RPPC

On August 23, 2000, the Ministry of Economy (SE) and the government of Morelos signed the Coordination Agreement on the Operation of the Public Registry of Commerce (Convenio de Coordinación en Materia de Operación del Registro Público de Comercio). This agreement became the basis for the state to provide the Public Registry of Commerce service, and hire the necessary suppliers to digitalise the historical archives and train the staff responsible for operating the SIGER. The system began operating in August 2002.

In order to expand the collaboration to the Public Property Registry, the SE and the state signed a coordination agreement to operate the Public Registry of Commerce and support the modernisation of the Public Registry of Property. On December 2006, the Morelos RPPC joined the Programme for the Modernisation of Public Registries, implemented by the Federal Government. Also in 2006 a collaboration agreement with Sociedad Hipotecaria Federal was celebrated aiming to elaborate the diagnosis called “Baseline”.

The first assessment was carried out in January 2007 and reported 27.77% progress, qualified as “insufficient”. This evaluation allowed insights into the Morelos’ RPPC status with regard to the National Modernisation Model and made it possible to identify the most important improvement opportunities. Based on these results, the State Modernisation Programme was designed for 2007, 2008 and 2009. A second evaluation was carried out in August 2007, achieving a score of 57.55%, at the “sufficient” level.

Each subsequent evaluation has reported advances, up to a score of 92.99% on the most recent round, which took place in August 2011. The figure below shows the progress achieved in each of the evaluations:

It should be noted that the Federal Government is mentioned in the last evaluation: “Early in its incorporation to the Programme, they obtained a modest 27.77%. Currently, after being evaluated on eight occasions, the state is second in the nation, with 92.99% adherence to the Model, very close to the first place, with minimal differences. The progress and positioning, from our point of view, have a clear explanation that should invite to reflect on how to modernise a Registry and be, if applicable, an example of implementation of a viable, practical work programme which adheres to the recommendations.
In August 2011, the Institute for the Public Registry of Property and Commerce of the state signed an Agreement with the Ministry of Social Development to coordinate the granting of federal resources aimed at modernising the Public Registry of Property. The latter document implements a resource combination totaling $10,389,405 pesos aimed at financing the states’ modernisation programme (50% of the resources were provided by the Federation through the Ministry of Social Development and 50% by the state).

Below are the most relevant among the specific achievements of the strategy:

- Morelos is considered the state with the most updated legal framework in terms of the RPPC, and also as the one that adheres the most to the National Modernisation Model.
- In 2007, the registration process involved 47 steps. With the SIGER the steps were reduced to only five: reception, analysis, qualification, file and delivery, which brought, in turn, a reduction in response times.
- Implementing the advanced digital signature, which has allowed the digital application of the registration system known as Fedanet.
- Implementing a non-liability certificate for early warning purposes that can be issued through Internet.

The State Public Registry of Property and Commerce is now operating a digital file system to permanently store and safeguard the Public Registry books and part of the Notary Publics’ General Archives. In addition, all the RPPC books were digitalised and captured in the SIGER database. Currently, 100% of the books and tomes have been digitalised, allowing modifications to the system based on lending the books, to a system based on computer systems that can be accessed from the offices of the notaries. This is essential, among other things, because it optimises the distribution of physical space in the RPPC offices and helps preserve the integrity of the information and prevents the hardcopies from being altered or stolen.
Box 4.1. Implementing the Real-estate SIGER and Modernising Morelos’ RPPC (continued)

In addition, the Catalog of Procedures and Services, Response Times and Costs is constantly updated and reflects a commitment with the citizen in terms of transparent and agile processing of their applications.

Two additional features are key in the implementation process in Morelos. The first is that the process has been supported by the different participants, such as the federal and state authorities, the College of Notaries, housing promotion agencies, civil society organisations, and the banking and business sectors. The second is that it is a legal requirement that the state’s Institute for the Public Registry of Property and Commerce be a decentralised public agency, with its own legal status and patrimony.

This modernisation effort has generated benefits for the citizens with the reduction in response times; the delay in delivering deeds, exceeding eight months, has been solved; the average delivery time is three days and eight out of ten deeds are processed online with an average response time of one day.

Source: Information provided by the Instituto del Registro Público de la Propiedad y del Comercio of the State of Morelos.

Municipalities must also set the legal bases for their digital interactions with notaries and create systems for that purpose. For instance, the municipality of Cuernavaca, Morelos, published its Bylaws for the use of electronic media and digital signature for procedures before notaries in the state of Morelos (Reglamento del uso de medios electrónicos y firma electrónica para trámites ante notarios públicos del estado de Morelos) on February 2, 2007 (see Box 4.2). Likewise, the municipality of Tuxtla Gutiérrez, Chiapas, established the Municipal Electronic Statement (DEMU) that allows notaries to register the transfer of title transactions, electronically attaching the required documents and paying the corresponding taxes. The Township Revenue Act and the Rules of Operation for Tax Payment of transfer of title of real state, condominiums and land-division developments, through Internet, establish the regulatory framework for the DEMU (see Annex 9).

As previously mentioned, the lack of information and the bureaucratic inertia can create delays in the adoption of these tools.

Box 4.2. Cuernavaca’s Municipal Government Regulation on Electronic Media and Digital Signature to Be Used before Notaries in the State of Morelos

This document offers notaries the possibility to carry out their procedures before the municipality online, including, among others the certification of non-liability in property taxes or municipal utilities, payment of property tax and municipal services and the property registry blueprints. Its aim is to speed up, simplify and facilitate access to procedures that involve the municipal public administration, promoting and fostering the use of digital media in the interface between agencies and citizens by means of a notary public, as well as providing certainty and trust in the handling of procedures online, stimulating their use; the use of the digital signature and the delivery of related certification services.

The bylaws establish the functional equivalency of the digital and the hardcopy signature by defining that the digital signature may be used as a substitute of the hardcopy signature, with the same value, in promotions or applications as well as in the municipality’s acts where, according to the law, a hardcopy signature is required. The bylaws also stipulate that there will be security measures in place to allow for
b) Establish a comprehensive modernisation program for the RPPC with annual and medium- and long-term targets, subject to periodic evaluations

Apart from using electronic tools, experiences like those at the Baja California and Colima RPPC illustrate the importance of relying on a comprehensive modernisation programme. The Programme for the Modernisation of Public Registries, managed by the Federal Government, puts forward nine components: updating the legal framework, redesigning registry procedures, information technologies, quality management system, professionalization of the registry function, management and document stock, institutional policies, linkages with other sectors, and performance indicators. Annexes 10 and 11 contain detailed descriptions of how those components have been implemented in the modernisation of registry agencies in Baja California and Colima.

For example, in terms of updating the legal framework, modernising the RPPC of Colima was accompanied by the enactment of the Digital Signature Law for the State of Colima and its corresponding regulation, as well as amendments to the Civil Code, Code of Civil Procedure, Penal Code, Code of Criminal Procedure, Cadastral Law, Law for Notaries of the State of Colima, and the Regulation of the RPPC. In Baja California, in March 2009, amendments to the Public Registry of Property and Business Law were published, reassuring users of the procedures.

Modernisation in both states was accompanied by registry procedures redesign. In fact, in Colima, such redesign resulted in reducing processes from 10 to only five, and also reducing delivery times of procedures to a maximum of three working days. As to the implementation of information technologies, both cases are illustrative. The Baja California RPPC makes use of the advanced electronic signature and the Comprehensive Notarial Management System or SIGEN (see Annex 8 for details); it also allows validating the authenticity of procedures through its web portal. For its part, the modernisation of Colima RPPC has implemented the certified electronic signature and offers different services via Internet, which has reduced the response times to a matter of hours and, in some cases, of minutes. At this point, it also highlights the Chiapas RPPC which developed a platform called SIREC (Comprehensive Real Estate Registry Management System) to automate substantial operations at the offices, improving delivery services to citizens, allowing an orderly administration, and by order of precedence (see Annex 12).

As to the quality management system, both Baja California and Colima RPPCs have entirely certified their processes under the ISO9001 Rule. Thus, procedures follow a rule and they are periodically evaluated. In relation to the professionalization of the registry function, the modernisation programme in Baja California included a training component whereas, the Colima RPPC created a System for the Training and Professionalization of Staff, and employees are educated in quality management, effective leadership, and process re-engineering.

**Box 4.2. Cuernavaca’s Municipal Government Regulation on Electronic Media and Digital Signature to Be Used before Notaries in the State of Morelos (continued)**

the integrity, authenticity and confidentiality of the information, of the digital registries generated in the delivery and reception of promotions and applications as well as in electronic acts.

The use of digital media is optional for notaries and those interested in using them must sign an agreement with the municipality.

Regarding the management and document stock, both states have chosen to digitalise files. It is important, however, to have enough backups to ensure information security. In Colima, for example, information pertaining to the registry body is protected in three different servers. As to institutional policies, the implementation of the SIGEN in Baja California and electronic procedures in Colima are important models which the various processes must follow.

As for linkages with other sectors, in both cases coordination with associations of notaries to identify areas of opportunity and communicate the improvements made stand out. Likewise, municipalities are important players: for example, the Baja California RPPC signed agreements with five municipalities in the state to promote the coordination and exchange of cadastral and registry information. Finally, in terms of performance indicators, the Baja California RPPC has established indicators for user satisfaction and response times whereas, the Colima RPPC has user perception and achievement of goals indicators, among others.

c) Substitute in the short term non-liability certificate procedures (such as property tax, water and sewage services, etc.) with delivery of the latest paid receipts. In the medium term, complete the non-liability verification and the non-liability certificates online through electronic files, eliminating requirements for citizens.

In some states, providing a non-liability certificate for the property tax before the Municipal Treasury office or its equivalent and for water and sewage services before the operating agency, is a requirement for buying or selling a property. In addition, an individual must apply in person to obtain a non-liability certificate for the RPPC. In practice, what these procedures do is transfer the task of verification to the citizen while, if the authorities had the information in order and available and the right coordination mechanisms, they would be able to verify them internally.

In the short term, the non-liability certificate procedures must be substituted by delivering the latest paid receipts. This would eliminate administrative costs for the procedures involved, including the need for additional visits to different agencies. In the medium term, both the non-liability verifications, such as the non-liability certificate, would be obtained digitally. In fact, for example the Colima RPPC makes it possible to obtain the non-encumbrance certificate through an online procedure which takes about five minutes (see Annex 11). For this to happen, property digital files must contain owner, lien and liability history, as well as a single database that allows to share information among agencies.

A digital property file allows quick consultations on liabilities, encumbrances and owners in order to eliminate the procedures needed to obtain fiscal and utility non-liability certificates online. Nonetheless, these digital files require the support of a database that facilitates information sharing among the agencies involved in the process, assigning a single number to each property.

As we have already mentioned, there are online databases operating in some states, but they are managed by one single agency and require participation and coordination from other agencies. The lack of coordination derives in the impossibility of verifying the information internally. In summary, a coordinated database would speed up the process by facilitating data communication and sharing among agencies.

In this case, a first step would be to analyse the agencies at different levels of government involved in the process of registering a property. Process diagrams for Property Registration in section 4.2 may be a good starting point. It is also possible to select those agencies more actively involved in the process to make them a priority, such as, in this case, the RPPC and the Cadastre Office. Once this is done, it is necessary to identify the procedures they process and their information needs. This is used to determine if there are common information needs and, therefore, the agencies that have to participate in a shared platform.
A wide array of processes could be facilitated or eliminated by sharing information among agencies. For example, if the RPPC and the Cadastre offices shared information, the purchase-sales registration before the latter agency could be eliminated since the information for this agency would be automatically updated when registering the public deed in the RPPC. (See Box 2.2 on international experience).

d) Establish the digital signature and security certificates to make online transactions and payments possible.

In addition to maximizing the potential of other tools such as the SIGER, the digital signature allows transactions of information and payments by remote means, eliminating any direct contact between officers and citizens which, in addition to being practical, inhibits the incidence of corruption.

A digital signature allows identifying the user and allocates a degree of responsibility in the procedure. For instance, the appraisal experts may certify their appraisals online, assuming the responsibility of the veracity of the information provided and the authorities may reduce their workloads by implementing random inspections. In other words, the digital signature validates online authorisation acts. This also contributes to the general agility of the process.

In some states, the digital signature now has been enacted as a law in order to gradually expand the electronic management of procedures. In Baja California, for instance, the State Congress passed the Digital Signature Law in September 2009, and currently the state is working on the implementation of a software programme called ASISTE, with the objective of managing state and municipal procedures electronically. Even before, in December 2005, the Public Registry of Property and Commerce Law for the State of Baja California confirmed the validity of the digital signature for procedures carried out before the agency, as well as to register and enter deeds online.

The states and municipalities aimed at implementing a scheme of digital authentication must consider adopting the digital signature that is recognised and authorised by the Federal Government. This seeks to spare citizens from handling different digital identifications, thus standardising the different levels of government with clear potential benefits in terms of procedure and process simplification.

**Box 4.3. The Digital Signature Law for the State of Baja California**

This law is dedicated to regulate the use of the digital signature in procedures and documents pertaining to the state’s public administration SPE and establish the bases through which municipalities will issue the appropriate regulations. The law contemplates that the SPE will use the digital signature to increase the efficiency of internal procedures and official communications. In addition, it contemplates that individuals and businesses will be able to use the digital signature in procedures before the SPE, subject to prior authorisation.

The law grants the digital signature the same legal effect and proof value as a hardcopy signature. The law is applied based on the following principles:

- **Authenticity:** there is certainty that the contents of a data message can be attributed to the individual signing such message, attributing to this individual the legal consequences derived from the message.
- **Confidentiality:** this prevails when the information is under control and protected from unauthorised access and distribution.
Box 4.3. The Digital Signature Law for the State of Baja California (continued)

- Preservation: the safeguarding of the data message to the effect that its existence be permanent and suitable for replication.

- Functional equivalency: Equals the legal effects of the written documents to data messages and of the hardcopy signature to the digital one.

- Integrity: the quality of a data message as complete and unaltered, independent from the changes the digital media that contain it might undergo.

- Technologically neutral: does not privilege the use of any given technology.

In order to favour multi-level coordination, the law established that the state may sign agreements with the federation, other states, the Federal District and municipalities in order for the digital signature to be used by the authorities and handled by individuals in terms of the Baja California law, or else for the digital signature used in state be used also with the federation, other states, the Federal District and the municipalities.

Source: www.congresobc.gob.mx:8080/Parlamentarias/TomosPDF/Leyes/TOMO_J/Leyfirmaelec.pdf.

Box 4.4. High-impact Recommendations for the Property Registration Process

a) Increase the efficiency of and speed up notary publics’ participation in the process of registering a property by adopting digital government tools.

b) Establish a comprehensive modernisation program for the RPPC with annual and medium- and long-term targets, subject to periodic evaluations.

c) In the short term, substitute non-liability certificate procedures (such as property tax, water and sewage services, etc.) with delivery of the latest paid receipts. In the medium term, complete the non-liability verification and the non-liability certificates online through electronic files, eliminating requirements for the citizens.

d) Establish the digital signature and security certificates to make online transactions and payments possible.

Notes

1. This review follows 243 indicators of modernisation bi-annually against their progress with regard to the nine components of the National Modernisation Model. Each indicator is evaluated with 0% (non-compliant), 33% (basic), 66% (medium) or 100% (compliant). In addition, it classifies public registries according to their progress as “insufficient”, “sufficient” or “satisfactory”.

2. A similar recommendation is made for the Starting a Business and Construction Permit processes. For the Property Registration process, the accent is on the digital files to be a tool for the online verification of liabilities and liens of a property.
PRACTICAL NOTES

Main lessons


Priorities for my state or municipality


Strengths of my state or municipality in terms of implementing the recommendations


Challenges of my state or municipality in terms of implementing the recommendations


Strategies to overcome the challenges


Especially for SMEs, public sector purchases may represent a stimulus for entrepreneurial activity and the corresponding job creation when they are carried out under conditions that foster competition. Hence the importance of making the processes of registration of suppliers accessible with clear and transparent rules. Out of the five states in the Short-term Measures project in which entrepreneurs identified such processes as complicated, the average number of days it takes to enroll in the registry of suppliers was 9.8, with a maximum of 15 days and a minimum of one. This enrolment is the only requirement.

Figure 5.1. Typical Process of Enrolment in the Registry of Suppliers
Currently, most states require in-person enrolment in the registry of suppliers as well as complying with complex procedures. Normally, the process involves an enrolment application analysed by the Ministry of Finance/Administration before approval (Figure 5.1).

5.1. The ideal process

In Jalisco there is no need to be enrolled in the registry of suppliers to participate in a bidding process (although, if awarded, the supplier must enrol in it). In any case, there are different options to simplify the process.

The first option is allowing enrolment online. An electronic format with a platform allowing secure data transmission would suffice for the entrepreneur to provide the information required by the authorities. In case this is not a feasible procedure in the short term, the format could be downloaded and the hardcopy completed and e-mailed to the requiring authority.

The second option would involve consolidating the registration with any of the procedures required to start a business or with enrolment to support programs in such a way that, in the eyes of the entrepreneur, the process would be automatic. A common format for these two procedures would provide authorities with the necessary information.

![Figure 5.2. The Ideal Process for Enrolment in the Registry of Suppliers](www.proveedores.estado.gob.mx)

This process could be incorporated as part of another initial process or in a support program

5.2. Process diagrams

a) Current process diagram

The procedure for enrolment in the registry of suppliers to participate in bidding processes was reviewed in five of the nine states participating in the Short-term Mesasures project. As already discussed, for all the cases reviewed the process only involves one procedure, although the same agency is not in charge in all instances.
In two entities this procedure takes 15 days, in contrast with one state in which the process takes one day. The time frame for each procedure was calculated by averaging the time frames in which authorities of the five states respond.

**Figure 5.3. Current Application to the Supplier’s Registry Process Diagram**

b) Improved process diagram

All recommendations are addressed to the authority accountable for the procedure (Ministry of Administration, the State Ministry of Finance, the State Executive Procurement Committee or an equivalent agency) and significantly reduce the response period for the five states reviewed, allowing the average time for the resolution of a procedure to be one working day. Hence, if the five states choose to implement the recommended measures, the response times would be standardised to one day.

**Figure 5.4. Improved Application to the Supplier’s Registry Process Diagram**

5.3. High-impact recommendations

a) Implementing an enrolment tool in line with the registry of suppliers that creates a digital file with the required documents and information.

An online portal in which entrepreneurs can provide the information required by the authorities and attach electronic files of the documents would be ideal to simplify and speed up the process. Once the suppliers provide the information and documents, an electronic file would be generated, avoiding redundant processes and allowing their participation in subsequent biddings through an identification number or code. If necessary, the supplier could be required to mail hard copies of their documents. This type of innovations have already been implemented in states such as Baja California and Colima (see Annexes 13 and 14).

It is noteworthy that the portals of these two states have functions beyond allowing enrolment in the registry of suppliers. For example, in the ComprasBC portal the user can consult online the articles included in the acquisitions’ process and submit quotes, among other functions. In Colima, the suppliers portal offers the possibility to consult online the different acquisitions processes and to obtain information on the products and services more demanded by the state government, as well as to access related links such as the state portal for starting a business, miempresa.col.gob.mx (see Annex 3 for more information) and the portal on transparency. These improvements are particularly important, since they foster more competition between suppliers and allow entrepreneurs from other cities, or even from other states, to participate in biddings.
A higher level of competition is beneficial both for governments and for businesses. For governments, competition represents the opportunity to access a wider variety of suppliers, with higher quality and lower-priced products. For businesses, competitive pressure leads to innovation and quality improvements as well as to more variety, which potentially opens new markets.

**Box 5.1. Electronic Bids in Jalisco**

The government of the State of Jalisco, as all other Mexican states, has carried out closed bids for the procurement of goods and services. This means the state government calls for bids in a procurement contest, delivers the bases for the contest to interested parties and receives the proposals (both technical and financial) in a closed envelope.

In an effort to improve the transparency of the process as well as to increase the benefits for participating businesses and for the state government, the traditional paradigm of government procurement was radically changed with the implementation of electronic bidding, which changed the procurement process from a closed format to a completely open process through the use of information technologies.

The Electronic Bidding and Tender System Sistema Electrónico de Concursos y Licitaciones, [http://compras.jalisco.gob.mx](http://compras.jalisco.gob.mx) is a website accessible from any computer connected to the Internet that safeguards the participating businesses by assigning unique accounts and passwords. The system is available 24 hours, seven days a week, is simple and offers continuous guidance on the process in addition to allowing the official printing of proposals, handling of notifications and managing of information safety. The system provides the bases for tenders and receives participation proposals.

With the purpose of offering the necessary support for an easy and correct operation, online help is offered in four modalities: consultation of the operating manual, technical support via email, frequently asked questions and a telephone number for the customer service centre.

A tool to generate transparency and equal conditions for all participants in a tender, the electronic bidding process includes a virtual Q&A session, an analogy to the one that is traditionally carried out on-site for any procurement tenders. The virtual Q&A is carried out as a forum, where questions are answered and published for all participants in a tender to be informed. From the expiration of the date of publication of the requests until the deadline for delivery of proposals via the Internet, the participating supplier can enter his/her proposals, consult proposals submitted by other participants and modify his/her previous proposals.

Registration in the state’s Registry of Suppliers is not a requirement to participate in an electronic bidding process; however, when an award is made, businesses must be formally registered in order to formalise the contract to sell goods or services to the state government.

This innovation has led the government of Jalisco to save 22% on purchases compared to the traditional system. In fact, the state government is committed to share the electronic bidding software with any interested municipality.


**b) Simplify the requirements for enrolment in the registry of suppliers.**

Reduction of requirements in a procedure is among the most widely used simplification techniques. Requirements such as copies or certified bank statements are complex and represent a high opportunity
cost for entrepreneurs, time and money-wise. Physical presentation of documents or on-site signing also increases costs significantly.

It would be advisable to review the requirements and documents required to enroll in the registry of suppliers in order to determine which ones are really necessary and which may be eliminated. It would also be possible to postpone the requirement of enrollment in the registry or the delivery of original documents until a company is awarded a bidding, as it happens in Jalisco. With this policy, a larger number of suppliers would be able to participate in a tender, but only the awardees would incur in the cost of complying with the requirements.

It should also be noted that the improvements to be implemented should be institutionalised through reforms to the Law of Procurement and Services (Ley de Adquisiciones y Servicios) and others that might influence the process. The applicable laws should contemplate electronic registrations, online bidding and participation requirements.

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**Box 5.2. The Reverse Electronic Bid in the Law for Acquisitions, Leases and Service Contracting in Nuevo León**

The Reverse Electronic Bid (Subasta Electrónica Inversa, SEI) is an optional procedure based on electronic media through which the state purchases goods and services that are awarded to the lowest or the most economically advantageous bid, that is, the bid that offers more benefits in terms of pricing, delivery of goods or provision of services, payment terms and other objective elements. It is called “reverse” because, in contrast with the traditional system, suppliers have the possibility of offering different lower prices for the duration of the bidding term.

The SEI is established in Chapter Four of the Ley de Adquisiciones, Arrendamientos y Contratación de Servicios del Estado, published in the Official Gazette on August 14, 2006. The law states that the Administrative Office (Oficialía Mayor, OM) will manage and administrate an online portal to carry out the SEI. Agencies may also manage their own SEI portals, but must have the OM approval and technical supervision.

According to the law, calls for bids are published on the SEI portal and in the Official Gazette. The portals, communications and information exchange and storage are carried out in a way that guarantees data safety and integrity. In fact, when suppliers register, they are automatically assigned a number that serves as public identification, and suppliers’ personal data are only visible to the accountable authorities. Nonetheless, the general public may observe all electronic bidding sessions, which increases the transparency of the procurement process.

Between the date of the electronic publication of the call for bids and up to 48 hours before opening bids, any supplier can ask clarifying questions by electronic means and a public and electronic forum managed by the OM or the agencies calling for bids.

On October 2, 2006, the state’s Official Gazette published the Guidelines for Reverse Electronic Bids (Lineamientos para la Subasta Electrónica Inversa) which states that suppliers wishing to participate in the SEI must be enrolled in the Registry of Suppliers and sign a contract with the OM, thereby receiving a personal and non-transferable access account.
Box 5.2. The Reverse Electronic Bid in the Law for Acquisitions, Leases and Service Contracting in Nuevo León (continued)

In addition to the SEI being formally established by law, the state government prepared the Manual del Proveedor: Sistema Electrónico de Compras (Supplier’s Manual: Electronic Procurement System) which advises on the procedures to follow in order to participate in electronic bidding processes. This manual may be consulted at: www.nl.gob.mx/pics/pages/oficialia_mayor_tramites_servi_base/SEC_Manual_Proveedores.pdf.


Box 5.3. High-impact Recommendations for the Application to the Supplier’s Registry Process

a) Implementing an enrolment tool in line with the registry of suppliers that creates a digital file with the required documents and information.

b) Simplify the requirements for enrolment in the registry of suppliers.
Main lessons

Priorities for my state or municipality

Strengths of my state or municipality in terms of implementing the recommendations

Challenges of my state or municipality in terms of implementing the recommendations

Strategies to overcome the challenges
To a great extent, the complexity of government procedures is not only a result of difficulties within the agencies’ internal processes, but also of all factors that allow an entrepreneur to know exactly which procedures he/she has to comply with and all information related to them (formats, costs, requirements, location of the one-stop window, etc.). This complexity translates into a need to visit an agency several times (because a document is missing or it doesn’t comply with the requirements), difficult or costly compliance (for example, turning in certified copies of a document) and lack of clarity in the requirements (for instance, unclear requirements in terms of presenting copies or original documents).

The evidence contributed by the Short-term Measures review indicates that Mexican states and municipalities may adopt specific practices and policies that are essential to improve regulatory transparency, thus facilitating the handling of procedures for the entrepreneur. In fact, it is evident that, as long as these “basic elements” are not covered, it will be difficult to evolve into using more sophisticated tools, such as those based on digital government features.

The main objective of this section is to provide a brief review of the shortfalls found and propose solutions. It should be noted that the problems related to lack of information and regulatory transparency and those called “before-the-counter” (“factores antes de ventanilla,” FAV) are cross-cutting, i.e., may come up during the process of starting a business, obtaining a construction permit, registering a property or bidding on a tender, as well as among the different agencies of the three levels of government involved in these processes.

The FAV are those elements that have an influence on facilitating or hindering the entrepreneur’s full and organised compliance with the required procedures. These factors are a key element in the entrepreneur’s decision to desist from carrying out the required procedures and operate informally or simply abandon the entrepreneurial project. This section will classify the FAV into several categories summarised in the following box.
Box 6.1. Before-the-counter Factors that Influence Regulatory Transparency

1. Access to regulatory information:
   1.1 Physical agency offices:
      1.1.1 *Information desk:* every state and municipal agency must have a clearly identified physical area to provide information to users on the procedures the agency is responsible for and to give advice in case of doubt, making sure the information provided complies with the “Quality of Information” criteria described below.
      1.1.2 *Signage within the agency:* each state and municipal agency must have the necessary physical signage (banners, signs on windows) that allow users to know the steps to follow and which windows they should go to for what procedures, and that provide information on how to carry out those procedures (for example, on the requirements that must be complied with), making sure such information follows the “Quality of Information” criteria described below.
      1.1.3 *Entrepreneurial Service Centre (Centro de Atención Empresarial, CAE):* the state and/or municipality has a CAE with an area that provides these services.
   1.2 Virtual office:
      1.2.1 *Web page:* state and municipal agencies must have a web page with information on procedures. The information provided complies with the “Quality of Information” criteria described below.
      1.2.2 *Customer service number:* state and municipal agencies must have a customer service telephone number that provides information on procedures, making sure such information follows the “Quality of Information” criteria described below.

2. Quality of Information:
   2.1 *Accurate information:* the information on procedures that state and municipal government agencies provide through different media (web page, telephone, information desk, etc.) is accurate and correct.
   2.2 *Complete and clear information:* the information on procedures that state and municipal government agencies provide through different media (web page, telephone, information desk, etc.) is complete and clear in terms of requirements, fees, response times and evaluation criteria, among others.
   2.3 *Same information at all access points:* the information on procedures that state and municipal government agencies provide is exactly the same, regardless of the means of distribution (web page, telephone, information desk, etc.).
   2.4 *Commitment to procedure certainty:* the state and municipal governments must establish mechanisms that guarantee that citizens will not be required to provide information different from what has been stated in any information access point and that the procedure will be evaluated in the time frame and under the criteria formally established.
6.1. Access to information and regulatory transparency

By access to regulatory information we mean the ease of access information required to learn about the regulations applicable to an economic activity and the procedures to follow to carry out such activity within the legal framework, as well as the requirements for such procedures (agency involved, cost, format, response time, duration, etc.). A common problem has been that the information on procedures is not accessible or updated or is incomplete.

6.1.1. High-impact recommendations

a) Use different media to make information on procedures transparent and accessible to the user. As much as possible, use remote media (telephone, webpage, chat, etc.) that avoid the need to be physically present in the agency offices to obtain information.

The list below describes some of the problems frequently found or suggestions for improvement from the officers interviewed for the Short-term Measures review which indicate the lack of access points to information on procedures:

- It is necessary to create areas dedicated to provide information about procedures and reduce users’ doubts. There should be a window/information desk that provides formats which include requirements and costs, a diagram of the procedure, schedules, and contact information.

- The telephone is among the media more used to obtain information about procedures. Sometimes, there are no dedicated lines for this purpose, or the person in charge of answering the calls does not have the required information or the customer service is unsatisfactory. Users are sometimes invited to visit the agencies personally to clarify their doubts.

- Internet is an efficient medium to find information. Although some agencies already have web pages with information on procedures, more clear information should be incorporated about costs and how to calculate them.

- It is possible to minimize users’ physical visits to agencies by listening to and clarifying doubts online.

In order to solve these problems and implement the suggestions, four main procedure information access points were identified:

- Information desks in agencies: the agency offices where procedures are carried out are the main source of information for the user. Therefore, they must have a window or area to provide information and clarify doubts about procedures where applications can be provided as well as requirements, costs and time frames. The window should be visibly identifiable.

- Entrepreneurial Support Centres (Centros de Apoyo Empresarial, CAE): an entrepreneur service office should be established in the states or municipalities that do not have one yet in order to facilitate entrepreneurs’ interaction with the government. These offices are called Entrepreneurial Support Centres, but their name can widely vary at the states and municipalities where they are already established. The function of CAEs is broad, from providing information to handling processes before different agencies or carrying out processes on-site. The optimal CAE gathers on a single site services such as offering advice, carrying out procedures and providing tools to foster entrepreneurial growth. In Sinaloa, for example, the Entrepreneurship Development Centre (Centro de Desarrollo Empresarial, CEDE) provides management,
consulting, advice, linkage, training and financing services and the URGE (Unidad Rápida de Gestión Empresarial) units reduce the number of requirements and response times for starting a business by 70% (see Annex 15). Also, the Chiapas Emprende Centres established in the state offer entrepreneurial and financing advice, as well as linkage to procedures such as search of mixed and phonetic anteriorities, trademark registration, official company name and notice of use for the creation of companies, among others (see Annex 16 for more information). This type of concentrating offices is important since they facilitate entrepreneurial activity for people living in municipalities away from big urban centres and who are not trained on the use of electronic tools. Colima, for example, established a network of ten Municipal Business Centres, one in each municipality of the state, with the purpose of guiding entrepreneurs and SMEs on the best way to start, operate, promote, consolidate and strengthen a business with services such as federal, state and municipal procedures; training and advice; financing options and employment opportunities (see Annex 17).

Figure 6.1. The Optimal Entrepreneurial Support Centre

- Web page and electronic media: incorporate clear and specific information on the webpage about costs and charge calculation for each procedure. In addition, it should include for instance, the possibility of downloading formats or at least learn about them, so that citizens may receive complete information when they visit the agencies. In addition, there should be direct-contact efficient mechanisms in place (chat, email, instant messaging, procedure guides) to offer advice prior to the start of the processes and during the process itself. The Internet site of the Tuxtla Gutiérrez municipality, Chiapas (www.tuxtla.gob.mx), for example, offers an online chat in which doubts about procedures and services can be clarified.

- Telephone line: implement customer service telephone lines (free of charge, if possible) where information can be requested on procedure requirements, descriptions of the process, costs, office hours and submission deadlines. These phone lines should be made known to the general public without having to physically visit agencies. Colima, for example, operates the customer service telephone line 01 800 Informatel (see Annex 18), whereas Sinaloa has the customer service telephone line TRAMITEL (see Annex 15).

The government of the state of Puebla offers two entrepreneurial portals as examples of web pages providing information on procedures. The Entrepreneurial Management (Gestión Empresarial) portal describes the steps to follow in order to start a business. According to the line of business requested,
the page describes the procedure requirements before and after starting the business, as well as the cost, the sites where documents should be turned and response times. The portal has a link where payments may be made online for procedures in different state agencies. It also has the TRAMITAPUE, which compiles and provides data, reports and processes with regard to applicable procedures and services provided by states and agencies of the public state administration. TRAMITAPUE includes 1,084 procedures and services in its system, in addition to 194 support programs. On the other hand, the portal abretuempresa.gob.mx of the state of Sinaloa offers access to a procedures guide with all required information on the procedures that should be followed to start a business according to its line of activity (see Annex 1).

It is important to consider, however, the level of penetration electronic tools provide among the population and weigh the options for users that might not be able to access them. Hence, as alternatives to information access points on procedures, it is recommended to have a telephone line and a “brick and mortar” information desk, in addition to reserving a number of computers for consultation at the customer service offices and elaborating printed materials easily distributed and accessed by citizens, such as the Letters of Commitment to the Citizens.

Box 6.2. The Letters of Commitment to the Citizens (Cartas Compromiso al Ciudadano) in the State of Jalisco

The government of the state of Jalisco, with the assistance of the Ministry of Administration and with the support of the General Direction of Regulatory Improvement is implementing the Letters of Commitment to the Citizens (Cartas Compromiso al Ciudadano, CCC), which are simple, clear, accessible and public documents that provide citizens with the information needed to carry out a procedure or apply for a service, emphasizing the quality standards that agencies are committed to comply with, including forms for citizen participation.

The Jalisco CCC consists of the following 12 sections:

- General information about the procedure.
- Objective of the procedure.
- Validity of the procedure.
- Where can the procedure be carried out?
- Citizen’s responsibilities.
- Requirements.
- Costs.
- Service commitments.
- What to do if public servants do not fulfill their responsibilities?
- Improvement commitments.
- Closing and signature.
- Complementary information.
b) Install clear and visible signals in state and municipal agencies that guide citizens at the customer service desks and that, as much as possible, provide relevant information on them. The media used may include banners, posters, boards, staff names on windows, symbols, leaflets and maps of the building, among others.

Having several access points to information on procedures that facilitate their handling for the users is not enough. The Short-term Measures review repeatedly found the need to have adequate signage to clarify the distribution of customer service desks and the organisation of spaces in the customer service areas.

Within the state and municipal agencies there must be signage to guide citizens on the procedures they are processing as well as on offices to visit and desks to refer to in order to carry out a specific procedure. As much as possible, the signage must include information on the procedures to carry out, such as requirements, charges, response times and validity, among others. The purpose of this signage is to provide users the information required without having to ask the staff, saving time both for them and for public servants and facilitating public sector productivity. As a good practice, the government of the state of Colima implemented a diagnosis of before-the-counter factors (FAV) at the customer service areas, which resulted in several improvements, for example, by signaling windows and procedures processes (see Annex 18).

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**Box 6.3. High-impact Recommendations to Improve Access to Information and Regulatory Transparency**

- a) Use different media to make information on procedures transparent and accessible to the user. As much as possible, use remote media (telephone, web page, chat, etc.) that eliminate the need to be physically present in the agency offices to obtain the information.
- b) Install clear and visible signs in state and municipal agencies that guide citizens using the customer service desks and that, as much as possible, provide relevant information on them. The media used may include banners, posters, boards, staff names on windows, symbols, leaflets and maps of the building, among others.

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### 6.2. Information Quality

Basic access to multiple information access sources on procedures benefits entrepreneurs by minimising the transaction costs implied in searching and finding such information. Hence, procedures are not an onerous burden for those who wish to carry out an economic activity and must comply with the regulation. Nonetheless, citizens not only aspire to easy access to information, but also expect this information to be accurate, that is, that the data they obtain prior to carrying out a procedure be consistent with what the authorities require during the process. The objective of having quality information is to offer total certainty to the citizen in order for the processes to be predictable.
6.2.1. High-impact recommendations

a) Make sure that information on procedures available at all access points is high quality, i.e., accurate, clear, complete and the same provided at all these points. In order for this to happen, state and municipal governments may establish a procedure registry that centralises information where the different access points to procedure information can feed from.

The ease of complying with procedures not only depends on the availability of multiple information sources easily accessible, but also on information being correct, complete and the same provided at all access points (otherwise, there would create confusion and uncertainty for citizens).

During the preparation of the Short-term Measures review it was possible to prove that frequently information changes from one access point to another. Sometimes, the web pages are incomplete or have not been updated, and do not include information on costs or validity of the procedures. The state and municipal agencies are responsible for making sure that all access points offer the same information on procedures and that such information is accurate, complete and clear.

In order to comply with this responsibility, state and municipal governments may establish an official procedure registry or catalogue. Procedure catalogues or registries are tools that complement the one-stop information desks/windows, physical (for instance the CAE) or digital (such as tuempresa.gob.mx), which are useful in bringing transparency to procedure information and serve as gathering points, from which guidance modules, web portals and telephone customer service lines are fed. Many states already have an official procedure catalogue or registry, although the practice is still the exception and not the rule at the municipal level. The Catalogue of Procedures and Services of the State of Baja California, for instance, allows the consultation of procedures and services offered by the state government agencies, as well as their cost, requirements, location of the offices and service hours. The search for procedures may be carried out on the basis of three criteria: agency, municipality or service centre.

b) Once a centralised procedures registry is implemented, it is convenient to carry out a periodical revision of it and the regulations that support procedures, not only with the purpose of ensuring that the information contained is relevant, but also to seek opportunities for simplification and/or elimination of administrative procedures and costs, as well as those cases where regulations are not justified.

The regulations and procedures derived from them, even though they can be very relevant at one point, can lose such relevance as time passes by and economical and social circumstances change. Therefore, it is necessary to carry out regulatory revision processes periodically. In fact, these processes are an integral part of the regulatory cycle and provide feedback convenient to evaluate regulations impacts, analyse if they are fulfilling their objectives and if they are doing so efficiently. Regulatory revisions complement regulatory controls ex ante, since the former correct problems and the latter avoid them.

The quality of regulatory revisions is also a matter to which attention must be given. The OECD has found that frequently regulatory authorities have an important discretionary power to conduct revisions, in absence of standardized techniques and criteria. When this happens, revisions become an ad hoc and structure-lacking practice, since it focuses only on marginal changes to complex regulatory structures.

Although there are different types of regulatory revisions, currently states such as Nuevo León and Zacatecas are using the “regulatory guillotine” technique, which consists on policies instructing...
regulatory authorities to thoroughly revise their regulations structure following general criteria, such as need and efficiency. This type of revisions has a wide scope (i.e. the complete inventory or regulations with an impact on companies) since they nullify regulations that are not registered after a given date. However, this technique can be weakened by exceptions that leave out of the practice burdensome regulation, lack of priorities, fragmentation and lack of thoroughness and rigor.

Based on international experience, the OECD has documented several good practices in order to carry out this type of exercises:

- **High-level political support**: High-level officials, empowered by the maximum political authority (President, Prime Ministry, Governor, etc.) to overcome bureaucratic reluctance, lead regulatory revisions.

- **Close links with regulators to maintain the momentum of the process**: The central government agency in charge of leading the practice must maintain a permanent communication with regulatory agencies, as well as provide incentives, guidance and facilitation to have such agencies adopt a proactive attitude.

- **Involve entrepreneurial entities and citizens in general**: Consultation with entrepreneurs and inhabitants affected by regulation offers several benefits, since it provides information to focus the revision practice on the most burdensome regulations and procedures, helps define objectives and helps make public interest prevail over private interests.

- **Planning, organisation and guidelines for the revision**: Setting objectives, responsibilities and times is essential for the success of a regulatory revision process. It is also necessary to establish the criteria that will be used to simplify and refine norms and procedures resulting from, for example, cost-benefit analyses, legal ground, administrative costs for companies, overlapping with functions of other government levels and risk analyses, among others.

- **Organisation by stages**: Typically, regulatory revision processes follow three stages: i) definition of the regulations and procedures inventory (which will be ready if there already is a centralised registry), ii) classification or definition of the need and relevance of regulations and procedures, and iii) refinement by simplifying or eliminating regulations and procedures.

- **Development and facilitation of skills**: The agency in charge of coordinating the regulatory revision process must elaborate toolkits, manuals and other materials, as well as train regulatory agencies to ensure the success of the revision.

- **Measuring economic benefits**: This is necessary in order to maintain momentum of the regulatory revision process, justify efforts and communicate results to the public. The Standard Cost Model is a useful tool to express the impact of the simplification and refinement efforts in monetary terms (pesos and centavos).²

- **Communication to the public**: Communicating the results of the regulatory revision process helps maintain the regulatory agenda among political priorities and facilitate the periodical nature of simplification and refinement processes.

- **Implementation of preventive measures to avoid the accumulation of regulations and its procedures**: This refers to articulate some method of evaluation of regulations ex ante, for example, the Regulatory Impact Analysis (RIA).³

As a good practice it is noteworthy that the government of the state of Baja California, through the Procedures and Services Improvement Program, is examining the state regulatory framework and suggesting the simplification or elimination of procedures that do not generate value for businesses and
society, and simultaneously updating the Catalogue of Procedures and Services so that only those items necessary remain in place and can be processed easily and in the shortest time possible, incorporating language familiar to the citizen and technological innovations to benefit economic activity (see Annex 5).

c) Establish the commitment of authorities to citizens for procedures to be processed as stipulated in a central procedure registry. This measure must state that the citizen will not be required to provide information that is different from that indicated in the registry.

State and municipal governments must have the objective of providing certainty to citizens when carrying out procedures. For this to happen, in addition to making sure information is accurate, complete and clear and the same provided at every available access point, citizens must be reassured that there will be “no surprises” when they carry out any procedure. The commitment must be made to have the requirements stated in a central registry to be the only ones requested, that the deadline established will be respected and the evaluation criteria will be exactly as indicated. This gives transparency and predictability to procedures and turns the central registry into a useful tool, extensively consulted by citizens and even by the officers themselves.

Box 6.4. The Federal Registry of Procedures and Services (Registro Federal de Trámites y Servicios, RFTS)

The RFTS is an inventory of federal procedures managed by the COFEMER, which contains all formats and data needed for their application. It is available online and, in addition to grouping the federal procedures in one location, it classifies them by agency and administrative unit, besides having a keyword search feature that facilitates citizen access to the information.

The Federal Government decentralised agencies and offices cannot establish procedures in addition to those registered in the RFTS, or apply them in a different way from what is stipulated. The public servant that does not comply with the mandate of the law can be fired or disqualified from employment in the public sector.

The following information may be found for each procedure included in the registry:

- Name of the procedure.
- Legal basis of the procedure.
- Cases in which the procedure can or must be carried out.
- Format of the procedure, either free-form writing or a format to complete.
- The required format and, if applicable, the date of publication in the official gazette (Diario Oficial de la Federación, DOF).
- Data and documents that must be or completed or presented or that should be attached to the procedure.
- Maximum response delay and if the automatic approval or denial applies.
Box 6.4. The Federal Registry of Procedures and Services (Registro Federal de Trámites y Servicios, RFTS) (continued)

- Amount of the charges or fees or the way to determine the amount.
- Validity of the permit, license, authorisation, registries and other resolutions issued.
- Procedure resolution criteria.
- Administrative units before which the procedure is presented.
- Customer service hours.
- Telephone and fax numbers and email address, as well as the address and other relevant information related to any other medium that allows sending consultations, documents and complaints.

Each procedure format also includes information on the person responsible for complaints or reports, usually the head of that administrative area. In addition, it includes contact information of the person responsible within the agency’s Internal Control Unit (Órgano Interno de Control) which also receives complaints and reports.

The COFEMER states that the main objective of the RFTS is to be “a tool for the citizen that assists in providing information and legal certainty.”


Box 6.5. High-impact Recommendations to Guarantee Regulatory Information Quality

a) Make sure that the information on procedures available at all access points is high quality, i.e., accurate, clear, complete and the same provided at all points. In order for this to happen, state and municipal governments may establish a procedure registry that centralizes the information where the different access points to procedure information can feed from.

b) Once a centralised registry of procedures is implemented, it is convenient to periodically revise it and the regulations that sustain the procedures, not only to ensure that the information contained is relevant, but also to seek for simplification and/or elimination opportunities, as well as cases in which regulations are not justified.

c) Establish the commitment of the authorities to the citizens for procedures to be processed as stipulated in a central procedure registry. This measure must state that the citizen will not be required to provide information that is different from the one indicated on the registry.
The main example of these mechanisms can be found at the federal level of government in Mexico. The reforms to the Federal Administrative Procedure Law of 2000 (Ley Federal de Procedimiento Administrativo) helped create the Federal Registry of Procedures and Services (Registro Federal de Trámites y Servicios, RFTS). Among the legal regulations that created the RFTS is the prohibition for authorities to apply a procedure not registered or that they may demand compliance with obligations and requirements in a different way from what appears in the registry. These bans are backed by sanctions, stated in article 70 of the law, for public officers and the head of the administrative unit that does not comply with them.

Notes

3. The RIA guarantees that regulatory proposals or current regulatory agreements are subject to a strict and transparent analysis regarding accountability, in order to determine if they are the ideal means to reach regulatory objectives. Therefore, they carry out a control role by promoting rational selections of public policy on behalf of governments, in a relatively transparent context.
PRACTICAL NOTES

Main lessons

Priorities for my state or municipality

Strengths of my state or municipality in terms of implementing the recommendations

Challenges of my state or municipality in terms of implementing the recommendations

Strategies to overcome the challenges
The Short-term Measures review found a series of common problems related to workspaces, basic input and equipment provision, availability and training of human resources that interfere with the quality of the service provided by offices in charge of handling procedures, creating delays, long queues and other disturbances that may lead the entrepreneur to desist and opt for an informal economy.

7.1. Workspaces

The workspace has an influence on employee morale, offering references to users and reflecting the organisational mission and values. If the workplace, and particularly the spaces dedicated to providing services and guidance to entrepreneurs, are not enough, there are two options. The first and obvious one would be to expand the spaces or move into a larger building, which may turn out to be costly and impossible if there is no budget for that. Another option is to reorganise the workspaces.

7.1.1. High-impact recommendations

a) Organise the workspaces in such a way that the process flow of procedures is not interrupted and the areas involved in each stage of the process (customer service, application analysis, etc.) are sufficient and adequate for work.

This kind of problem is more common than usually thought. The following are some examples found during the fieldwork carried out in the preparation of the Short-term Measures review:
The cadastre offices have a very small space, shared with the Urban Development area; this makes it necessary to re-engineer spaces.

The feasibility service area is located in the basement and is accessed through a back door, which creates problems to find it and is bothersome for the user.

The offices do not have filing space, computers, etc.; this demands a remodeling that generates enough spaces to comply with the tasks.

There are no areas for information research (books, files, etc.) at the RPPC or their infrastructure is inadequate.

The RPPC facilities are too small, the spaces are not enough to serve customers and the work areas are overcrowded.

An improved distribution of spaces has the potential of increasing productivity. “The physical context of the workplace is an asset with a specific impact, quantifiable in the organisation’s success... The effectiveness of the spaces where work is developed makes the difference in achieving satisfaction and successful employment performance.”

Box 7.1. The Relevance of the Workplace

The workplace must allow for four modalities:

- **Approach**: spaces must be free from distractions for employees that prevent them from concentrating and carrying out individual work (such as application analysis).
- **Collaboration**: spaces must be designed in such a way that closeness and visual contact facilitate interactions to share information, innovate and generate ideas by means of group processes.
- **Learning**: different studies agree that people tend to turn more to colleagues to find information than to other sources. Hence, space design should facilitate consultation among colleagues and within the hierarchical structure.
- **Socialisation**: the workplace must allow for the development of a sense of community, creating mechanisms to share information and strengthen the organisational values and culture.


When reorganising spaces, the flow of internal processes should be considered in such a way that response times improve or, at least, do not increase (for example, the different signatures required to approve a license should be considered). Therefore, it would be useful to draw a flowchart of the internal processes that determines interactions among different departments and individuals, as shown in Figure 7.1. The process should start by listing the different activities developed in handling a procedure to subsequently determine the spaces needed for each activity and the interactions that should be facilitated.
b) As part of a diagnosis of the efficiency of processes and needs, make sure that employees have the inputs and equipment required to carry out their tasks in a faster and efficient manner.

Sometimes, factors that influence the delays and complexity of procedures are not necessarily related to workspaces, but to the non-existent, insufficient or low quality of the team and inputs that members of the staff require to carry out their job. Obsolete equipment not only delays processing, but also makes it difficult to implement innovations that could improve them. For instance, if the right technology is not available, it will be very difficult to establish an electronic procedure registry or a coordinated and shared database.

Below are some examples of common problems in this area:

- Computer equipment is obsolete and insufficient (it was found that some employees use their own laptop computers).
• Computer equipment is required to install the SIGER in the RPPC delegations.
• The computer equipment used frequently fails, which delays processing.
• A plotter is needed for blueprints.
• The scanner, needed to digitalise documents, does not work.
• There is also a need for cameras and radios for the Urban Development and Environment inspectors.
• There is not enough equipment for cadastral surveying.
• The stationery used in processing user applications is scarce. There is no paper nor inputs for printers and the plotter.
• The customer service areas do not have chairs, which makes users wait while standing up. There are no single queues or devices to order the flow of users and determine the next customer up.

A flow diagram may be the starting point of a diagnosis of the efficiency of processes and needs. The equipment and materials should be a priority in the activities that will have the most impact in reducing the time procedures take and simplifying them. For instance, a photocopying machine may be more necessary at a document reception window than in the director’s office. The diagnosis should also include an analysis of the cost implicit in satisfying the priority needs and the benefits obtained, in such a way that they generate arguments to allocate investments in the agencies.

Box 7.2. High-impact Recommendations to Improve Workspace Management

a) Organise workspaces in such a way that the process flow is not interrupted and the areas involved in each stage of the process (customer service, application analysis, etc.) are sufficient and adequate for work.

b) As part of a diagnosis of the efficiency of processes and needs, make sure that employees have the necessary inputs and equipment to carry out their tasks in a fast and efficient manner.

7.2. Human Resources

Having adequate spaces, equipment and materials is not enough to achieve an efficient procedure management if there is not the necessary staff, both in number and training. The budgetary restrictions may impose limits on the hiring possibilities and the human resources management practices may be a hindrance to substitute unqualified staff in order to implement innovations in processing.
7.2.1. High-impact recommendations

a) Evaluate the human resources needs by activity on the procedure handling and reorganise the staff according to the findings.

If budgetary restrictions make it impossible to hire staff, reorganising existent staff may be another option. Again, fieldwork carried out for the Short-term Measures review confirmed that these are common problems:

- Since demand is relatively high in terms of the number of inspectors available, the civil protection certification for starting a business usually takes up to two weeks.
- A lack of technical staff to analyse construction project documents was observed. The Director of Public Works is responsible for all construction cases.
- The cadastral appraisal for the property registration is delivered between three to five days after being requested due to insufficient staff for inspections and analysis.
- Staff is needed to prepare the property certifications. The staff is overwhelmed, which delays procedure responses.
- There is only one person in charge of the land use certifications in the municipality, when at least three are required.
- The water supply agency only has two installation teams for a whole city and two for the rural areas, which delays service installation.
- In the agency only three employees analyse the prevention reports and the environmental impact assessments for a whole city.

In order to solve these types of issues it would be convenient to begin by evaluating the human resources needed for each activity. The flowchart map helps determine critical activities. It is important to evaluate the impact of having enough staff assigned to each activity and set priorities accordingly. It may be the case that a department has more staff than it really needs, making it desirable to reallocate them to other areas to reduce the number of days and the cost implicit in processing a procedure.

Another option would consist of recruiting interns for activities that do not imply critical decisions or substantial responsibilities, especially for activities that might require longer periods of time from the available staff.

In order to reorganise the staff successfully, it should also be considered that abilities and knowledge of the job they will be assigned should coincide.

b) Make a diagnosis of training needs in which general and specific abilities are defined according to the tasks carried out in each area.

Not only is it necessary to have a specific number of staff members take care of the procedures, but also that staff should have the abilities to carry out their responsibilities efficiently. Sometimes, staff is enough, but they do not have the right abilities or knowledge. Some of the issues found in the field are described below:

- A need to train staff in issues like customer service, computer equipment use and specialisation according to the work area.
• A possibility of improving the staff’s attitude that requires reinforcing training in customer service for officials who interact with users.

• A need to train staff in charge of service points to receive, capture and send service applications to operational areas.

• Trained staff is needed to provide information and solve doubts about procedures.

• Inspection tasks are dispersed among different areas. Inspectors could be trained to be multifunctional and gather all information required in one single visit (as it happens with the multidisciplinary inspectors in Guadalajara, Jalisco).

• There is a need to train staff in the use of specialised software, such as Autocad.

• Staff resistance to modernisation efforts.

The flowchart by activity is the starting point to determine the abilities the staff in each area needs to develop. It is not necessary that all members of the staff know how to use Autocad or any other specialised software (specific ability), but it is necessary that some persons in the Cadastre procedure analysis office know how to use it, for example. On the other hand, all employees should understand how their job and their sensitivity to the needs of entrepreneurs (general ability), exert an influence, but particularly the staff who have contact with the users should be aware of this.

For each activity identified in the flowchart there can be a list of required abilities, and from there prepare a training program that responds to the needs, including courses, learning circles, etc. Even if there is no budget to hire formal training courses, reflection and learning circles can be started in which members of the staff themselves take the lead and discuss the challenges they face in order to be able to find a solution.

The government of the state of Colima, for example, implemented a program that offers training, knowledge evaluation and profile definition of public servants assigned to the customer service areas in the business sphere, which registered a high participation among the universe of public officials bound to be involved (see Annex 19).

**Box 7.3. High-impact Recommendations to Improve Human Resources Management**

a) Evaluate the human resources needs by activity on the procedure handling and reorganise the staff according to the findings.

b) Make a diagnosis of training needs in which general and specific abilities are defined according to the tasks carried out in each area.
Notes

2. Gensler, p. 8-9 and 21.
PRACTICAL NOTES

Main lessons

Priorities for my state or municipality

Strengths of my state or municipality in terms of implementing the recommendations

Challenges of my state or municipality in terms of implementing the recommendations

Strategies to overcome the challenges
After discussing different administrative procedures processes, it is important to note that beyond administrative simplification and process improvement efforts, Mexican states and municipalities must aspire to an integral regulatory governance policy that deals with the different stages of the regulatory cycle (design, ex ante evaluation, compliance, ex post inspection and assessment, among others) that allows space for a wide participation of social actors impacted by the regulations and processes derived from them.

An effective regulatory governance improves the capacity to generate regulation that has a positive impact on the economy and society and achieves definite public policy goals. For this to happen it requires a comprehensive approach in terms of development and implementation of institutions and regulatory tools and policies, as well as the active participation of the actors interested in regulations. One of the main challenges is the coordination of regulatory measures, from the design and development of standards to their implementation and compliance, thereby closing the cycle with evaluations that establish priorities in the development of new regulation or reforming those in force.

Figure 8.1 illustrates an ideal situation in which the different measures that make up the regulatory governance cycle are coordinated. A few lessons emanate from this illustration:

- Public policies should be linked to the process of regulatory generation: Public policies may give way to designing a regulation or reforming an existing one, but this should not be an automatic process, since an essential element of regulatory governance lies in making sure that regulatory options are evaluated systemically before they are adopted, as part of a transparent process that allows participation from stakeholders.
• Implementing a regulatory improvement policy is a dynamic and continuous process: Therefore, it should be a permanent feature of public governance regulations. In addition, only having a list of regulatory management principles might not be enough.

• Within the regulatory cycle several functions must be carried out, and this requires solid institutions.

• An effective regulatory management includes measures related to consultation, coordination, cooperation and communication (the 4Cs):

  – Consulting stakeholders affected by the regulation must be a key element of the components of the cycle, from the regulation’s design and conceptualization stage to ex post evaluation, in order to identify and, if applicable, address undesirable effects of the regulations. In addition, the consultation stage strengthens transparency and accountability in the regulatory process.

  – The coordination of regulatory action and cooperation of regulatory entities are necessary elements to prevent conflicts among different regulations and favour the judicial certainty of regulated entities. In addition, both attributes contribute to strengthen regulatory management. For instance, the outcomes of an ex post evaluation of a regulation will be useful to the extent that there is coordination to solve the shortcomings encountered and implement the necessary improvements, especially in those cases that require cooperation from different authorities.

  – Clear communication of regulatory requirements is essential to facilitate their compliance; however, complying with the objectives of a regulation, i.e., the issuance of regulations, does not guarantee their compliance, and authorities must consider mechanisms to communicate the requirements contained in the norms.

Figure 8.1. The Regulatory Governance Cycle
The concept of the regulatory governance cycle may serve as a starting point to reflect upon the measures that must be taken to strengthen it. It is possible for specific programs or institutions to function, but it must be considered how they link with the different stages of the cycle and which of these contain the main opportunity areas, as well as how to incorporate this comprehensive view to the agencies with regulatory powers.

On the other hand, the OECD has documented that the benefits of regulatory improvement may be reverted if there is no continuity to the policy and no regulatory improvement approach. Even the member countries with a mature regulatory improvement policy with documented outcomes (i.e., Australia, Canada, the United Kingdom, etc.) invest in efforts to confirm their status of priority policy to enhance their competitiveness. The efforts these countries make to improve their regulatory impact analysis mechanisms or to systematically review their regulatory inventories confirm that even when these tools are present, it is always possible to improve them and give them new impetus on the institutional front.

For these reasons, strengthening the institutionalisation of regulatory improvement and facilitating its continuity beyond changes in administrations is critical. Practices favouring these objectives have been documented at the internal and international levels, such as:

- Passing laws or decrees that establish regulatory improvement as an institutional policy transcending an administration’s term. According to COFEMER, Mexico has more than 20 states with regulatory improvement laws. On the other hand, the case of Piedmont in Italy is worth noting, since there are different regional laws that establish permanent regulatory policies and practices.2

- Establishing powers so that a specific agency assumes the leadership role and coordinates the regulatory improvement policy. In Mexico, it is common to find that the states’ ministries of Economic Development (or their equivalent) or, instead, decentralized agencies or commissions assume this role. At the international level, the case of British Columbia in Canada is worth mentioning where its StraightforwardBC office, ascribed to the Ministry of Small Business, Technology and Economic Development, is the leader of a consolidated regulatory improvement policy.3

- The creation of citizen councils defined as permanent cooperation mechanisms between the academic, social and private sectors with the state and municipal governments is aimed at promoting and following up with public policies that have a positive impact on the regulatory and regional competitiveness contexts. States such as Colima, Chiapas, Jalisco and Nuevo León have established this kind of councils as a way of “anchoring” the regulatory improvement policy and guaranteeing that social groups demand results that transcend administrations (see Annexes on Regulatory Improvement Citizen Councils).4

Commonly, regulatory improvement citizen councils perform some of the following functions:

- Collaborate in the design and promote the implementation of regulatory improvement programs.

- Contribute information on the impact the regulation might have on the different sectors.

- Support the evaluation of program impact and require accountability from those responsible for its implementation.

- Support the promotion of the regulatory improvement agenda, its outcomes, achievements and challenges.
• Follow up in the medium- and long-term the regulatory improvement programs favouring their continuity beyond administration changes and political cycles.

The COFEMER has documented certain recommendations to strengthen the institutionalisation of this advice and support in their adoption of a more predominant role in regulatory policy. The following are some of the main recommendations:

• Establish increasingly multidisciplinary and representative councils: The Regulatory Improvement Committee of Jalisco (Comité de Mejora del Estado de Jalisco, COMERJAL), for example, consists of all three levels of government (delegates from federal agencies, heads of agencies from the state executive power and mayors representing municipal governments) of the state, as well as the private and social sectors (see Council E, Annex II).

• Have high-level political support: In Colima, the regulatory improvement policy is followed up directly by the state Governor, including the activities of the State Council for Regulatory Improvement of Colima (Consejo Estatal de Mejora Regulatoria de Colima) (see Council B, Annex II).

• Constitute as consultative agencies: The COMERJAL is precisely defined as a permanent, honorary agency of the state’s executive power. Among the regulations discussed in the work groups of the committee are the Jalisco state and municipal administrative procedure law, the regulatory improvement state and municipal law and the digital signature law (Ley del Procedimiento Administrativo del Estado de Jalisco y sus Municipios, Ley de Mejora Regulatoria del Estado de Jalisco y sus Municipios and Ley de Firma Electrónica, respectively), as well as several bylaws regarding announcements, commerce, construction and environment (see Council E, Annex II).

• Have a citizen directorship: At the COMERJAL, subcommittee coordinators should not belong to the public sector, but should be representatives of the private and social sectors. For example, the Federation of Associations of Neighbors of Jalisco presides the Subcommittee for Water (see Council E, Annex II).

• Have an adequate organic structure: The Economic and Social Council of Mexico City (Consejo Económico y Social de la Ciudad de México) for example, has a structure composed of a General Assembly, the Directive Committee and commissions (see Council A, Annex II).

• Autonomous budget management: The Economic and Social Council of Mexico City enjoys technical and financial autonomy to operate and its resources come from the Economic and Social Development Fund of Mexico City (Fondo para el Desarrollo Económico y Social de la Ciudad de México) that is operated by a Technical Committee (see Council A, Annex II).

• Hold regular meetings: According to the Regulatory Improvement Law of the State of Colima, the State Council for Regulatory Improvement must meet, at least, four times a year (see Council B, Annex II).

• Have special working commissions: With regard to COMERJAL, the Regulatory Improvement Law of the State of Jalisco and its Municipalities (Ley de Mejora Regulatoria del Estado de Jalisco y sus Municipios) established that subcommittees or specific work groups will be formed to address regulatory improvement cases as required by specialty or relevance. Therefore, there are subcommittees working on laws and bylaws, environment and energy, water, urban development and housing, intellectual property and innovation and administrative modernisation (see Council E, Annex II).
• Have legal foundation: The Council for Regulatory Improvement of the State of Guanajuato (Consejo de Mejora Regulatoria del Estado de Guanajuato), for instance, has its foundations on the regulatory improvement law of the state and its municipalities (Ley de Mejora Regulatoria para el Estado de Guanajuato y sus Municipios) as well as in a series of governmental decrees (see Council D, Annex II).

• Represent a forum in which to present programs and advances related to the regulatory improvement policy: The Citizen Council for Regulatory Improvement in Nuevo León (Consejo Ciudadano de Mejora Regulatoria de Nuevo León) has among its functions precisely proposing strategies and measures to improve the state’s regulatory framework and express opinions on the regulatory improvement state program (Programa Estatal de Mejora Regulatoria) (see Council F, Annex II).

The agenda for institutional strengthening and permanence of the regulatory improvement policy at the sub-national level must be addressed to guarantee that the efforts and investment made at a certain time are continued in policies that promote the accumulation of benefits and achievements in the fields of competitiveness and business environment. The cases in which certain policies and practices lose continuity because of an administration change are many. Therefore, states and municipalities must establish bases as the ones mentioned above to keep a consistent advance towards a better regulatory governance system that coordinates efforts made by different levels of government.

Notes

4. The case of the Regulatory Improvement Committee of the State of Jalisco is documented on section 2.3 of the report.
PRACTICAL NOTES

Main lessons

Priorities for my state or municipality

Strengths of my state or municipality in terms of implementing the recommendations

Challenges of my state or municipality in terms of implementing the recommendations

Strategies to overcome the challenges
In order for a reform to succeed, it not only requires technical tools and institutional capacity to implement it, but also the alignment of interests of the different stakeholders involved in decreasing the resistance of those that may be affected. Some times, even when there is consensus on the need to implement reforms, there are limits to their depth, scope and implementation. In fact, it may happen that reforms are postponed indefinitely or reverted.

In 2007, the OECD launched a project named Making Reform Happen to better understand the hindrances that governments must face when they try to implement reforms in different fields and identify some of the common features of successful processes (including specific cases related to regulatory improvement). Even though the experience in OECD countries does not suggest there is a unique formula for reform success, eight categories were found to increase success probabilities. In addition, the OECD prepared a questionnaire which was administered in the four states participating in the follow-up exercise on application of the recommendations made on the 2010 edition of the Guide, observing that four of the eight factors found in the Making Reform Happen project were also prominent in their experiences:

- Have a political mandate: The fact that the government has a political mandate is relevant especially on very large reforms, in particular those that affect basic public services (such as public administration performance). In Colima, Chiapas and Sinaloa, the regulatory improvement policy has support in the state development plans. Internationally, there have been cases in which the government made a commitment before the elections to carry out certain reforms, which makes it accountable to a certain extent. For instance, in British Columbia, Canada, the regulatory improvement program launched in 2001 was precisely derived from an electoral campaign commitment to improve the province’s business environment, including the reduction of administrative costs by 33% in a three-year period.
• Effective communication: Successful reforms usually come with coordinated and consistent efforts to persuade voters and stakeholders of the need for reform and, in particular, of the costs implicit in the statu-quo. In referring to communication, we not only mean “selling the reform”, but also involving and consulting with stakeholders and actors that might be affected and consider their concerns. In Sinaloa, for example, the municipalities expressed their concern in terms of certain lines of business they considered too risky to be included in the abretuempresa.gob.mx portal. The state authorities responded by excluding these lines of business in order to facilitate the adoption of the project.

Box 9.1. Political Economy of the Regulatory Reform Process in Sinaloa

Business environment improvement is a component of the state development plan, especially on its economic promotion of micro and SMEs axis. In addition, Sinaloa has given legal support to its regulatory improvement program through the Entrepreneurial Management and Regulatory Reform Law (Ley de Gestión Empresarial y Reforma Regulatoria). In order to promote the regulatory improvement process, the state has implemented communication efforts on two lines:

• Externally, by communicating citizens and entrepreneurial groups the work they do, its benefits and the costs of not doing it.

• Internally by maintaining open communication with the municipal urban and/or public works areas, taking into account their opinions and even modifying the original improvement to the abretuempresa.gob.mx portal in the cases of Mazatlán and Navolato.

The first approach to municipalities consisted in raising mayors’ awareness to own the project and incorporate their municipality into the portal, open the doors to the municipality’s operational areas and exercise their leadership to advance the project. Later, mapping information was gathered to issue resolutions with the urban development and/or public works areas. In addition, the municipal legal departments must validate the legal validity of the project and the treasuries contribute by establishing online payment systems.

Several obstacles were faced throughout the implementation process, such as reform of municipal urban development plans, change of leadership in the urban development and public works areas, inadequate urban development plans and, if applicable, attempts to modify the bases of charging for land use feasibility.

In order to minimize resistance, state authorities held individual meetings with municipal officers opposed to the project, explaining its advantages and even making concessions in order for it to be accepted, for instance, excluding from the platform lines of business the municipalities considered as risky (such as gas stations and schools, among others).

According to the government of the state of Sinaloa, the fact that the project was supported by the federal Ministry of Economy, the COFEMER and the OECD through the pilot exercise of the 2010 Guide recommendation follow-up and implementation, helped boost the project and add municipalities with different political parties in power, thereby minimizing resistances.

In terms of the CEDE and the URGE, an important element is that, along with TRAMITEL, there has been a good level of acceptance from entrepreneurial agencies, many of which are represented in the Board of Directors of the state’s Entrepreneurial Management and Regulatory Reform Commission (Comisión Estatal de Gestión Empresarial y Reforma Regulatoria, CEGERR). It should be mentioned that municipalities are also represented in this Board, which invites participation from the leading actors involved in the project.
Box 9.1. Political Economy of the Regulatory Reform Process in Sinaloa (continued)

In order to promote improvements derived from these practices, communication efforts have been carried out with the municipalities to inform entrepreneurs and citizens in general about the services offered at the CEDE and the URGE.

Even though the implementation process was carried out smoothly, it was anticipated that the day to day operation might confront obstacles in the management of the CEDE and the URGE, which is why the CEGERR was empowered to mandate administrative sanctions to public servants obstructing the establishment and operation of firms.

Source: Information provided by the government of the state of Sinaloa.

• Leadership: A strong leadership, whether individual or institutional, is important to generate government cohesion. When government institutions are not united around a reform proposal, opponents exploit this weakness and the conflicting messages it generates, which usually results in a failing reform. On the other hand, leadership should not be understood as a preference for unilateral measures. While, on occasions, these may be the only road to follow, experience suggests that the most effective leadership consists in convincing and earning the will of all parties involved. The regulatory improvement process in Colima and Chiapas, for example, illustrates the weight that high-level political leadership may reach.

Box 9.2. Political Economy of the Regulatory Reform Process in Chiapas

The regulatory improvement policy in Chiapas as well as the under-secretariat responsible for it are supported by the state’s development plan (Plan de Desarrollo Chiapas Solidario 2007-2012), particularly by its ruling axis Competitive and Opportunity Generating Chiapas (Chiapas Competitivo y Generador de Oportunidades). From this vantage point, the state decided to participate in the Short-term Measures project that, along with the measurements obtained by the Doing Business review, represented key elements to articulate a regulatory improvement effort.

It is worth mentioning that the main factor is the leadership that the state government has exercised in terms of the regulatory agenda. On the one hand, the representatives members of the state’s Congress Commercial and Investment Promotion Commission were invited to a presentation of the regulatory improvement law and advocate for its approval. On the other hand, the head of the State Ministry of Economy invited his peers to present the problems detected in terms of procedures and services for employers, channeling financial and human resources to advance the agenda proposed by the Short-term Measures project. Later on, the operational staff of the areas involved, both at the state and the municipal levels, adopted the dynamic of reviewing their processes and creating a work group headed by the Regulatory Improvement Under-secretariat, meeting weekly to verify progress and challenges. This led to information flowing and experiences exchanged among the areas, for instance, with a standardized format to report progress.
Box 9.2. Political Economy of the Regulatory Reform Process in Chiapas (continued)

Once concrete progress was achieved, entrepreneurial groups were called to communicate the news and receive feedback. In fact, these groups were frequently not updated on the improvements, so it was decided to deliver periodical reports through the Regulatory Improvement state council.

Chiapas will change its government in 2012, which stresses the need to consolidate the regulatory improvement policy in order to promote its continuation. The support of the entrepreneurial leaders is among the main strategies followed to communicate and socialise the progress in a way that there are incentives for next administration to continue addressing the issue.

Source: Information provided by the government of the state of Chiapas.

Box 9.3. Political Economy of the Regulatory Reform Process in Colima

The state development plan for 2009-2015 established among its goals to enforce the Regulatory Improvement Law of the State of Colima, create a Business Centre in each municipality of the state and redesign processes with a citizenship approach and apply simplification, ease of access and opportunity criteria.

Colima was among the states participating in the Short-term Measures project. This project was the root to creating a multidisciplinary group in the state government to analyse, evaluate and implement the recommendations derived from the review. The workgroup has an operational leader of each of the agencies involved, and their objective is to elaborate a plan to comply with the recommendations under its purview and document any measures taken. It should be mentioned that this group was led by the Ministry of Economic Promotion, empowered by the Governor to follow up the process, as well as a close orientation and advice relationship with the OECD and the COFEMER.

In January 2011, the state governor participated in an event organised by the OECD and the Ministry of Economy, introducing the 2010 edition of the Guide. Since then, the executive power turned the recommendations of the document into a commitment from the administration, and these were transmitted without change to the agencies involved and the areas responsible of customer service.

• Administering opponents: Even though the nature and intensity of the opposition to the reforms is variable, some lessons grasped from national and international experience are the following i) involving and consulting the parties that might be affected by the reform in order to generate trust, even when this does not guarantee that there will be no resistance; ii) the concessions to the parties affected without compromising the essential parts of the reforms that might help decrease resistance; and iii) it is important to consider if the parties affected would be compensated, as well as when and how this compensation will happen. On the one hand, the absence of compensation may reinforce the opposition, but an excessive compensation may be costly and offset the benefits of the reform.
In order to promote the regulatory improvement process, the administration’s commitment was communicated to the entrepreneurial and social leaders through the Economic Promotion Council.

The project to implement the recommendations of the 2010 edition of the Guide began in February of that year with a work program by agency that included the pertinent recommendation, the activities required and the start and completion dates, as well as the persons directly responsible for compliance. A feature worth noting in the regulatory improvement process for Colima has been the close follow up and the outcome evaluation directly made by the Governor himself. The follow-up activity included the elements below:

- Creating a complementary goal in the state’s Development Plan consisting of “implementing the OECD recommendations to improve the state’s competitiveness”.
- Implementing an operational planning methodology by which there is a monthly assessment of the goal and the state executive is updated about the progress in compliance.
- Holding weekly meetings with the governor and his cabinet presenting results of goal evaluations.

During the process several events were organised to promote the subject and maintain it as a priority in the agency agendas. These events were the following:

- Presenting the miempresa.col.gob.mx portal (May 6, 2011).
- Inauguration of the CMN in Comala and Coquimatlán (June 28, 2011).
- Creation of the state regulatory improvement council (July 29, 2011).
- Inauguration of the Minatitlán CMN (August 26, 2011).
- Celebration of the agreement to adhere to the observance and enforcement of the regulatory improvement law with each municipality in the state (November 24, 2011).
- Work and training meetings with the regulatory improvement units (November 24, 2011).
- Inauguration of the Armería CMN (November 24, 2011).
- Inauguration of the Manzanillo CMN (January 17, 2012).
- Inauguration of the Cuauhtémoc CMN (February 15, 2012).

Source: Information provided by the government of the state of Colima.

Four additional factors found in the project Making Reform Happen were the following:

- Supporting solid analysis: The arguments based on solid analysis and evidence improve the quality of reform and the likelihood of success. When there is consensus on the virtues and merits of a reform, its supporters are better equipped to confront resistance.
• Institutions: The likelihood of success of a reform increases significantly when there are institutions capable of supporting it, from its design stage through to its implementation. Not only does it require that institutions provide advice and know how, but also to support, guide and monitor the implementation process. In fact, the OECD has documented the most important roles played by institutions in charge of the regulatory improvement is to be facilitators for the rest of the agencies of the public administration.  

• Time: The above elements have a consequence in that successful structural reforms take time. Depending on their reach, they may take several years to be designed and implemented. Experience suggests that the less successful reforms are those that are undertaken in response to pressures to take immediate measures.

• Attempts: It is common for successful reforms to be preceded by several failed attempts to carry them out. In fact, these attempts usually create the necessary environment for subsequent initiatives, even more ambitious, and help political actors understand the problems and challenges involved.

It should be reaffirmed that, even when there are common problems in different states and municipalities, the particular features of every reform and each context imply that it is impossible to make a simple takeover process of institutions, policies and practices, and that a certain degree of adaptation is required. Even so, the studies derived from the Making Reform Happen project suggest that comparisons may be useful to derive common features of successful experiences.

Notes

Main lessons

Priorities for my state or municipality

Strengths of my state or municipality in terms of implementing the recommendations

Challenges of my state or municipality in terms of implementing the recommendations

Strategies to overcome the challenges
Conclusions

A regulatory framework that facilitates entrepreneurial activity in the formal economy and does not impose disproportionate or unnecessary costs to entrepreneurs is key to achieve competitiveness. High-quality regulation in one level of government may be affected by defective regulatory policies and practices at other levels, with a negative impact on economic performance and citizen’s entrepreneurial activities. State and municipal governments play a key role in regulating economic activity to protect public interest (health, environment, etc.), but at the same time must avoid hindering the starting and growth of businesses, especially SMEs that do not have the resources to pay for administrative costs generated by excessive regulation and complicated processes.

The aim of this toolkit is to guide public servants from sub-national governments in identifying the reforms that allow simple, predictable, efficient processes and that have the needs of the citizens at the centre of their intention. The high-impact recommendations contained in this toolkit emerge from a systematic evaluation of procedures with the highest levels of influence on economic activity of nine states in Mexico, as well as from reviewing successful international regulatory practices. Their main features are their complete justification in terms of cost-benefit analysis and their possibility of being implemented in the short term. On the other hand, the case studies described in the annexes illustrate how different federal entities and municipalities are implementing the recommendations contained in this document.

The high-impact recommendations for the Starting a Business process are focused on the implementation of measures and the use of systems reducing the number of visits that citizens have to make to different government offices. This is important since, currently, they have to visit several agencies at the three levels of government in order to succeed in formally starting a business.

In the process to obtain a Construction Permit, the evidence found in the nine states indicates that the municipal urban development area has a significant participation given its role in different procedures. In addition, an important part of the process consists of several inspections, and also responsibility of municipal agencies. Therefore, the high-impact recommendations were based on the relevance of automatising the information involved in the procedures certification and the advantages of using the risk management system to simplify their inspections.

As for the Property Registration, the diagnosis of the nine states suggests that establishing intramunicipal and intergovernmental communication systems is the key to simplify the process. This is so because the procedures of the current process focus on state and municipal authorities, but the sequence is such that it makes entrepreneurs go from one agency to another repeatedly. Given that notary publics also participate in the process, recommendations are made to allow digital management of the procedures and remote access to the government’s databases.

In the case of the Application to the Supplier's Registry process, the recommendations focused on improving the only procedure involved, which is the enrolment in the registry of suppliers. Improvement in this process is achieved in the short term by simplifying the enrolment requirements and implementing an electronic tool to manage the procedure.
Conclusions

The recommendations included in the section on access to information and regulatory transparency encompass all the processes analysed and apply to the different agencies and the three levels of government. These recommendations reflect the advantages citizens enjoy in terms of having the information about procedures available in a clear and accurate manner. They also address the need to carry out periodical revisions of regulations and procedures stocks, to ensure that they are relevant in a context of change, that they are efficiently reaching their objectives and to seek opportunities for their simplification.

Finally, the analysis of the nine states found that state and municipal governments have significant improvement opportunities in terms of their processes by means of a more efficient organisation of their physical and human assets. Therefore, the high-impact recommendations in the section Efficient Process Management are focused on reaching that objective.

Mexico has been a pioneer among the OECD member countries in terms of dedicating an important effort to regulatory quality improvement at the different levels of government. Implementing the recommendations contained in this toolkit will be an additional step on this path towards achieving multi-level coordination and guarantee that the progress made at the federal level and by some states and municipalities may be replicated in a generalised way. However, it is important to specify that, beyond the improvement of different administrative procedures processes, there is an agenda to be addressed by most sub-national governments in Mexico that consists in counting on an integral regulatory improvement policy that is institutionalised, participative and solid enough to continue beyond one government administration term.

An integral regulatory improvement policy must address the different stages of the regulatory governance cycle, from norms conception and design to their evaluation ex post, going through all processes involved in the implementation, compliance and inspection. For example, regarding conception and design, actually few states and municipalities have implemented the RIA as a way to guarantee the quality of new regulations. Also, ex post evaluation is practically absent. As far as institutionalisation and society’s participation in regulatory policy are concerned, 20 states already have a regulatory improvement law and 21 have set up councils, with the participation of citizenship, to promote their continuity, for example, Colima, Chiapas, Jalisco and Nuevo León. As declared by the COFEMER, “one of the key elements for regulatory improvement’s success is its permanence and refinement. More than a governmental policy, regulatory improvement must be considered a State policy”.

This agenda is part of the projects the OECD will implement on 2012, in its program of cooperation with the Ministry of Economy and in its collaboration relationship with the COFEMER. Therefore, the implementation of the recommendations included in this document must generate the establishment of a regulatory governance system in states and municipalities, which creates better competitiveness conditions and is sustainable beyond a government period.
TECHNICAL ANNEX I

Criteria for Identifying Good Practices to Improve Management of Administrative Procedures
Criteria for Identifying Good Practices to Improve Management of Administrative Procedures

This annex describes several criteria defined as “objectives” and “channels” used to identify good practices in the exercise of monitoring the implementation of recommendations contained in the Guide, which was carried out in the following four Mexican states: Baja California, Colima, Chiapas and Sinaloa. By objectives we refer to what is sought to be achieved throughout a regulatory practice. Meanwhile, channels means the ways followed to achieve those objectives. So, the objectives serve as an umbrella for different channels or, in other words, there are different means to achieve said goals. This list is not intended to be exhaustive and state and municipal authorities had the opportunity to provide good practices based on other criteria and they were required to justify such criteria.

A regulatory policy or practice was considered as a “good practice” when meeting one or more of the following criteria.

Objective 1: Significantly decreases costs and administrative burdens for the entrepreneur during the procedures process as a whole, and not for just a single and isolated procedural step.

The processes perspective is more effective in reducing costs and administrative burdens than the simplification of isolated procedural steps. Speaking of administrative procedures processes, we refer to, for example, starting a business, obtaining a construction permit or registering a property. Each process is made up of different procedures.

Channel 1.1. Enables remote interaction between the citizen and the offices so that the citizen does not need to physically visit the latter.

The tools that allow remote interaction between authorities and entrepreneurs eliminate the need for transport, queues, etc. and, therefore, reduce the administrative costs of the procedures. Furthermore, by avoiding direct contact, acts of corruption are inhibited.

Channel 1.2. Allows the coordination and exchange of information between agencies (at the same or even between different levels of government).

Each information requirement from one agency to an entrepreneur generates administrative costs in the form of time and money invested to find the documents, certify them, process information, prepare formats, etc. The objective of tools designed to share information is to provide access to data from different public sector agencies, in order to speed up procedures and to avoid asking the same information to citizens on multiple occasions.

Channel 1.3. Facilitates different procedures and / or services to entrepreneurs in a single point of contact.
With the entrepreneurial one-stop window different procedures are carried out in one place and access to different services (financing programmes, advice, etc.) is provided. They offer a good alternative when there are no means for establishing one-stop windows online and to reach populations that do not have access to these technological solutions. The physical one-stop business windows make it possible to reduce administrative costs for entrepreneurs since they will avoid the need to travel to different locations and thus administrative costs are reduced.

Objective 2: Significantly decreases the number of days needed to complete the administrative procedures processes.

This is important due to the fact that when procedures and permits are accelerated, companies can start operations faster and recover their investments. It is worth mentioning that a business requires heavy investment in the early stages, making it particularly vulnerable. In addition, the fast resolution of procedures or, at least, having a well-defined term, provides certainty to entrepreneurs.

Channel 2.1. Eliminates procedures and/or requirements that add little or no value to the process without affecting public interest.

Sometimes, regulations and procedures do not have well-defined target populations, so they are applied transversely, when there is no real need to regulate general population. In other cases, the regulations become outdated, running out of public interest and without a clear justification to counterbalance the costs they impose.

Channel 2.2. Consolidates procedures increasing the efficiency to the process as a whole and eliminating administrative burdens for entrepreneurs

Consolidating different procedures into one (by means of using unified formats, electronic tools, or some other mechanism) is a resource frequently used to simplify processes. This technique is particularly feasible when different procedures are carried out in the same location and/or when there is no reason to justify the priority of a process over another.

Objective 3: Decreases the potential for corruption and/or biases when procedures or a permit must be formally granted.

Biases and corruption adversely affect the predictability of procedures and thus the trust entrepreneurs may have. Moreover, bribes directly increase the costs of the procedures.

Channel 3.1. The internal procedures of the agencies, as well as the requirements and/or criteria for evaluating procedures are made transparent.

State and local governments must provide certainty to entrepreneurs while sorting out the procedures. There must be a commitment that only the requirements formally established for a particular procedure will apply and the evaluation criteria shall be objective and consistent as defined by the rules.

Channel 3.2. Provides certainty to entrepreneurs about the requirements, terms, payments and/or other administrative procedures that must be met to complete a process.

Besides making transparent the factors such as the requirements and deadlines of a process, sometimes improvements may go further by relieving the entrepreneur from procedures burdens and acknowledge that they have fulfilled the regulations provisions, so that entrepreneurs can start their activities with the certainty that they have complied with the rules.
**Channel 3.3. Makes accessible information about procedures, maintaining consistency among the different media used.**

A common problem is that information about business procedures is not accessible, is outdated or incomplete. It is recommended to use different ways to make information about procedures transparent and accessible to the user, making sure that data provided in different media is always consistent.

**Objective 4: Allows savings and better use of available resources within governmental offices.**

The governmental agencies that manage procedures for entrepreneurs have limited resources (materials, equipment, staff, etc.) and must consider using them in the best way possible. When resources are used inefficiently, it is common to find redundancies, delays and other unnecessary problems for entrepreneurs.

**Channel 4.1. Gives order to the internal processes at governmental agencies, eliminating redundancies or duplications and translates into a better service to customers.**

Sometimes agencies are unable to commit to the modes and deadlines for the management of administrative procedures due to the lack of organisation and discipline in their internal processes. This creates redundancies, delays, and uncertainties, and facilitates corruption acts.

**Notes**

1. These criteria are not mutually exclusive, i.e., a regulatory practice can simultaneously meet different targets. Also, a channel can be the way to achieve different objectives. However, for simplicity, we tried to classify each channel for one particular objective.
2. By “administrative burdens” we mean the costs of time and resources that the entrepreneur is required to use to execute the various activities involved in the completion of an administrative procedures process, for example, gathering information, certifying documents, visiting governmental offices, etc. These costs are additional to the direct costs of a procedure, such as the payment of fees.
ANNEX II

On Citizens’ Councils Related to Regulatory Improvement
Council A

Economic and Social Council of Mexico City

A. Introduction

The Economic and Social Council of Mexico City (Consejo Económico y Social de la Ciudad de México) was created by law after the H1N1 influenza crisis in Mexico City, which forced the suspension of economic activities. Its main goal is to be an entity in charge of representing economic and social participation, having a consultative, proactive and decisive character that collaborates with the City’s Government towards a comprehensive and sustainable development, promoting economic growth and employment and a fairer distribution of income and wealth, to allow individuals, groups and social classes that form the Federal District accomplish freedom and dignity in their lives.

This body is sustained by the Mexico City’s Law of the Economic and Social Council (Ley del Consejo Económico y Social de la Ciudad de México) (LCES), published in the Official Gazette of the Federal District on December 30th, 2009 and published in the Economic and Social Council of Mexico City Bylaws.

B. Organic Dimension

The Council composition is, under Article 5 of the LCES, the following:

I. An Honorary President, the current Head of Government of the Federal District.

II. Seven representatives of the business sector.

III. Seven representatives of academia.

IV. Seven representatives of civil society.

V. Seven representatives of the trade union sector.

VI. Four representatives of organisations of specialised professionals.

VII. Two Federal Deputies proposed by the Federal District Commission at the House of Representatives.

VIII. The head of the Ministry of Finance.

IX. The head of the Ministry of Social Development.

X. The head of the Ministry of Economic Development.

XI. The head of the Ministry of Tourism.

XII. The head of the Ministry of Education.
XIII. The head of the Ministry of Labour and Employment Promotion.

XIV. The head of the Ministry of Environment.

XV. The General Director of the Science and Technology Institute.

XVI. Three deputies of Mexico City’s Legislative Assembly (Asamblea Legislativa del Distrito Federal), from different political parties, proposed by the Government Commission.

XVII. The heads of the 16 Boroughs (Delegaciones).

To perform its operational functions, the Council has an Executive Chairman who holds this position in both the General Assembly and the Steering Committee. The representatives of the business, academic, civil society and trade union sectors, and specialised professionals are appointed by the sectors themselves and serve two years in office with the possibility of re-election for an additional year. The executive chairman charge rotates between these sectors. The Head of Government of the City proposes from among the representatives of the sectors the President of the General Assembly. He also proposes one of the representatives of the ministries as the Technical Secretary of the General Assembly, in this case, the Secretary of Finance. The President and the Technical Secretary are elected by the Councilors and must have the support of two-thirds of the Council.

All representatives have the character of regular directors; their position is honorary and they must have made an outstanding contribution to the economic growth of Mexico City. The Councilors may designate an alternate, in order to ensure their participation in the sessions.

C. Functional Dimension

Under Article 4 of the LCES, the Council’s attributions are the following:

- Analyse proposals for economic recovery and propose public policy to promote Mexico City’s development in the medium and long term.

- Promote participation of the economic, labour, academic, cultural and social sectors in the formulation of the city’s economic and social development strategy.

- Be a mandatory consultation agency for the executive body of the City in charge of the design, evaluation and monitoring of legislative initiatives, public policies, programmes and projects on economic and social matters.

- Conduct studies, reports and analyses concerning developments and economic policy of the city, and other areas of strategic interest.

- Comment on queries on law initiatives that will be presented by parts of the executive or legislative body of the Federal District.

- Issue recommendations for the elaboration of the General Development Programme of Mexico City, as well as to prepare the annual economic package presented to the Legislative Assembly for its approval.

- Participate in the provision and allocation of private resources to add them to the public resources in order to finance public policies, programmes and projects aimed at improving the competitiveness of the city, its productive transformation that will boost competitiveness and employment, the business environment, the transition to a knowledge-based economy, the
drive for the creation and development of micro, small, medium businesses and cooperatives, the international promotion of the city and, in general, to promote public-private investments in order to generate social benefits based on a sustainability approach.

The Council is structured in the following bodies: General Assembly, Steering Committee and commissions. The Councilors, formed in General Assembly, are the supreme body in the Council, so its decisions are binding on all members, including absent and dissenting councilors. The General Assembly ordinarily meets four times a year and in special sessions as often as necessary. The sessions of the General Assembly are public. Regular meetings are convened five working days before and extraordinary sessions are convened three working days before. Its decisions on administrative matters are made by simple majority and by two-thirds of those present when it comes to decisions related to the powers and functions conferred by the LCES. To modify the agenda of the session, during the assembly it is requested to include it in the agenda. A record of each session is made, which becomes a public document. Council decisions are binding on the executive body of Mexico City.

The Steering Committee is comprised of 11 members: the Executive Chairman, the Technical Secretary, the heads of the ministries of Finance, Economic Development and Social Development, a representative of the Federal District Legislative Assembly and a representative from each of the five sectors represented (business, academia, civil society association and specialised professionals). The Steering Committee has the following functions: i) submit to consideration by the Council the integration of the committees and working groups deemed necessary, ii) submit to consideration by the Council the work programme and iii) approve the studies, reports and opinions developed by the commissions and working groups for submission to the Council.

The Council may set up committees in order to analyse specific issues or issues that due to their relevance, require further study. The integration of the commissions is determined by the General Assembly based on the proposal of the Steering Committee. Each committee must issue an opinion on the subject that has been studied. To be able to create the commission it is necessary that the Executive Committee approves the proposal in session, by qualified majority of the members present, submits it for consideration and approval of the General Assembly. The General Assembly can approve the creation of one or more committees when they consider it necessary, without it being proposed beforehand to the Steering Committee. The committees, in turn, may create working groups with the participation of internal and external consultants.

The General Assembly appoints an Executive Secretary, who is the councilor responsible for coordinating the tasks of each committee created. The Executive Secretary has the following duties:

- Convene regular and special sessions of the commission.
- Coordinate the commission’s administrative and operational work.
- Record and coordinate the follow-up of agreements until the issuance of the final opinion.
- Report the progress achieved by the Technical Secretary Committee.
- Record the member’s attendance at each of the commission’s meetings.
- Record the minutes of each meeting held and collect the corresponding signatures.
- Participate in meetings with the right to speak and to vote.
• Elaborate and consolidate the monthly report to be submitted by the Commission to the Technical Secretary, informing of the progress on work entrusted to the commission.

• Follow the steps required to document and to keep a complete, formalised and updated archive of meetings and measures performed by the commission.

• Sign the minutes of the meetings held by the committee.

Following approval of the installation of the commission and of the specific subject of study assigned to it, its members will have 45 calendar days to approve, in a session, the resulting critical opinion. In extraordinary situations they will have 30 calendar days for that purpose. From the session in which the opinion was adopted, the Executive Secretary has three working days to submit a dossier to the Technical Secretary in which the following information must be included: i) Executive Summary reporting the sessions that were held by the commission and the topics covered in each occasion. Also required is to attach a duly formalised copy of the reports prepared on each session, and ii) the final resolution signed by all the commission members.

Under Article 8 of its internal rules, the powers of the Executive Chairman of the Council are the following:

• Represent the Council when dealing with Mexico City’s authorities, the Legislative Assembly, private institutions, missions abroad and other formal events.

• Sign national and international agreements, with the approval of the General Assembly.

• Preside over the sessions of the General Assembly and the Steering Committee.

• Designate who, in any case, shall represent the Executive Chairman of the Council in the meetings of the various bodies of the Council.

• Convene regular and special sessions, in accordance with the requirements established by the Council.

• Authorise the agenda of the regular and special sessions of both the General Assembly and the Steering Committee.

• At the first Assembly and within the Steering Committee, propose a calendar of regular sessions for the corresponding period.

• Participate in meetings with the right to speak and to vote. The Executive Chairman will cast the deciding vote in case of a tie.

• Ensure full and strict compliance with the resolutions and measures of the Council bodies.

• Make sure that the decisions and measures approved by the board are in accordance with the current regulations applicable and are respected by its members.

• Support and verify the implementation and compliance of the agreements adopted by the Council bodies.

• Sign the minutes of each session of the General Assembly and the Steering Committee.
Under Article 11 of its Internal Bylaws, the functions of the Technical Secretary of the Council are the following:

- Help, in the absence of the Executive Chairman, in convening to regular and special sessions, in accordance with the formal requirements of its Internal Bylaws.

- Coordinate the administrative and operational work of the General Assembly, the Steering Committee, the committees and the working groups.

- Record and coordinate follow-up on agreements until their full compliance and take the necessary steps, measures and procedures required for their compliance.

- Coordinate the Council’s relationship with the authorities and institutional relations in general.

- Assist the Honorary and Executive Presidents, in order to ensure full implementation of the provisions of the Internal Bylaws and applicable regulations.

- Record the attendance of board members at each meeting, collecting signatures from each Councilor or his/her alternate and, if this is the case, register absences.

- Register the designation of alternates conducted by the Councilors and verify that they are duly documented by the corresponding procedures.

- Take minute of each meeting and have it signed.

- Participate in the General Assembly and the Steering Committee sessions with the right to speak and vote.

- Carry out and record the vote count of approved projects.

- Follow the steps necessary so that the documentary file of sessions and measures of the board and its bodies is complete, formalised and updated.

- Receive and review the proposals of issues to be addressed in the agenda, submitted by the Councilors for next session.

- Inform the Executive Chairman of the agenda containing the issues that will be submitted to the Council in the following session.

- Sign board sessions minutes.

- Receive, consolidate and monitor information submitted by the committees and working groups.

- Report to the Steering Committee and the General Assembly measures taken by the committees and working groups.

- Designate the person who will serve as Technical Coordinator and notify the Honorary President and the Executive Chairman of such designation.

Article 14 of the Internal Bylaws of the Council also defines the attributions of its members, which are the following:

- Submit to the Executive Chairman and the Technical Secretary the proposal of issues to be included in the agenda for next session because of their interest and competence of the Council.
• Propose work strategies in order to improve the performance of the Council.
• Propose the integration of committees or working groups.
• Participate in sessions with the right to speak and to vote.

Only special guests are restricted to the right to speak, since Council members are also entitled to vote. People or entities outside the Council can submit their opinions, proposals and comments through the transparency portal of the Federal District Government.

D. Performance Dimension

The Council is a supporting entity with technical and financial autonomy for the development of its functions. In fact, resources for its operation come from the Fund for Economic and Social Development of Mexico City (Fondo para el Desarrollo Económico y Social de la Ciudad de México), with the amounts determined by the Legislative Assembly of Mexico City. These resources are managed by the Technical Committee of the Fund. During 2011, the Council met four times.
Council B

State Council for Regulatory Improvement of Colima

A. Introduction

In 2005 the Regulatory Improvement Act established public participation in the regulatory reform. However, this legislation did not have the desired effect, so the decision was made to renew it. The new version of the Regulatory Improvement Act for the State of Colima (Ley de Mejora Regulatoria para el Estado de Colima) (LMRC), published on July 2, 2011 in Decree 340 of the Official Gazette of the State, has achieved more participation, including representatives of business associations and academic institutions. In addition, on October 8, 2011 the Bylaws of the LMRC were published.

B. Organic Dimension

Article 12 of the LMRC creates the State Council for Regulatory Improvement (Consejo Estatal de Mejora Regulatoria) as a deliberative body, and crosscutting instrumentation and participation of government, municipalities and of private and social sectors. According to Article 14, the Council is composed as follows:

I. A President, who is the State Governor.

II. A Vice-President, who is the Secretary of Economic Development (SEFOMEC).

III. An Executive Secretary, who is the Director General of Development and Economic Development of SEFOMEC.

IV. An Administrative Secretary.

V. A Secretary for Planning.

VI. A Secretary of Finance.

VII. A Secretary for Rural Development.

VIII. A Secretary of Tourism.

IX. A Secretary of Labour.

X. A State Delegate to the Ministry of Economy of the Federal Government.


XII. The state Municipal Mayors.
XIII. Four representatives of the entrepreneurial sector, proposed by the President.

XIV. Two representatives of higher education institutions, proposed by the President.

XV. Two representatives of organisations and associations of civil society, proposed by the President.

The members in items IV to XV are members of the Board. In total, the structure is the following: nine state government officials, two from the Federal Government, the 10 municipal mayors, four representatives of the entrepreneurial sector, two representatives of the social sector and two academics. Representatives of the entrepreneurial sector, higher education institutions and civil society organisations, serve in office for a period of two years and may be ratified by the President of the Council for an additional period. The public sector representatives serve as members of the Board in accordance with their constitutional terms of permanence.

Article 12 of the LMRC Bylaws mentions that the sessions will be led by the President; in his absence, the Vice-President will lead them and should the latter be absent, they will be chaired by the Executive Secretary, with that vote counting as one. When the Executive Secretary assumes the role of the Vice-President or the President, his/her alternate must be present in the corresponding session. Article 13 of the Regulation states that the sessions must be attended by the persons designated and, if absent, the person authorised to represent them shall attend, having the right to speak and to vote.

C. Functional Dimension

The role of Council member is honorific, which means its members do not receive any compensation or salary. Under Article 11 of the Rules of the LMRC, board members have the following responsibilities:

- Attend, with the right to speak and to vote, the ordinary and extraordinary sessions that are convened.

- Integrate and participate in working groups and/or commissions necessary to comply with the purpose of the Council.

- Discuss and, if appropriate, approve the issues, plans and programmes submitted in said sessions.

- Sign the minutes of the sessions they attended.

- Make decisions and take measures as required in each case, so that the Council meets the objectives incumbent upon it.

- Submit proposals on regulatory improvement.

- Exercise the other powers expressly granted to them by the LMRC, its Bylaws and other applicable provisions, as well as those approved by the Council.

Under Article 13 of the LMRC the functions of the Council are the following:

- Study, analyse and review existing laws in the state, with the purpose of proposing regulatory improvement measures necessary to comply with the objectives of the LMRC.

- Assist in the development and updating of the Registry of Procedures and Services.
• Manage and propose regulatory improvement processes in municipalities within the state to allow companies to open quicker.

• Participate in coordination with the productive and social sectors on the consensus and proposal of elaboration of laws, decrees, circular letters, resolutions, projects that establish procedures, and services that represent changes or impact the activity of individuals.

• Manage and propose regulatory improvement processes in municipalities within the state to allow quicker business start up.

• Strengthen the figures of the Municipal Business Centres, its equivalents, and the One-Stop Window for Business Management, under the Economic Development Act, supporting units and facilitators of entrepreneurial activities.

• Propose the consolidation of agreements with various authorities and institutions of the federal, state, municipal or private orders, aimed at achieving the objectives of the LMRC.

• Issue resolutions in relation to the Regulatory Impact Analysis.

• Propose agencies the adoption of systems that encourage regulatory improvement and administrative simplification.

• Enforce the agreements and resolutions on the agencies and municipalities that have signed the conventions.

• Approve, revise and update the State Regulatory Improvement Programme.

• Approve the Municipal Operational Programmes for Regulatory Improvement.

• Promote the use of electronic media as well as the use of certified digital signatures in order to streamline services, processes and administrative procedures.

• Promote and boost the handling of transactions through electronic means, in coordination with the Ministry of Administration, seeking at all times the interoperability of systems and databases of the federal, state and municipal governments, autonomous bodies and public and private sectors.

• Approve measures required for the implementation and development of the regulatory improvement policy.

• Carry out other responsibilities established by the LMRC, its Bylaws and other applicable legal provisions.

In addition to these functions of the Council, Article 7 of the Bylaws of the LMRC establishes the following duties:

• Conduct studies and analyses in the field of regulatory reform.

• Be aware of and, if appropriate, approve the activity reports submitted to the Council by its members.

• Propose adjustments and administrative changes addressed to simplify the standardised frame.

• Propose solutions to reduce administrative processes derived from the requirements and procedures established by governmental agencies, in order to avoid duplication and obstacles.
• Disseminate among the public, private and social sectors progress made in the area of regulatory improvement in the country, state and municipalities.

• Be aware of, analyse and evaluate the reports of progress and results presented by state and municipal agencies concerning regulatory improvement programmes.

• Involve agencies and their representatives in committees and national and international organisations on regulatory improvement.

• Propose measures to improve regulation in specific sectors or activities.

• Create working groups and/or special committees.

• Review and approve, if appropriate, broadcast programmes produced to educate society to learn about their rights and obligations in terms of the regulatory reform.

• Keep track and follow up, if any, on the complaints and proposals for regulatory reform.

• Instruct the settlement of complaints not addressed by agencies when they have not yet been submitted to competent courts.

• Design and build administrative and corporate structures deemed necessary to achieve the objectives of the LMRC and the Council.

• Attend other appropriate activities that may be approved by the Council.

Under Article 8 of the LMRC Bylaws, the powers of the President of the Council are as follows:

• Convene through the Executive Secretary to ordinary and extraordinary sessions.

• Chair and lead meetings, as well as declare the resolved issues analysed and approved through the votes issued by the members present.

• Support, promote or redirect the Council’s proposals to the appropriate authorities.

• Report on the attention given to and compliance of the agreements reached by the Council, in accordance with its competence, and seek the support of other governmental offices and sectors for that purpose.

• Resolve matters that must be known by the Council, due to an unexpected event or major problem that cannot be delayed because its consequences would be irreparable. In these cases, the Council should meet immediately to take appropriate measures, recognizing the resolution that the President has issued.

• Put on record the minutes of the meetings attended.

• Be responsible, in general, for all measures that may be necessary for the efficient operation of the board, as well as those arising from other laws and other applicable laws and that are consistent with the objective of the LMRC.

Under Article 9 of the LMRC Bylaws, the powers of the Vice-President are the following:

• Have legal representation of the Council.
• Enter into contracts, agreements and all legal documents related to the purpose of the Council, and according to the general guidelines agreed to by it.

• Deliver, in each session, a report on the progress of the agreements reached at previous meetings.

• Turn issues to the Executive Secretary for action coordination.

• Promote active participation of all Council members.

• Perform other measures established by the LMRC and its Bylaws, as well as those that may be assigned by the Council.

On the other hand, the powers of the Executive Secretary of the Council, according to Article 10 of the LMRC Bylaws, are the following:

• Assist the President and Vice-President execute their powers.

• Convene to each session.

• Convene board members and guests for the sessions.

• Take over the responsibilities of the President or the Vice-President, in case they are absent at the Council meetings.

• Coordinate the Council meetings.

• Assume the responsibility of counting the votes of the board members in each Council session.

• Keep the record and personally certify with his/her signature the minutes of the meetings held by the Council.

• Obtain the signature of those present at the meeting.

• Follow up on the agreements reached at meetings and promote compliance with them.

• Provide information requested by Council members.

• Promote activities, commitments and agreements resulting from the measures of the Council, with the agreement of the President and Vice-President, if required.

• Issue certified copies of documents or resolutions from the Council.

• Manage the archive and hold responsibility for the files, information and other documents of the Council.

• Elaborate reports on monitoring agreements and measures arising from ordinary and extraordinary meetings of the Council and previously submit such reports to the Vice-President.

• Elaborate and submit to the Council an annual report of the Council activities. This annual report shall be delivered at the first regular session that takes place at the beginning of each year.

• Create the necessary mechanisms to design an evaluation scheme for the regulatory reform process in the state, and submit the report on the results at least once a year.

• Act as the liaison of the Council.
• Assume other powers expressly identified by the LMRC and its Bylaws, as well as those established by the Council.

Under Article 15 of the LMRC, all Council members are entitled to speak and to vote. Resolutions are made by a majority vote of those present and, in the event of a tie, the Chairman casts the deciding vote. The resolutions issued by the board are monitored by the SEFOMEC, as well as the heads of the Units for Regulatory Improvement.¹

The LMRC states that the Council shall meet at least four times a year. The minutes for each session that takes place must record, at least, place and date of the session, name and position of Council members or representatives who attended the meeting, development of the session, agreements made on issues raised, and include the signature of the participants. Experts may be invited to attend sessions with the right to speak but not to vote, in order to provide information on any subject that, due to the level or degree of specialisation, is not known by Council members. In addition, persons or entities outside the Council can deliver their views and comments through the website of the State Government and SEFOMEC, and also throughout the regulatory proposal² or regulatory complaint.³

Notices of ordinary Council meetings must be made at least 72 hours prior to the meeting, and for extraordinary meetings, the minimum is 24 hours ahead. The notice must indicate the place, date and time of the meeting and the agenda, including i) a list of those present and verification of legal quorum, ii) approval of the agenda, iii) reading and approval, if applicable, of the minutes of the previous meeting, iv) analysis and resolution on specific issues, and v) conclusion of the session.

Article 15 of the LMRC Bylaws mentions that in order to declare the session formally installed, the presence of the President or his/her alternate is required, as well as the presence of half plus one of the members of the Council. If by the first call a quorum is not reached, the Executive Secretary must issue a second written notice, to reschedule the meeting three working days after the date specified in the first call. Notification for this second call should be delivered by electronic media. It shall state what will be a valid quorum with the number of board members to attend and, in the case that this is not stated, the session in the second round is null.

Under Article 21 of the LMRC Bylaws, the Council will create working groups or commissions for RIA analysis, as well as special issues. These groups or committees can hold working sessions at times and places determined by its members, draw up reports and projects required by the Council, all the while following the guidelines the Council has established for this purpose, and will be valid as long as the Council approves it.

Currently the State Regulatory Improvement Programme is being developed in which 86 Units of Regulatory Improvement are involved at the State Government level, as well as the municipality’s level. The programme will be submitted to the Council for consideration and, if approved, will become a framework for state administration.

D. Performance Dimension

The Council has political support reflected on the fact that the Governor is the Chairman. The resources for the board’s operation come from the SEFOMEC budget.

The Council was installed in session on the 29th of July, 2011, when the conceptual framework of the LMRC was presented. The main activities of the Council in 2011 were the following. To:

• Heading a working meeting where the content of the Manual of Regulatory Improvement was explained. This meeting was attended by Council members and municipal liaisons.
• Establishing participation agreements with 10 municipalities in the state, in adherence to the LMRC.

• Promoting projects such as the Network of Business Centres and the webpage for business: miempresa.col.gob.mx.

Notes

1. The offices of each governmental agency are responsible for planning, organising, directing, controlling and evaluating regulatory reform processes within each one of them.

2. It refers to the declaration of a citizen or legal entity on the improvement of a procedure, service, system, database, document or general or specific acts, which involves the provision of a service or procedure; and measures within the public administration, delivered in physical form or by electronic means to any authority or Unit of Regulatory Improvement.

3. This refers to a formal declaration of dissatisfaction from a citizen or legal entity, due to a possible partial compliance or unjustified refusal of a service provided by the authorities, because of unsatisfactory opportunity, accessibility, transparency, quality, or administrative economy of this or other service.
Council C

State Council for Regulatory Improvement of Chiapas

A. Introduction

In 2008 the State Government of Chiapas created the Under-ministry for Regulatory Improvement, an agency of the Ministry of Economy, entrusting among its functions the main task to promote administrative simplification. Promoted by an initiative of the administration, the State Congress approved Decree 31, whereby the Regulatory Improvement Act for the state and the municipalities of Chiapas (LMREMC) was issued, which aims to establish the basis to be applied to acts, procedures and resolutions issued by offices of the state government, its decentralised public agencies and municipalities in terms of regulatory improvement and administrative simplification. The decree was published in the Official Gazette number 206 on December 23rd, 2009.

The decree proposed the establishment of an advisory and consultative body on regulatory improvement, which led to the creation of the State Council for Regulatory Improvement (Consejo Estatal de Mejora Regulatoria de Chiapas), through the Governmental Agreement of April 27th, 2010. As an organisation that offers advice and public consultation, the board allows feedback from state and municipal authorities to develop and enhance regulatory projects according to the needs of the people governed. The Council has a pluralistic and representative structure, involving entrepreneurs, citizens, professional experts and academics, in order to promote discussion, definition and implementation of regulatory changes needed to boost the competitiveness of municipalities and the state in general.

B. Organic Dimension

The Council is composed as follows:

I. An Honorary President, who is the State Governor.

II. A President, who is the head of the State Ministry of Economy.

III. A Technical Secretary, who is the State Under-secretariat for Regulatory Improvement.

IV. An Executive Secretary, who is the Representative from the Federal Ministry of Economy.

V. Members:

   a. The head of the Institute of Legal Advice and Legal Assistance.

   b. A Municipality Mayor for each of the geographic regions of the state (15 in total).
C. Functional Dimension

The powers of the Council, according to Article 4 of the Governmental Agreement that sustains its creation, are:

- Issue opinions and make proposals on the content of the State Programme of Regulatory Improvement and implement competitiveness strategies for the state.

- Promote deregulation and simplification of processes requirements, deadlines and administrative procedures, and make their management transparent.
• Propose to the state executive public policies that will contribute to the ongoing process of regulatory improvement and competitiveness.

• Propose measures and strategies that would help improve the regulation and provision of procedures and services and identify the problems that could arise in such procedures.

• Express their opinion regarding implementation and effectiveness of different instruments established in order to carry out regulatory improvement and strategies to be followed with regard to the competitiveness of the state.

• Make suggestions about the legal systems that are likely to be created, modified or removed, in order to make them more efficient and competitive.

• Recommend the use of new technological tools for administrative simplification.

• Promote the signing of agreements or partnership collaborations with the Federal Government, municipalities and private institutions, for the implementation of coordinated measures to enhance the regulatory improvement and competitiveness.

• Promote the signing of agreements or contracts with the federal, state and municipal authorities, in order to achieve overall improvement of economic activity regulation in Chiapas.

• Coordinate and update the Single Registry of Procedures and Services (Registro Único de Trámites y Servicios).

• Disseminate and promote compliance with the information registered in the Single Registry of Procedures and Services.

• Consider the proposals for regulatory improvement and competitiveness made by the social and private sectors.

• Approve the creation of committees or working groups.

• Propose, by majority of votes, the inclusion of new board members and, where appropriate, analyse the exclusion of members when it is required.

• Carry out any other duties assigned by the Chief Executive, the Chairman of the Board or proposed by the regulation of the LMREMC.

Under Article 5 of the Government Agreement the attributions of the Honorary President of the Council are the following:

• Chair over regular and special sessions.

• Propose amendments or additions to legal provisions and general provisions in order to simplify procedures and government services and become a more competitive state.

• Watch over and evaluate the performance of regulatory improvement programmes.

• Perform other duties conferred by the Government Agreement, the LMREMC Bylaws, or those designated by the Council.

Under Article 6 of the Government Agreement, the attributions of the President of the Council are the following:

• Represent the Council.
• Deliver the Honorary President a report on the progress of the regulatory improvement and competitiveness plans or programmes in Chiapas.

• Preside and chair regular and special meetings of the board, directing the debates that may arise during such sessions.

• Promote and coordinate the active participation of all the Council members.

• Propose and implement the measures required to fulfill the responsibilities of the Council.

• Propose the creation of committees or working groups as required for the best solution on the matters assigned to the Council.

• Notify the officials with more than two unjustified absences in a row and let them know about the third.

• Propose the substitution of participants if representatives from institutions or the society do not attend more than three times, without any justification.

• Authorise the agenda at the Council meetings.

• Instruct the Technical Secretary to convene meetings of the board.

• Propose and submit to the Council the schedule for their sessions.

• Carry out any other activity conferred by the Government Agreement or the LMREMC Bylaws, or requested by the Council.

On the other hand, the powers of the Technical Secretary of the Council, in accordance with Article 7 of the Government Agreement, are the following:

• Convene, after previously agreed to with the President, regular and special meetings of the Council, sending relevant information to the Council members at least three days before the session.

• Develop the agenda and content for the Council meetings.

• Elaborate the list of attendance and verify the existence of a quorum at each meeting of the Council.

• Produce and keep the minutes of each meeting of the Council and obtain the signature of the members.

• Follow up on the agreements reached at the meetings of the Council.

• Assist the Chairman and the Council in carrying out their activities.

• Analyse regularly, with the Executive Secretary, the progress in the implementation of the agreements issued by the Council, carried out by the state and municipal authorities.

• Perform other activities required to fully implement the functions of the Council.

The powers of the Executive Secretary of the Council, under Article 8 of the Government Agreement, are the following:
• Submit to the Council and the President the general policies regarding regulatory improvement and competitiveness which the Council will follow to advise municipalities.

• Conduct studies on the implementation of the State Regulatory Improvement Programme.

• Analyse regularly, along with the Technical Secretary, the progress on the implementation of the agreements issued by the Council, and state and municipal authorities.

• Carry out a statistical monitoring and control of compliance of documents issued by the Council on behalf of the state and municipal authorities.

• Develop reports regularly for the President, showing the progress achieved on state and municipal authorities measures to implement the related regulatory improvement and competitiveness.

Article 9 of the Government Decree also defines the powers of board members, which are the following:

• Offer an opinion and participate in the matters presented within the Council.

• Propose specific projects of competitiveness, deregulation or simplification of government procedures or procedures.

• Propose initiatives to change the law, regulations or administrative provisions in general that affect the economic activity.

• Comply in a timely manner with the work entrusted by the Chairman of the Council.

• Join committees or working groups integrated within the Council.

• Carry out activities inherent to the nature of their duties, as well as those which are approved by the Council.

Council members are entitled to speak and to vote. In the case of universities, given their participation as guests, they only have the right to speak. The decisions and resolutions of the Council are made by majority of votes from the members, and in case of a tie and should the Honorary President not be present, then the President casts the deciding vote.

Council decisions are merely considered as recommendations. Each session a minute of agreements is taken, which is signed by the participants, and a copy must be sent to the members within seven business days after the meeting. Both the Technical Secretary and the Executive Secretary should analyse and monitor the progress on the implementation of the agreements achieved by state and municipal authorities.

Sessions are public and anyone interested in the matters that will be discussed may attend. Regular Council meetings are held every two months and extraordinary meetings take place when the nature of the case justifies the session. However, following an austerity agreement, the Council decided to meet every three months if the case so required by the case or, at the most, every four months, as also 15 sessions of regional Councils must be attended, which are chaired by the mayors.

The notices for the meetings must be made at least three days in advance before the meeting, including the agenda and the matters to be discussed. If the Technical Secretary does not receive any request or observation by the members of the Council, he/she prepares a draft agenda, which is submitted for consideration to the President. Once the agenda is agreed to by consensus, it is disclosed to the members in advance of the session, so upon arrival at the meeting they may request a topic be added in the section named as “general matters”. In fact, prior to the approval of the agenda, the Council members propose the issues they want to address in that section.
For the Council meetings to be valid it is necessary to have a quorum of half plus one of the members. When they fail to reach a quorum, they convene a second session within the next five working days, which is convened with the number of members attending, and they must have the support of the President and the Technical Secretary.

Council members have the power to form committees for special issues and they by themselves decide which issues will be addressed in each. Similarly, by resolution of the Council members, they will make the decision about the integration of such commissions and the person who will take the role as Chair. All this must be done by all members during the sessions. The Council’s work is based on the regulatory improvement agenda established by the State Ministry of Economy strengthening it with the proposals of the members and experts in the field (COFEMER, OECD, etc.). Additionally, special agendas are also established with all the municipalities by their own request.

D. Performance Dimension

During 2011, the Council had four regular sessions. The resources to operate where provided from the Budget of the Under-ministry for Regulatory Improvement.

The main topics and activities of the Council in 2011 were the following:

- Implementation of the recommendations derived from the pilot project of monitoring the implementation of the Guidelines for Improving the Quality of State and Municipal Regulatory Procedures and Boost Competitiveness in Mexico.

- Elaboration of answers and responses relating to the sub-national Doing Business report.

- Organisation of a meeting with business leaders to let them know about the progress of the state and its municipalities on regulatory improvement.

- Installation of the regional Councils, trying to decentralise decisions and submit to the state Council the comments and concerns collected from the different regions of the state.
Council D

Council for Regulatory Improvement of the State of Guanajuato

A. Introduction

One of the goals set out by the Government Administrative Plan for 2000-2006 was to foster productivity and balance regional development, for which administrative simplification measures were planned and it was considered vital to facilitate the functioning of the managerial systems and to update existing regulations in the administration.

Government Decision 27 published in the Official Gazette of the State Government under number 32, dated March 15th, 2002, established the Council of Economic and Industrial Deregulation Policy of the State of Guanajuato. The Council would seek to comply swiftly, efficiently and effectively with the procedures reduction activities, requirements and deadlines to remove obstacles that prevent companies from focusing their efforts on production and employment generation. This Council for Deregulation preceded the current Council for Regulatory Improvement of the State of Guanajuato (Consejo de Mejora Regulatoria del Estado de Guanajuato).

The Council for Regulatory Improvement has its foundation in the Law for Regulatory Improvement for the State of Guanajuato and Municipalities (LMRG), published on May 22nd, 2007, and later on it was amended by a Government Decree and published in the Official Gazette No. 167 on June 3rd, 2011. In addition, Governmental Decree 184, issued on November 1st, 2011, establishes its Internal Bylaws.

B. Organic Dimension

The Council is composed as follows:

I. A President.

II. A Technical Secretary.

III. The head of the Ministry of Sustainable Economic Development.

IV. The head of the Ministry of Public Administration.

V. The head of the Ministry of Finance and Administration.

VI. A federal delegate from the Ministry of Economy in the state.

VII. A representative of the State Congress.

VIII. A representative of the Judicial Power of the State.
IX. The Chairman of the State Planning Commission for Higher Education and the President of the State Planning Commission for Higher Secondary Education.

X. A mayor and a representative of the municipal Councils of regulatory improvement by region: North, South, Northeast, Southwest, Central-east and Centre.

XI. Four representatives of the social, economic and academic sectors linked to the regulatory improvement.

The members of the Council are determined by order of law, in this case by Article 9 b of Decree 167 of June 3rd, 2011. Recent changes to the LMRG (Government Decree 184 of November 1st, 2011) stated that a representative from the social, economic or academic sectors must chair the Council. In fact, in February 2012, both the President and the Technical Secretary were representatives of the entrepreneurial sector. However, it is established that when the Governor attends meetings, this official serves as President, and the representative of the social, economic or academic sectors that at that moment holds the position of President, acts as one more member, and both are entitled to speak and to vote. In the absence of the Chairman of the Board, the head of the Ministry of Public Administration or the head of the Ministry of Sustainable Economic Development serves in that capacity, as agreed by them.

Governmental Decree 184 provides that the President shall be appointed by the Chief Executive, with the prior agreement of the social, economic and academic sectors representatives. Representatives of the social, economic and academic sectors will be equally appointed by the head of the Executive Power, based on the proposals made by the Secretaries of Public Administration and Sustainable Economic Development. The mayors and representatives of the municipal Councils of regulatory improvement will be chosen by those who integrate the corresponding region. In the first session in which a new board member chairs the meeting, the Technical Secretary is determined from among its members who shall retain their right to speak and to vote.

The Decree also establishes that the representatives from the social, economic and academic sectors remain in office two years and may be reappointed for up to one occasion. The Chairman of the Council is included in this provision. The mayors and also the representatives of the municipal Councils of regulatory improvement shall remain in their position for a term of two years and may be re-elected for up to one occasion. Similarly, the Technical Secretary shall stay in that position for two years and may be re-elected for up to one occasion. Meanwhile, other public officials who are Council members shall stay in their position for the period of their appointment.

Council members have the right to speak and to vote and may appoint their respective alternates, who shall have the same powers and commitments made by the holders. No minimum hierarchical level for alternates has been established.

C. Functional Dimension

The positions as members of the Council are honorary, so members do not receive remuneration, emolument or any financial compensation. The Council is an advisory and consultative body and has the following functions:

- Issue opinions and make proposals on the implementation and orientation of public policies on regulatory improvement and on the operation and functioning of instruments from the LMRG.

- Analyse and propose programmes and measures that will help achieve the compliance with the LMRG.
• Promote citizen participation in the development, updating, implementation and evaluation of the State Regulatory Improvement Programme, as well as the instruments from the LMRG.

• Propose studies and investigations to strengthen regulatory improvement and competitiveness in the state.

• Propose specific projects focused on developing regulatory improvement and competitiveness in the state.

• Propose to the Governor their own internal rules of procedure.

Additionally, Governmental Decree 184 stipulates the following functions:

• Propose measures and strategies to help improve the regulation and provision of procedures and services, and to identify any problems that may arise from them.

• Recommend the use of new technological tools for administrative simplification.

• Propose the signing of agreements or partnerships with public and private institutions in order to carry on coordinated measures that would have an impact on regulatory improvement.

• Design an annual work programme.

• Approve the integration committees or working groups.

• Carry out any other duties assigned by the head of the Executive Power and by any other legal provisions.

The powers of the Chairman of the Board, according to Government Decree 184, are:

• Represent the Council.

• Preside and chair the meetings of the Council.

• Propose the appropriate mechanisms to implement the objectives of the Council.

• Promote and coordinate the active participation of Council members.

• Instruct the Technical Secretary to convene the sessions.

• Authorise the agenda of the meetings held by the Council.

• Propose the creation of committees or working groups as required for the best solutions of the matters.

• Propose the session schedule and submit it for approval to the Council.

• Carry out any other matters provided for in this instrument or granted by the Council.

Functions of the Technical Secretary of the Board, according to Government Decree 184, are:

• Convene, prior to instruction from the President, the meetings for the Council sessions.

• Prepare the agenda of the sessions.
• Make available to the members of the Council, in a timely manner, the relevant and necessary information to carry out the duties for the Council sessions.

• Keep the record of attendance and verify that there is a quorum of members for the meetings.

• Record and keep the minutes of the meetings, collecting the signatures of the members who attend.

• Follow up on the agreements reached at the meetings.

• Carry out any other duties assigned by the Chairman of the Council.

Government Decree 184 also defines the powers of board members, which are:

• Participate in meetings and activities that are convened by the Council.

• Express their opinion about the issues raised in the Council.

• Integrate the committees or working groups to be formed.

• Comply in a timely manner with the commitments requested by the board.

• Perform any other activity inherent to fulfill the objectives of the Council.

The decisions and resolutions of the board are taken by majority of votes from the members present and, in the event of a tie, the Chairman casts the deciding vote. All the decisions, agreed to by a consensual procedure among Council members, including the state authorities, are considered of binding nature for the State Government. The Technical Secretary is responsible to follow up on the agreements reached at the meetings. In each session, minutes should be recorded containing the agreements reached, and these must be signed by all attendees with a copy sent to the members within seven working days after the conclusion of the session. In most cases, board meetings are also recorded.

The Council holds regular and special sessions. Regular meetings are held every four months and extraordinary sessions are held when the nature of the issue justifies them. Notices to convene should be sent to the members and temporary and permanent guests with a minimum notice of three working days and must include the following: i) date, place and time of the meeting, ii) type of session that is convened, iii) special guests to be present and the subjects on which their interventions are requested, iv) agenda, v) required information about the matters to be discussed. The agenda includes a general matters section, which may incorporate unforeseen issues or other items that may arise suddenly.

The sessions are public and open, even if it is not determined to be so by any legal regulation. Representatives of public and private institutions and citizens, whose background may contribute to the fulfillment of the powers of the Council, may attend the meetings as temporary or permanent guests, but only have the right to speak. The character of permanent guest is granted in a Council session. For the Council meetings to be valid, the quorum must reach half plus one of the members. When the quorum is not reached in the first instance, a second meeting is scheduled within the next five working days, and the session is conducted with the number of members attending, and must have the presence of the President and the Technical Secretary. Additionally, the Council seeks to invite to its ordinary sessions the participation of organisations or institutions specialised in regulatory improvement, such as the COFEMER and the Ministry of Economy, to discuss issues related to the Council tasks.
It is an attribution of the Council to design its annual work programme. The approval of this programme is subject to the mechanisms for reaching agreements: by majority of votes of the members present and, in the event of a tie, the Chairman casts the deciding vote.

Governmental Decree No. 184 considers as an attribution for the Council to approve the integration of committees or working groups. In fact, the President has the power to propose the creation of committees that are required for the relief of the issues and is within the responsibilities of its members to integrate these committees. In addition, the Technical Secretary has the authority to approve the integration of the commissions. However, these powers are not being exercised, so the Council is working on a project to establish permanent and special (temporary) committees. The proposal includes the following permanent committees: i) Planning and updating for the State Regulatory Improvement Programme, ii) Simplifying procedures and improving service, iii) Improving and simplifying the intra-governmental processes, iv) Following the recommendations from the OECD Guide, and v) Strategic projects. It also considers the following special committees: i) Simplification of regulatory impact assessment, ii) Analysis, improvement and promotion of LMRG instruments and iii) Consolidation of regulatory improvement by adopting information technology. The project stipulates that all Council members, except for the Chairman and the Technical Secretary, must be part of at least one committee and each will have a coordinator, who will be elected among its members, that is three to six members of the Council.

The working committees of the project are subject to the following guidelines:

- Integrate the committee in a plural manner, reflecting the profile of each member and board diversity.
- Have autonomy in the work they do.
- Establish an annual work plan, which shall conform to the work plan as approved by the full Council, delivering a monthly report to the Technical Secretary about their achievements and development.
- Hold sessions as often as they consider appropriate according to the relevant work schedules approved by the full Council.
- Have technical support or the ability to obtain it.
- Establish mechanisms for communication with other members of the Council.
- Sustain their agreements into a real legitimacy, backing them on clear consensus.
- Make decisions by majority vote of its members, in order to later expose them to the full council, which must ratify them. In case of a tie, the coordinator of the respective commission will have the deciding vote.
- Issue resolutions abiding by the hierarchy of norms, seeking resolutions that appeal to the common good.

The coordinators of committees shall have the following powers and duties:

- Preside over the work of the commission assigned to it by the Council.
- Convene, through the Technical Secretary of the Council, to the working sessions.
- Submit to the Council those proposals that are the result of the work of the commission.
• Establish and monitor compliance with the agreements reached by the Council in relation to the commission chaired by the coordinator.

D. Performance Dimension

The resources for the functioning of the Council come from the budgets allocated to the governing authorities on the subject, i.e., the Ministry of Public Administration and the Ministry of Sustainable Economic Development. The Council held three regular meetings in 2011. The main topics were:

• The organisation of the XXVII National Regulatory Improvement Conference, held in June 2011 in León.

• Monitoring the project “Strengthening the Regulatory Improvement Adopting Information and Communication Technologies”, whose implementation began in Celaya and Irapuato. The project aims to streamline government processes of social and business impact in order to improve the quality of public service. Within their reach it is contemplated to have a clear definition (mapping) of the overall process of regulatory improvement of the state, implementing information technologies for an efficient process of procedures and provision of services, establishing a Single Registry of Procedures and Services, a Single Registry of Companies and Individuals Accredited and an Electronic System for Procedures and Services, as well as to reduce the costs and time of procedures for both government and citizenship.

• The Council has worked repeatedly in processes of quick starting of businesses. In fact, the state won the first place at the national level in the ranking of starting a business by the Doing Business in Mexico 2009 review.

The Secretaries of Public Administration and Sustainable Economic Development, as the authorities on the subject, have provided training to the agencies of state government, as well as 46 local governments, in both normative and operational aspects. They have also trained business organisations in the cities of Leon and Celaya. Another representative action is the publication of volumes that compiled the various documents related to regulatory improvement. All these measures are listed in the annual work plan of the State Government and the Council participates issuing opinions and proposing measures.
A. Introduction

At the beginning of the state administration for the period of 1995-2001 deregulation was seen as an essential policy for economic growth, so the authorities began to open opportunities for the private and social sectors through meetings that were held in Casa Jalisco (Jalisco’s House), with the presence of the Governor to generate specific agreements on the subject.

At these meetings entrepreneurs and business persons concerns were heard regarding the main obstacles they faced and other issues were addressed such as overregulation on water, urban development and environment. The proposals derived from these meetings were taken to the competent authorities for their attention. These meetings were formalised in an agreement with the Governor, published in 1995, by means of creating an honorary organisation for deregulation and economic promotion called the State Committee for Deregulation and Economic Development (CEDESPE). The formal launching of CEDESPE took place in February 1997, working through subcommittees.

The CEDESPE continued to operate during the 2001-2006 administration and acquired a special significance at the beginning of the administration for the period 2007-2013, due to the fact that all committee meetings were led by the head of the Executive plus two additional sub-committees: Innovation and Administrative Modernisation and Intellectual Property.

Also at the beginning of the 2007-2013 administration, the CEDESPE began working on the legislation to institutionalise its existence, culminating in the approval of the Regulatory Improvement Act of the State of Jalisco and its Municipalities (LMRJ) in October 2009. Within this law the change of the name was stated from CEDESPE to COMERJAL (Regulatory Improvement Committee of Jalisco) (Comité de Mejora Regulatoria de Jalisco), retaining virtually the same powers. Since the law came into force on August 10th, 2010, that date is considered as the formal establishment of COMERJAL.

B. Organic Dimension

The COMERJAL is composed as follows:

I. A President, who is the State Governor.

II. A Vice-President, who is the Secretary of Economic Development.

III. A Technical Secretary, who is the General Director for Regulatory Improvement of the Ministry of Economic Development (SEPROE).
IV. Members by invitation:

a. Federal Government (15 members): Delegates in Jalisco from the Ministry of Economy; the COFEMER; the Ministry of Social Development; the Ministry of Labour and Social Welfare; the SAT; the SRE; the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food; the Federal Attorney’s Office of Consumer (PROFECO); the Federal Attorney for Environmental Protection; the Agriculture Procuratorate; the Ministry of Environment and Natural Resources; the National Water Commission; the National Migration Institute; the IMPI and INEGI.

b. Executive Branch of the State (17 members plus the President, Vice-President and Technical Secretary): The heads of the following governmental offices: the General Coordination of Innovation and Development; the General Coordination of Public Policy; the State Water Commission of Jalisco; the General Secretariat of Government; the Ministry of Finance; the Ministry of Administration; the Ministry of Planning; the Ministry of Environment for Sustainable Development; the Ministry of Urban Development; the Ministry of Rural Development; the Ministry of Roads and Transport; the Ministry of Health; the Ministry of Labour and Social Welfare; the Urban Development Attorney’s Offices; the Social Procuratorate; the General Direction of the Public Registry of Property and Commerce, and the General Directorate of Agriculture Affairs.

c. Legislative Branch of the State: President of the Board of the State Congress and a Deputy representing the commissions of Economic Development, Finance and Budget; Constitutional Issues; Legislation and Regulations Studies; Municipal Development; Government; Environment and Sustainable Development; Metropolitan Affairs; Regional Development; Urban Development; Justice and Development Planning.

d. State Judiciary: Chief of the Supreme Court of the State of Jalisco, President of the Administrative Tribunal and an adviser from the Judicial Council.

e. Municipal governments (16 members): Mayors from the Councils that represent different regions of the state.

f. Representatives of organisations from the private sector (16 members): the American Chamber of Commerce; the Economic and Social Council of the State of Jalisco; the Council of Industrial Chambers of Jalisco; the Jalisco Business Centre; the National Chamber of Commerce of Guadalajara; the National Chamber of Commerce for Tlaquepaque and Tonala; the Regional Chamber of the Manufacturing Industry of the State of Jalisco; the Mexican Chamber of Construction Industry: Jalisco Delegation; the National Chamber of the Industry for Housing Development; the Mexican Business Council for Foreign Trade, Investment and Technology of the West; the National Chamber for Restaurant Industry and Seasoned Foods; the Agricultural Council; the Chamber of Food Industry; the Banking Centre of Jalisco, the Industrial Parks Association of Jalisco, and the Professionals Colleges Federation of Jalisco.

g. Representatives of social agencies (6 members): Confederation of Workers of Mexico, Revolutionary Federation of Workers and Farmers of the State of Jalisco, Regional Confederation of Mexican Labour, the National Farmers Confederation, Federation of Residents of Jalisco and Union of Agrarian Communities.

Each of the members shall designate in writing an alternate to the SEPROE, who has the same rights and obligations held by the member.
C. Functional Dimension

The COMERJAL is completely honorary, so its members do not receive financial compensation, and their functions are:

- Identify and analyse the cases that must be attended, within the scope of the State Executive Administration, in order to issue new provisions regarding processes or administrative procedures that may be overregulated.

- Turn over to sub-committees specific cases presented to the Committee, with the purpose of having them revised and work on appropriate proposals.

- Propose adjustments and design changes to simplify the regulatory administrative framework.

- Propose and recommend appropriate adjustments for the requirements, procedures and deadlines, at the state level, for the starting and operation of businesses.

- Propose solutions to reduce the administrative burden of the requirements and procedures established by the state administrative authorities, in order to avoid duplication and obstacles.

- Invite specialists in the field of regulatory reform to get involved, particularly those interested in revising and updating the regulatory framework for businesses and entrepreneurial activity.

- Approve the annual schedule of meetings, the content of the recorded minutes, the creation and removal of subcommittees and appoint coordinators to them.

- Give their opinion about the evaluation scheme of the process of regulatory improvement.

- Disseminate among the public, private and social sectors, the progress obtained in the area of regulatory improvement in the country, the state and municipalities.

The powers of the President of COMERJAL, according to Article 17 of the LMRJ, are the following:

- Preside over the meetings of the Committee.

- Support, promote or redirect the Committee’s proposals to the appropriate authorities.

- Inform state agencies of the Executive Branch, on paying attention and compliance with the agreements resulting from the Committee that are within their competence, and seek the support of other agencies and sectors for that purpose.

- Submit to the Committee the draft for the annual schedule of meetings.

- Carry out the activities required and approved by the Committee.

The powers of the Vice-President of COMERJAL, according to Article 18 of the LMRJ, are:

- Chair the meetings in the absence of the President.

- Convene meetings of the Committee.

- Promote the solution and handling of the matters on the agenda and, if necessary, make proposals.

- Submit a report on the progress of the agreements and measures outlined in the previous meeting.
• Turn over to the Technical Secretary issues, studies and research for the coordination of measures.

• Promote the active participation of the members in the Committee.

• Propose the creation and termination of the COMERJAL subcommittees and appoint the corresponding coordinators for them.

• Perform any other action that may be necessary and approved by the members of the COMERJAL.

For its part, the powers of the Technical Secretary of the COMERJAL, according to Article 19 of the LMRJ are:

• Take over, in the absence of the Vice-President, the responsibilities listed in Article 18 of the LMRJ.

• Prepare notices to convene the meetings of the Committee and its sub-committees.

• Coordinate meetings of the Committee and its sub-committees.

• Prepare the draft agenda of each session.

• Record the minutes of each meeting of the Committee and its sub-committees.

• Collect the signatures of those attending each meeting.

• Follow up on the agreements reached at the meetings and promote their observance.

Article 20 of the LMRJ also defines the powers of the members of COMERJAL, which are:

• Attend meetings in person or through an appointed representative in accordance with the LMRJ.

• Propose cases for implementing the process of regulatory improvement or deregulation.

• Collaborate in the formulation of proposals for legislative issues, particularly creating new norms in order to promote the development of the State or economic deregulation, at the state level.

• Participate in working groups that are organised to address issues requiring inter-institutional participation.

• Other activities requested by the COMERJAL.

All members of the COMERJAL and the sub-committees have the right to speak and to vote, as long as they have been invited to the session or they have been appointed before the meetings. The resolutions are taken by simple majority and are binding; they should be recorded in the minutes of agreements and considered as instructions from the State Executive. In addition to the minutes of agreements prepared by the Technical Secretary, it has a format to control and monitor the agreements and commitments, where progress is recorded.

Regular meetings of the COMERJAL are held approximately every three months and the sub-committees every two months. Notices to convene the COMERJAL meetings must be made at least three business days in advance. The sessions are private, but sometimes members from the press are invited. For COMERJAL sub-committees and working groups meetings to be valid, they must meet...
half plus one of those summoned and, in the case of a second call, there must be a minimum time of 24 hours and it is performed with the number of members summoned that attend.

During the sessions, the agenda is presented for approval to the members and, if approved, they proceed to carry on with it. Otherwise, they consider the items presented. The topics are discussed in the sessions and, if there is need to extend the period of analysis, a term is established to receive comments from members of the Committee. The possibility of inviting external experts has been also anticipated, as has been the case with officials from IMCO and the OECD.

The COMERJAL consists of six working sub-committees that have sessions prior to the regular meetings of the Committee. The sub-committees established in the LMRJ are: i) Improvement of Laws and Regulations, ii) Innovation and Administrative Modernisation, iii) Intellectual Property, iv) Environment and Energy, v) Water and vi) Urban Development and Housing. These subcommittees are permanent, although they can be changed or new ones could be created, subject to the approval by all members of the Committee.

Although there is no particular plan that defines the period of work to base the COMERJAL performance, the themes that are a priority for each sub-committee are discussed at the beginning of the year and are subject to approval by the coordinators of the sub-committees and the Vice-Chairman. It is noteworthy that these coordinators are representatives of chambers and business organisations. Regarding the integration of each sub-committee, this is defined between its coordinator and the Technical Secretary.

D. Performance Dimension

The COMERJAL has political support reflected in the fact that all plenary sessions were led by the Governor and attended by most of the members.

The resources for the functioning of COMERJAL come from the operating budget of the General Directorate of Regulatory Improvement, from a specifically dedicated budget to pay the expenses of conferences, events and meetings. The Committee meets in the main hall of Casa Jalisco (Jalisco’s house) and sub-committees meet in meeting rooms facilitated at SEPROE or in the premises of the business associations that coordinate them.

The main issues addressed in 2011 by the sub-committees were:

- **Sub-committee on Water:**
  - Coordination with the Congress of Jalisco for establishing water rates under applicable regulations.
  - Improving regulatory procedures for Sewer System and Drinkable Water of Jalisco (SIAPA).
  - Project for the creation of the regulator agency.
  - Handling procedures and permits for water wells at the National Water Commission.
  - Simulation of water flows and water basins by the INEGI.

- **Sub-committee for Urban Development:**
  - Follow-up of proposed amendments and additions to the Urban Code.
- Regulations derived from the Urban Code.
- Monitoring the situation of the Partial Plans for Urban Development.
- Monitoring the operation of the State Council of Urban Development.
- Streamlining the procedures for developers with the SIAPA and condominium regime.
- Amendments to the Law of Public Work and its Regulations.

**Sub-committee on Innovation and Modernisation:**
- Modernisation of the Public Registry of Property and Commerce.
- Cadastral Modernisation.
- Certified Digital signature.
- Promote the use of tuempresa.gob.mx webpage, and develop the state webpage “Your business in one day”.

**Sub-committee on Laws and Regulations:**
- Preparation of the draft rules for the LMRJ.
- Standardisation of municipal regulations (business status for commercial, industrial and service activities)
- Standardised strategy for the rapid starting of businesses in the municipalities near the metropolitan area of Guadalajara.
- OECD Guidelines for Improving Regulatory Quality of State and Municipal Procedures and Boost Competitiveness of Mexico.
- Proposals for the Revenue Act 2012.

**Sub-committee on Environment and Energy:**
- Validation of the Unique Environmental License and electronic implementation strategy.
- Boosting green energy projects.
- Monitoring the problem of garbage collectors.
- Promotion of hydrogen as an alternative energy.
- Monitoring the work carried out by the Inter-ministerial Commission for the Efficient Use of Energy in Jalisco.

**Sub-committee on Intellectual Property:**
- Supervising the development in the number of trademark applications and patents registered at the office of IMPI West.
- Support for the promotion of trademarks and patents.
- Organisations for technology transfer.
- Collective trademarks.

Besides this, the COMERJAL has carried out other activities such as the training of members of the sub-committees on the content of the LMRJ and events such as the International Forum for Regulatory Improvement (2008), the Procedures Windows Forum and Regulatory Improvement (2009), the Forum for Economic Competition (2010), the Forum about the Results of Regulatory Improvement (organised in 2011 with the British Embassy) and the 29th National Meeting of Regulatory Improvement (2012). The Committee also prepared a report of measures and achievements and a white book.²

As a matter of fact, the COMERJAL is established by a law that provides support and functionality for the regulatory improvement policy of the state and the institutions that lead its efforts, as in the case of the General Directorate for Regulatory Improvement of the SEPROE. Among the main achievements of the COMERJAL the following can be highlighted:³

- Improvement of the procedures for environmental matters due to the Single Environmental License and the one-stop window for environmental procedures.
- Implementation of the digital signature in the agencies of the State Executive.
- Publication of the LMRJ.
- Participation in the process of modernising the Public Registry of Property and Commerce of Jalisco, including the establishment of electronic transactions.

Notes

1. The Single Environmental License allows to carry out various environmental procedures in a single act, preventing the persons handling the procedures from travelling to the various environmental agencies whose authorisation is required for the legal operation of their business.

2. The White Book (Libro Blanco) is available at the following webpage: www.jalisco.gob.mx/wps/wcm/connect/e2af3e804959682aa2a0fe7535904fb5/LB-Mejora+Regulatoria+Preliminar.pdf?MOD=AJPERES

Council F

Citizen Council for Regulatory Improvement of Nuevo León

A. Introduction

Up to the beginning of 2010, the Government of the State of Nuevo León (N.L.) only had an administrative area (coordination, fourth management level), at the Ministry of Economic Development, performing activities related to regulatory improvement, but these were limited to promote the start-up of SAREs. This background made it necessary to promote legislation on the subject. Therefore, the State Congress approved the Regulatory Improvement Law of the State of Nuevo León (LMRNL), which was published in the Official Gazette on October 1st, 2009. The LAMRNL Bylaws were published later on September 24th, 2010.

According to this law, the governing bodies of N.L. are the following: i) the Citizen Council for Regulatory Improvement (Consejo Ciudadano de Mejora Regulatoria), ii) the Regulatory Improvement Inter-institutional Commission (Comisión Interinstitucional de Mejora Regulatoria) and iii) the Regulatory Improvement Unit (Unidad de Mejora Regulatoria, UMR). The Council is a civil society entity with a consultative and honorary character whose purpose is to propose measures to promote, coordinate, follow up on and evaluate regulatory improvement measures within a framework of agreed coordination between the state and the municipalities. The Commission is the official body of support and supervision of the UMR’s operation. On the other hand, the UMR is a decentralised body of the Governor’s Executive Office, with technical and managerial autonomy, dedicated to the implementation of the government policy on the subject.

B. Organic Dimension

The Council is formed as follows:

I. An Honorary President, who is the State Governor, substituted when absent by the Honorary Vice-president

II. An Honorary Vice-president, who is the Economic Development Minister.

III. A City Councilor President, who is a citizen designated by the Council itself.

IV. A Technical Secretary, who is the Head of the UMR, with voice but without vote.

V. Six representatives, designated by the Head of the State Executive Power, from the following sectors:
a. Two from local entrepreneurial entities or chambers.

b. Two from non-governmental organisations or from civil society, greatly appreciated in the state.

c. Two from higher education institutions in the state.

VI. The mayors that sign the agreement established in the LMRNL.

The LMRNL established the Council’s integration by sector and, in agreement with the Governor, they decided which entrepreneurial chambers, universities and colleges would be formally invited. In addition to the law’s provisions, an invitation was extended to the CANADEVI and the CMIC, considering these sectors’ weight in N.L. The designation as Councilor is for an undetermined time, and consequently the rotation depends on the conclusion of the periods in public office or directive positions in associations and chambers. The members of the Council can designate an alternate, as long as they notify the Technical Secretary about it. There is no minimal hierarchical level for alternates.

C. Functional Dimension

Under Article 16 of the LMRNL, the Council’s responsibilities are the following:

- Propose strategies and measures oriented to improve the state regulatory framework.
- Give an opinion on the State Regulatory Improvement Programme.
- Give opinions on programmes and/or measures to improve regulation in specific activities or sectors.
- Foster the implementation of a continuing process of revision of state regulation.
- Act as a liaison between the public, social and private sectors, in order to gather their opinions on regulatory improvement.
- All others granted by the LMRNL, its Bylaws and other legal regulations.

Additionally, Article 12 of the LMRNL establishes the following responsibilities:

- Promote the adoption of regulatory improvement policy among the state municipalities.
- Create working groups within the Council, in order to analyse specific subjects or issues related to other sectors.
- Organise and lead work meetings in order to analyse projects and measures to be taken.
- Act as a spokesperson to sectors of the society regarding measures implemented by the UMR.

Under Article 17 of the LMRNL, the attributions of the Citizen Council President are the following:

- Initiate and preside over ordinary and extraordinary sessions.
- Initiate, conclude and, if necessary, adjourn sessions.
- Put to vote the issues discussed.
• Delegate to Councilors the execution of measures required for the delivery of regulatory improvement goals.

• All others granted by the LMRNL, its Bylaws and other legal regulations.

The LMRNL does not establish specific attributions for the Council’s Honorary Vice-President.

Under Article 18 of the LMRNL, the Technical Secretary’s attributions are the following:

• Convene ordinary and extraordinary sessions.

• Read the agenda.

• Keep the record of attendance to the sessions.

• Prepare and record the minutes and agreements of ordinary and extraordinary sessions.

• To develop and protect the Council’s records.

• All others granted by the LMRNL, its Bylaws and other legal regulations.

Additionally, Article 13 of the LMRNL Bylaws establishes the following attributions of the Technical Secretary:

• Deliver, upon request of the Council, data and copies of documents the UMR has about regulatory improvement programmes, procedures and services records, regulatory impact drafts and declarations, agreements with municipalities, operational programmes and other elements relevant to the performance of the Council’s responsibilities.

• Submit to the UMR the proposals, opinions and remarks approved in the Council’s sessions, for their analysis, evaluation and implementation or execution, when they contribute to the achievement of the LMRNL purposes, goals and means, as well as to report to the Council in a subsequent session on their implementation or execution, or on the obstacles to do so.

• Help the members of the Council who are delegated the execution of measures or decisions made by it.

• All others determined by the Council as per its attributions.

All members of the Council have the right to speak and to vote, except for the Technical Secretary, who only has the right to speak. Decisions are made by majority vote of the members attending the session and in case of a tie the person presiding over it casts the deciding vote. The Technical Secretary is in charge of following up on issues approved by the Council and of informing its members on the progress made. Also, the Technical Secretary keeps the record and prepares the minutes of the sessions, which are published on the state government’s Internet portal. Furthermore, although this is not a formal requirement, the Council’s meetings are usually recorded.

Ordinary meetings take place at least biannually and extraordinary meetings are held whenever the Honorary President or the Citizen Council President considers it necessary. The Technical Secretary must convene ordinary sessions three days ahead and extraordinary sessions one day ahead. The notice will include the topics to be discussed. The 2011 sessions were public and open, although neither the LMRNL nor its Bylaws establish this is so. For the Council’s sessions to be valid, it is necessary that half the members plus one are present.
External individuals or entities can submit their opinions and proposals through the N.L. state government’s portal. During the sessions, the councilors must approve the agenda and items for the general issues section can be proposed.

Under Article 12 of the LMRNL Bylaws, the Council can create working groups or commissions to analyse specific issues. However, up to February 2012, no workgroups had been created and all issues are decided in plenary session.

According to the LMRNL, the UMR is in charge of elaborating, disseminating and evaluating the State Regulatory Improvement Programme. The public administration agencies and entities must prepare annual operational programmes in execution of their regulatory improvement programmes, and they must report to the UMR on their progress. The Council must approve the State Regulatory Improvement Programme, and this approval was granted on September 24th, 2010. The UMR also submits an annual activity report to the Council.

D. Performance Dimension

The Council has political backup and this has been reflected by the fact that the more important decisions on regulatory improvement have been made after being endorsed by this body. In fact, both the Regulatory Improvement Special Programme 2010-2015 and the Regulatory Improvement State Programme 2010-2012 were discussed and approved by the Council. Also, the Agreement for Regulatory Containment, published in the Official Gazette on June 3rd, 2011, was signed by the Governor during a session of the Council. Additionally, the State Executive has attended three of five ordinary sessions and, when not present, he has been represented by a minister. The Council held two ordinary sessions and one extraordinary session in 2011.

The main issues and activities discussed in 2011 were the following:

- Approval of the Regulatory Improvement Special Programme 2010-2015, the strategic planning tool for state administration.
- Presentation of the Regulatory Improvement State Programme 2010-2012, through which 55 agencies and entities of the state government diagnosed 1,615 regulatory tools, generating 286 improvement proposals.
- The Agreement for Regulatory Containment.
- Survey addressed to prepare the regulatory improvement agenda of the seven municipalities of the metropolitan area of Monterrey and to align the most important procedures between the municipalities. 1,121 recommendations were derived from this review, addressed to the seven municipalities and the state government.
- Two training sessions for the regulatory improvement liaisons in the 55 state agencies and seven municipalities of the metropolitan area of Monterrey.
- The use of the economic evaluation model provided by the COFEMER to measure the release of resources generated in the economy by procedures simplification and decision times reduction.

The plans to promote regulatory improvement measures implemented in the state include the following:
• Publication of the Council’s session on the state government’s portal and broadcasting through social networks.

• The important measures implemented by the UMR are also published on the state government’s portal and are promoted through social networks.

• Through the Internet portal publications, information is disseminated to the electronic and printed media by the Social Communication area.

• N.L. hosted the 28th National Reunion for Regulatory Improvement.

• A blog in the state government’s portal, as well as a section on the subject.

The reunions with mayors have been public and Will Declarations are signed, reflecting the support of the regulatory improvement policy.
ANNEX III

About Good Practices in the Implementation of the Recommendations Identified in the States of Baja California, Colima, Chiapas and Sinaloa
Starting a Business
Annex 1

The Portal for Starting a Business of the State of Sinaloa: abretuempresa.gob.mx

A. Problems to be Solved

Before the implementation of the portal in Sinaloa, and specifically in the municipality of Culiacán, the process of Starting a Business started in the Urban Development and Ecology Direction (DDUyE), with the procedure called Land Use Certificate. Besides the DDUyE, the Income Direction participated in the process. The procedure took place as illustrated in Figure 1:

**Figure 1. Process for Obtaining the Land Use Certificate in the Culiacán Municipality before Implementing the abretuempresa.gob.mx Portal**

![Flow Chart]

- **User submits request**
- **Officer of the DDUyE delivers receipt for payment**
- **User pays at the income counter**
- **User returns to the DDUyE and delivers payment receipt**
- **Counter officer turns request to Ruler**
- **Ruler prepares Certificate and turns it to for signature**
- **Deputy Director signs Certificate and turns it to Director**
- **Director signs Certificate and returns it to Deputy Director**
- **Deputy Director returns signed Certificate to Ruler**
- **Ruler returns Certificate to counter officer**

**Average Time: 57 Days**
The main problems detected in this process were the response time for the procedure (up to seven days and sometimes even 30) and the discretionary power with which the land use was determined. Although the land uses published in the municipality’s urban governing plans were available to citizens, it was not easy to interpret them. Furthermore, this complexity to find out the land use of a specific area allowed municipal authorities to alter a solution when social conflict arose, thus harming investors.

B. Solution

The www.abretuempresa.gob.mx portal is a technological platform created to obtain the Land Use Certificate and/or Decision on Land Use online. Its main purpose is to join municipal and state efforts in order to reduce the times and costs involved in starting a business. The user can make three operations through the portal:

- Consultation of business activities authorised to operate in a specific location.
- Upon entering the activity and the municipality, the user can find out the procedures that according to their activity must be carried out in order to obtain the permits, licenses and/or resolutions required for its operation. Also, the user obtains information about the place, address and schedule in which they have to handle these procedures (Procedures Guides).
- Once registered, the user can pay the corresponding fee and obtain the Land Use Certificate and/or Resolution on Land Use online. The user can also follow up on the procedure from the portal.

Additionally, the portal offers the possibility to conduct a market research on the area selected to locate a business, contrasting information on similar activities and demographic data. For example, it offers access to information regarding population (total, by gender, age, affiliation to some social security system, level of education, among other data) and characteristics of the homes (size, occupants, etc.).

C. Current Situation

The main benefits obtained with the implementation of the portal are the reduction of response time and the certainty the entrepreneur interested in investing acquires by eliminating the discretionary power to manipulate information and authorisation of the Land Use Certificate and/or Resolution on Land Use (Figure 2).

During March 2008, when this platform was initiated, it was available only for Culiacán. In August 2009 the municipality of Mazatlán was added and upon implementation of the new version, it should operate in all the state municipalities. It is noteworthy that the government is working on the interoperability of the portal with the tuempresa.gob.mx federal website.
Figure 2. Process for Obtaining the Land Use Certificate and/or Resolution with the abretuempresa.gob.mx Portal

1. User enters portal
2. Users enters address and activities data and pays online

Average Time: 1 Day

From the implementation of the portal until September 2011 it has handled 1,689 requests, distributed as follows:

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Certificates issued from portal</th>
<th>Amount collected (pesos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culiacán</td>
<td>1,141</td>
<td>$176,473</td>
</tr>
<tr>
<td>Mazatlán</td>
<td>548</td>
<td>$84,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,689</td>
<td>$260,973</td>
</tr>
</tbody>
</table>

D. Participation of Public Servants

Staff of the State Commission for Business Management and Regulatory Improvement of the State of Sinaloa (Comisión Estatal de Gestión Empresarial y Reforma Regulatoria del Estado de Sinaloa, CEGERR) worked on the collection of data from the Procedures Guides, gathering of construction regulations, municipal governing plans, partial plans, meetings with different municipal authorities, validation of process, among other tasks. An external company was hired to develop the software. In total, 10 people participated on behalf of the CEGERR and 30 people on behalf of the software developers.

The tasks were distributed among groups of the CEGERR. The Regulatory Reform area collected regulations, cartographic information, municipal development plans, partial plans and signatures of agreements, among others. The Business Management section collected information on requirements, costs and times for each procedure by agency. Once the information was integrated, it was contrasted with the activities catalogue in order to determine which procedures corresponded to each activity. The municipalities’ certificate or decision forms were also gathered and improved, and a unique form was proposed with the purpose of standardisation. This same group validated the findings, that is, the errors of the results issued by the portal against what civil servants had been doing manually. It also gathered the digitised signatures of the civil servants in charge of issuing certificates and decisions, so that the user could obtain them via Internet, the same as when the user received them in a window.
Additionally, the Systems staff generated information tables of operation of the software and updated the costs and requirements modifications. They also coordinated the technical aspect, so that the portal could operate in the equipment used in the municipal windows. On the other hand, external advisors developed the software, concentrated the information provided by the areas, organised the proof validation meetings and remain in charge of the optimal operation of the portal and of keeping the information they receive updated. They also train the municipalities and URGE Centres (Rapid Unit of Business Management)\(^2\) on the portal’s operation.

Notes

1. The link of the www.abretuempresa.gob.mx portal is also provided in the state government website, www.sinaloa.gob.mx.
2. The URGE Centres are entrepreneurial service units that concentrate in one place the procedures for starting and strengthening a business. These procedures can be made onsite. They also offer advice services and various types of support for entrepreneurs.
Annex 2

The Online SARE of the Colima Municipality

A. Problems to be Solved

Before this tool was implemented in June 2002, the municipal agencies were involved in the commercial, industrial and service licenses, and the construction permit issuance process. The SARE was implemented during January 2005, but problems such as the following remained:

- The requirements and forms were obtained only through a window.
- Each agency issued the document required independently.
- The process implied several verifications.
- The land use certificate was issued only by the Urban Planning Department, manually and based on maps.
- The procedures could not be made simultaneously.

B. Solution

In June 2009, the municipality of Colima initiated the operation of a digital tool called System for Quick Business Start-up (Sistema de Apertura Rápida de Empresas, SARE) online. The entrepreneur can locate this system in the municipal website (www.colima.gob.mx) and from any place with Internet access the user can find out if starting a business with a specific activity is authorised in any municipal location (Figure 1).

The purpose of this tool is to allow immediate issuance of the commercial, industrial and service licenses, and the construction permit, based on the integral system (software) of the municipality of Colima and concentrating entities in the three government levels related to economic development in facilities known as the Municipal Business Centre (CMN).

The system provides information online concerning the land use allowed for the properties, procedure requirements, costs, processes description, opening hours, people or entities responsible for the processes and response times; it provides one additional option for the entrepreneur to obtain the Unique Form of Application for the Operation License or the Form for the Construction Permit, and finally to facilitate online follow-up of the licenses authorisation process.

The system provides access to the requirements for obtaining the License of Operation through a Procedures Guide (Figure 2). Almost 8,000 users have obtained these guides since the implementation of the online SARE.
Figure 1. Results on the Land Use Inspection

Note: This form is issued by the Treasury and certifies the land use authorised in each case.

Figure 2. Procedures Guide for Operation Licence Issuance
Regarding the construction permit for new sites and commercial use, the Urban Development Information System (SIDU) allows the alphanumerical consultation in the cadastral registry, obtaining immediate information on alignment and official number, as well as land use of the site. The system facilitates the interrelationship and coordination between agencies upon resolution. With this electronic advantage it is possible to eliminate three procedures: the alignment and official number certificate, the land use report and the land use license, and to immediately issue the construction permit, with no previous procedures.

### C. Current Situation

The main benefits the implementation of online SARE offers entrepreneurs are the following:

- Certainty for the investor through standardising information and increasing its transparency, and through allowing the monitoring and control of processes.

- Obtaining the commercial license and the construction permit in only one day (see process in Figure 3).

**Figure 3. Construction Permit Procedure Process in the Municipality of Colima**

<table>
<thead>
<tr>
<th>Process</th>
<th>System Actions</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>It automatically provides: land use, b) requirements, c) cost, d) process description, e) working hours, f) person in charge of process, g) response time</td>
<td>Access to this information reassures the applicant and provides total transparency to the process</td>
</tr>
<tr>
<td>Provide information to carry out the procedure (at one-stop, by telephone or via Internet)</td>
<td>It allows consultation of land use and official number designation, as well as resolution and immediate issuance of license</td>
<td>The elimination and/or fusion of requirements, as well as immediate resolution and issuance, allows citizen to obtain the Construction Permit with no previous procedure, at a one-stop and with only one visit</td>
</tr>
<tr>
<td>Receive record of request at one-stop for its immediate elaboration</td>
<td>Registration of Inspection Process (minutes processes, notifications or closures)</td>
<td>This avoids the use of influence on the services provided by the Municipality</td>
</tr>
<tr>
<td>The citizen goes ahead with the authorised construction work</td>
<td>Issuance of the Certificate of Construction Work Completion and Registration</td>
<td></td>
</tr>
<tr>
<td>Inspection of the building work by the Construction Site Director (DRO) and the Municipality of Colima</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The elimination and/or fusion of requirements, as well as immediate resolution and issuance, allows citizen to obtain the Construction Permit with no previous procedure, at a one-stop and with only one visit.
• The procedure requires visiting only one window.

• The user receives the visit of only one inspector, who collects all the information required by the different municipal agencies.

• It is possible to obtain information via Internet on the land use of the site, the procedures requirements, costs, processes description, opening hours, people and entities responsible for the processes and response times, as well as to download the Unique Form of Application for the Operation License or the Form for the Construction Permit and to follow up on the procedures.

Efforts are being done to enhance the scope of the online SARE, so that citizens can obtain their license of operation and their construction permit through remote means.

D. Participation of Public Servants

The implementation of the online SARE required workgroups in charge of process analysis and re-engineering design, with the participation of four coordinators (the Treasurer, the General Director of Economic and Social Development, the General Director of Urban Development, Ecology and Housing, and the Systems Director), 14 people for process analysis and data registration (directors, department heads, area heads and operation personnel) and external personnel for software design and development.

The operation personnel captured data with the purpose of creating the computerised databank required to systematically provide land use information of the sites and other information on the procedures, as well as providing an electronic version of the Unique Form of Application for the Operation License and the Form for the Construction Permit.

It is noteworthy that the government has the ISO9001:2008 certificate of the SARE as a specific process with all its interfaces and backup processes (Figure 4).

Figure 4. ISO9001:2008 Certificate for the SARE
Annex 3

The Portal for Starting a Business of the State of Colima: miempresa.col.gob.mx

A. Problems to be Solved

Under current legislation, any person who desires to initiate mercantile operations is bound to comply with several requirements in different government agencies. Before the implementation of the portal, these procedures implied that an entrepreneur who wanted to start a business in Colima needed an average of 15 days to comply with municipal requirements if the permit was not a low risk license (or 72 hours under the System for Quick Business Start-up). Besides municipal procedures, it was necessary to dedicate between five and 90 days to conclude state and federal procedures. Regarding this, the Doing Business 2009 report concluded that in Colima an entrepreneur had to dedicate 57 days on average to conclude all the municipal, state and federal procedures required for starting a business.

Additionally, when a citizen desired to open a business, the entrepreneur had to carry out state procedures in different agencies. The process implied necessarily visiting several offices, as well as filling out various forms and, in some places, meet duplicate requirements (Figure 1).

*Figure 1. Scheme of the Process of Starting a Business before the Portal*


The analysis of the processes used by agencies that would include some procedure in the portal concluded that most procedures were not systematised, and when they had software for their process, it stood out it was external, which did not allow the connections necessary for the portal. Based on this conclusion, the government documented, analysed and implemented re-engineering to this processing of the procedures that would be included in the portal and designed software for the new online process, which in turn works for the service in a window.

**B. Solution**

The *miempresa.col.gob.mx* portal is a website where entrepreneurs can submit state procedures to start a business, and can find advice and general information on them. When doing so, the user interacts with the portal and can visualise online the progress in the process, receive electronic mail with notifications, upload information, make payments online and print payment receipts and certificates with electronic signature. The purpose is to have a portal in which any person can follow, in only one site, the state procedures for starting a business in Colima (Figure 2).

**Figure 2. Scheme of the Process of Starting a Business in Use with the miempresa.col.gob.mx Portal**

<table>
<thead>
<tr>
<th>1 (start)</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 (finish)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizen (portal)</td>
<td>State Government (portal) Federal Government</td>
<td>City Council</td>
<td>State Government (portal)</td>
<td>City Council</td>
</tr>
</tbody>
</table>

Citizen obtains a Federal Taxpayer Registry number

The portal not only lets the user follow state procedures, but also provides information on costs, follow up on the procedures from their computer, in order to monitor the process stages, as well as to validate the requirements that have been entered in the portal.

**C. Current Situation**

In the first stage, which started in May 2011, entrepreneurs can carry out the following procedures online:
• Wastewater discharge certificate granted by the Drinking Water and Sewerage Inter-municipal Commission of Colima and Villa de Álvarez (CIAPACOV).

• Notice of operation granted by the Ministry of Health.

• Compliance certificate granted by Civil Protection.

• Creation of microindustry and/or artisan Limited Liability Companies by the Ministry of Economic Promotion.

• Incorporation to the State Ministry of Education’s educational system for initial and basic education and occupational training levels.

• Incorporation to the State Ministry of Education’s educational system for high school and higher education levels.

• Resolution of the Ministry of Urban Development on environmental impact and/or risk and local license of environmental operation.

• Certificate of no criminal record granted by the Prevention and Social Rehabilitation Centre.

• Appointment to request the incorporation and renewal in the Small Taxpayers Regime (REPECO) of the Ministry of Finance.

The specific benefits obtained from the portal are the following:

• It facilitates the coordination of the different government levels when providing services and programmes to entrepreneurs, since the purpose is to interconnect it with the tuempresa.gob.mx federal portal, as well as, in the short term, with the municipalities of the state.

• Procedures are concluded in less than 72 hours.

• It reduces the costs of opportunity for entrepreneurs in the processing of administrative procedures, since they do not have to stop doing business in order to do it, nor leave their municipality or visit the agencies’ offices.

• It offers transparency as to the costs of procedures for the users.

• It favours the increase of formal economic activity, due to the reduction of transaction costs of starting a business (it lowers the cost of procedure).

• It prevents filling out duplicate forms, copies and certificates, since it consolidates a single form for the registration of the company and the documents required are shared by the different agencies.

• It makes it possible to handle procedures 24 hours a day from any location with Internet access, including the payment online and printing of documents and certificates with electronic signature.

• It provides assistance online (Figure 3) and tutorial videos to guide the user.

It is noteworthy that the Ministry of Economic Promotion has reserved a space for individuals with no access to a computer or to Internet (Figure 4). The users of this space are advised by personnel with specific training on the use of this portal.
D. Participation of Public Servants

The team in charge of the development and implementation of this practice was integrated by officers of the Ministry of Economic Promotion, as the general coordinator of the project, and the Ministry of Administration, which contributed with two coordinators, three analysts, two designers and 13 programmers; plus staff from the entities who handle procedures in the portal: the Ministry of Urban Development, the Ministry of Finance, the Ministry of Education, the Ministry of Health (State Commission for the Protection against Sanitary Risks) and the CIAPACOV. In total, the task required direct participation of approximately 47 civil servants.

The development of the portal demanded joint participation of several agencies, which created communication channels between various work teams and allowed them to find out the needs and potentials of the different areas, and this has generated proposals for the improvement of procedures and services.
A. Problems to be Solved

Before implementing this system, the procedures of the Ministry of Public Works and Urban Development (SOPDU), for example, involved a capture, follow-up and delivery process which took place with no control of times and information:

- In order to initiate a procedure, the citizen first had to fill out a form by hand, providing the applicant’s data and the data pertaining to the procedure to be made.

- The civil servant at the window received the form and checked the documents required for the procedure. This caused accumulation of documents for each request and generally the citizen had to wait in line to be attended.

- Once the application stage was finished, the administrative process to handle the procedure initiated, and the staff printed a form for inspection.

- To issue permits, the staff had a model document, prepared in Word, where they only changed the applicant’s data. Sometimes this created conflicts such as the loss of authorised permits.

- The authorisation of permits was carried out with the autographic signature of the directors and the secretary, which delayed the delivery of the documents.

- Once the procedure processing was concluded, the citizen had to visit the offices to pick up the document.

The above-described process generated several problems:

- Excessive time in handling procedures: The process was slow since it created a physical record that had to be validated by different people in different areas.

- It was not possible to provide the citizen information in real time on the procedure status: It was difficult to follow up on the physical record and to find out in which area it was being processed; this also prevented informing the citizen of some requirement needed to unlock the procedure.

- Generation of dead files: Thanks to the digital system, if a citizen wishes to do more than one procedure or some other procedure in the future, the user is not requested to deliver again the documents included in his/her electronic record, as long as they are valid.
B. Solution

The Integral System of Management and Follow-up of Municipal Procedures (Sistema Integral de Gestión y Seguimiento de Trámites Municipales) is an electronic platform that allows citizens to follow up on a process from the moment they start the procedure until the official delivers the license or permit requested. Through this platform, the time the procedure takes in each one of its processes is controlled, and it is possible to detect if there are delays and bottlenecks. With the implementation of the advanced electronic signature, procedures are being concluded through a portal, where citizens can also initiate, pay and receive their permit totally online (19 procedures are systematised for handling through a window and four to be carried out via Internet).

C. Current Situation

By studying the processes analysis, flow diagrams were prepared defining the follow-up of procedures, from their capture to their delivery. The following modules of the system were created based on this:

- Capture of applicant’s information: It reduces the procedure application time, since the system uses the property tax account to relate the requirements demanded (Figure 1). This replaces the filling out of the application on hardcopy.

- The requirements are no longer attached for each request, but by property tax account. The system is fed with the requirements digitally, so it is no longer necessary to have the hardcopy physically. If several procedures require the same document related to a unique property tax account, they will use the same digitised record (Figure 2).

- The procedures request process can be made by citizens from their home or office, since the portal was developed to be able to initiate procedures, fill electronic applications and attach digitised requirements.

- The system has a database with the procedures model document digitised, as well as the assignation of numbers for each procedure. This way documents are automatically generated, with no need to write and duplicate records in Word for each request (Figure 3).

- The system has a stoplight that measures the time the procedure must take in each stage (Figure 4). The stoplight also shows the stages in which procedures requests are located (for example: 2/7: validate information, 6/7: secretary’s signature). Thus each procedure can be taken care of depending on the stage where it is located.

- The autographic signature is no longer necessary to validate a permit, since the Advanced Electronic Signature has been implemented and this has the same legal value as the autographic signature. This measure was implemented in order to be able to print documents and send them to the directors and secretary to be signed (Figure 5).

- If the user submitted his/her procedure through Internet, he/she will also be able to visualise its progress through this channel.

- With the implementation of user profiles and handling of privileges, staff can only have access to the procedures that have been assigned to them and can only see the information that is incumbent upon them, depending on their functions and responsibilities (Figure 6).
• The citizen is informed by electronic mail or by text message of the approval or problems that their procedure may involve, as well as through the Procedures and Services module of the site (Figure 7). This function allows the entrepreneur to find out in real time the status of their procedure. Simultaneously, users are sent a link where they can unload their official permit, which contains the corresponding electronic signature(s).

• Regarding the procedures handled via Internet, it is also possible to pay fees through electronic channels (Figure 8).

During the period of four months May-August 2011, 1,782 procedures were handled through the system. The portal was acknowledged as one of the best projects of technological innovation in the country, as part of the contest “The 50 Most Innovating Companies of the Public Sector 2011”, organised by Information Week Mexico.

D. Participation of Public Servants

The System of Management and Follow-up of Municipal Procedures portal was developed with the municipality resources and required approximately one year to be established. Four people worked on analysis, design and programming tasks. Its execution was accompanied by the modernisation of the technological infrastructure, including 26 computer equipments, five scanners and the improvement of Internet connections.

The main benefit for the civil servants is that the system helps them administer and organise their workloads, and speed up their management.

Figure 1. Capture of Applicant’s Data

Note: This form is filled with all data provided by the applicant.
Figure 2. Electronic Record Generation

Note: The corresponding electronic record is generated.

Figure 3. Generation of Permits with Folio Number

Note: The permit is generated, providing a folio number.
Figure 4. Electronic Follow-up on Procedures Stages and Stoplights System

Note: This allows being informed at all times of the stage the procedure is at a particular moment and the time this is taking.

Figure 5. Use of Electronic Signature

Note: The electronic signature is implemented.
Figure 6. Window for Administration of User’s Profiles

Note: These profiles are used only by the officer handling the procedure.

Figure 7. Electronic Message Informing the User on his/her Procedure Status

Note: The user is informed if his/her procedure has been approved or not, and why.

Figure 8. Electronic Payment of Fees

Note: This is a receipt for online payment of fees.
Annex 5

The Procedures and Services Improvement Programme of the State of Baja California

A. Problems to be Solved

Before this programme was implemented, most of the efforts to improve the procedures and services to the citizen and the businesses such as the agencies’ internal processes were inconsistently handled. There were isolated initiatives, for example, the Mayor’s Office of the State Government promoted the implementation of quality administration systems, the General Comptroller Office worked on establishing Commitment Letters with the Citizen, and the Ministry of Economic Development (SEDECO) worked on the simplification of entrepreneurial procedures. In the end, all these efforts remained isolated, generating limited resources and a sub-optimal resources application.

B. Solution

The Procedures and Services Improvement Programme (Programa de Mejora de Trámites y Servicios, PMTyS) examines the state regulatory framework and proposes the simplification or elimination of procedures that do not generate value for businesses and society, and simultaneously updates the Catalogue of Procedures and Services so that only those items necessary remain in place and can be processed in the shortest time possible, incorporating technological innovations to benefit economic activity (Figure 1).

![Figure 1. Lines of Action of the PMTyS](image)

Besides this general objective, some other and more specific items were considered:

- To reduce the amount of procedures in order to stimulate economic activity.
- To implement a quality approach in the state administration services.
To find out the quality level with which procedures and services are provided in state agencies.

To reduce the operation costs of agencies and entities of the state Executive Branch.

To dignify the image of public servants.

In order to have a more complete evaluation, during 2010 a revision was completed of 424 service centres of the 690 operating in the state. This exercise identified areas of opportunity regarding information on procedures processes, public servants’ performance, infrastructure and security and hygiene. The methodology used to gather this information was based on simulated users, accompanying users and direct observation.

C. Current Situation

In 2009 the government had a catalogue with 818 registered procedures and services. In 2010 these procedures and services were evaluated, and this process involved 16 agencies and 26 entities, which resulted in an adjusted catalogue of 707 procedures and services. In this universe of 707 procedures and services registered by the agencies, the inter-institutional workgroup found 170 that could be eliminated according to an evaluation they were subjected to; the result was a reduced state catalogue of 537 procedures and services.

In the second stage, the updating and integration of the Catalogue of Procedures and Services, a new portal, was designed (Figure 2) to offer information using a language familiar to the citizen about the procedures handled by state agencies. Therefore, a new form was developed in the website to...
Figure 3. New Presentation of Procedures and Services at the Portal
submit the information for the procedures (Figure 3). Also, this stage includes the registration and validation of service centres, while the procedures and services are being captured. Upon conclusion of the updating and integration of the Catalogue of Procedures and Services stage, the third stage, the implementation of detected improvements, will initiate.

Finally, once improvements in procedures and services are finished, they will be incorporated to the Systematised Management of Procedures and Services (ASISTE) platform, with the following categories:

- Procedures and services that can be requested via Internet.
- Procedures and services that can be requested and paid via Internet.
- Procedures and services that can be entirely processed via Internet (incorporating the electronic advanced signature).

To illustrate the impact of the project, the following table shows the results of the revision of some specific procedures:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Procedure/Service</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Public Security of the State</td>
<td>Authorisation to provide security and revalidations</td>
<td>Process systematization and handling of procedures via Internet</td>
</tr>
<tr>
<td></td>
<td>services</td>
<td></td>
</tr>
<tr>
<td>Ministry of Labour and Social Security of</td>
<td>Reception of labour demand</td>
<td>Reduction of service time due to the homologation of the procedure</td>
</tr>
<tr>
<td>the State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Registry of Property and Commerce</td>
<td>Registration of companies</td>
<td>Implementation in the state of the tuempresa.gob.mx portal</td>
</tr>
<tr>
<td>Ministry of Agricultural Promotion</td>
<td>Registration and revalidation of trademark and</td>
<td>Reception of electronic payment and</td>
</tr>
<tr>
<td></td>
<td>registration as introducer of cattle for its sale-</td>
<td>implementation of the digital signature for issuance of trademark</td>
</tr>
<tr>
<td></td>
<td>purchase</td>
<td>registrations</td>
</tr>
</tbody>
</table>

D. Participation of Public Servants

To design and implement the programme, an inter-institutional group, with an official of the SEDECO, two from the Office of the Mayor, one from the General Comptroller Office and one more from the Under-secretariat of Innovation and Modernisation, was created. Also, a group of 25 civil servants, 13 from the Office of the Mayor and 12 from the General Comptroller Office, was integrated to examine the service centres. On the other hand, a group with one official from the SEDECO, two from the Office of the Mayor and three from the General Comptroller Office is checking the information captured by agencies and entities in the new portal.

Many opportunity areas were suggested by the officials in charge of handling procedures and services. Their contributions were essential to identify these weaknesses.

Notes

1. These 690 service centres are distributed as follows: 171 in agencies and 519 in entities.
2. The agencies and entities internal procedures were not included in this process.
Construction Permit
Annex 6

The Express Construction Permit of the Tuxtla Gutiérrez Municipality, Chiapas

A. Problems to be Solved

The construction permit is the document issued by the Tuxtla Gutiérrez City Council to authorise owners or holders to build, expand, modify, change the property regime, repair or demolish a building or facility on their premises. Before implementing the express license, the process took two to eight weeks, from the reception of the request until the delivery of the document issued by the City Council. The process took place as follows:

- It was necessary to analyse the project and identify if it complied with the construction regulation in force in order to receive the documents.

- The documents were returned to the Construction Site Director (DRO) so that the project was corrected, accepting the payment of fees only and exclusively when the project was duly submitted or corrected.

- The permit capture required up to three days.

- When the permit was printed, it was sent for verification and signature of the department head, then the director, and finally the secretary. This process could take up to one week. The department head examined the whole project, since the person in charge of its reception was not responsible for this task. The DRO and the owner were not responsible for the request, nor for the documents they submitted, far less for the construction process.

- Since penalties for the DROs had not been executed during many years, the colleges that were part of the DROs Admission Commission did not examine the blueprints that were to be authorised by the City Council before stamping them.

B. Solution

In March 2011 a pilot plan was implemented, with the purpose of modifying the issuance process by establishing the Express Construction Permit that has an average response time of two days from reception until the delivery of the document issued by the City Council. This is achieved basically by making the DRO and the owner co-responsible for the project and improving the internal flow process at the Urban Control Direction.
C. Current Situation

The main benefit obtained from the implementation of the express permit is reflected on the reduction of response times, as well as on savings in administrative costs by avoiding constant visits that the procedure applicant had to absorb. The simplified process takes place as follows:

- For the reception of the documents and the project, it was established that the colleges that participate in the DRO Admission Commission must examine the blueprints to be authorised by the City Council before stamping them.

- The DRO and the owner sign two commitment letters declaring themselves responsible for the application, the documents they submit, and the construction process.

- There is no previous examination on behalf of the direction.

- The permit capture is made the same day the request is received, as well as the examination and signature of the department head, then the director, and finally the secretary.

It is noteworthy that these changes were accompanied by the restoration of the DRO’s penalties execution. Besides this progress, the government is working on the possibility of offering the electronic procedure through the Integral System of Management and Follow-up of Municipal Procedures. Once the use of the electronic signature is extended, it will be possible to process the procedure online.

D. Participation of Public Servants

The new scheme was implemented with the same staff that previously handled the process and it was not necessary to increase the number of human resources (23 people).

This staff is distributed in the following areas and functions:

<table>
<thead>
<tr>
<th>Area</th>
<th>Function</th>
<th>Number of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Window</td>
<td>Reception of documents</td>
<td>2</td>
</tr>
<tr>
<td>Project examination</td>
<td>Validation of documents</td>
<td>3</td>
</tr>
<tr>
<td>Inspectors</td>
<td>Inspection of the property and/or construction site</td>
<td>3</td>
</tr>
<tr>
<td>Department Head</td>
<td>Authorisation of payment</td>
<td>1</td>
</tr>
<tr>
<td>Cashier</td>
<td>Preparation of payment receipt</td>
<td>1</td>
</tr>
<tr>
<td>Cashier</td>
<td>Reception of payment folio</td>
<td>1</td>
</tr>
<tr>
<td>Project examination</td>
<td>Capture and validation of construction permit</td>
<td>3</td>
</tr>
<tr>
<td>Project examination</td>
<td>Sealing of blueprints</td>
<td>3</td>
</tr>
<tr>
<td>Department Head</td>
<td>Signature and validation</td>
<td>1</td>
</tr>
<tr>
<td>Direction</td>
<td>Signature and validation</td>
<td>1</td>
</tr>
<tr>
<td>Office of the Secretary</td>
<td>Signature and validation</td>
<td>1</td>
</tr>
<tr>
<td>Cashier</td>
<td>Delivery of construction permit</td>
<td>1</td>
</tr>
</tbody>
</table>

Notes

1. The table does not include backup personnel: the Direction’s secretary and the Department Head’s secretary.
Annex 7

The Agreement of Collaboration on Cadastral Matter between the Government of the State of Chiapas and the Tuxtla Gutiérrez City Council

A. Problems to be Solved

Before this agreement of coordination of activities of the Urban and Rural Cadastre of the State Direction (DCURE) and the municipality was implemented, each entity worked independently, that is, each one performed their own inspections, cartographic assembly, valuation and award of cadastral services, under norms and techniques that were not uniform. Therefore, information was not shared or standardised, which caused duplication of processes, delays, inconsistencies and corrections, perturbing the users of cadastral services. Before the agreement, the service provision process worked under the following scheme:

- Submission of service request and requirements through the Oficialía de Partes of the DCURE.
- Remittance to the Cadastre Services area, where the record was integrated and the inspection was programmed.
- Field inspection and filling out of form.
- Process of assembly/digitisation, updating, valuation or revaluation in the Cadastre Management System (SGC).
- Delivery of cadastral report, which had to be presented by the taxpayer at the City Council.
- Taxpayer’s visit to the City Council to request the service and deliver the requirements.
- Preparation of the inspection programme.
- Field inspection and filling out of form.
- Digital assembly and valuation.
- Delivery of report with updated data from the cadastral registry.
- Request of payment of service fees.
- The taxpayer returned to the customer service area of the Cadastral Services offices and delivered a copy of the updated property tax receipt, which was incorporated in the record, as well as the payment of fees.
• The service was printed.
• The document was verified, initialled and signed.
• The document was delivered to the taxpayer.

The above shows that the process implied duplications and many visits of the user to the DCURE and the municipality, which took an average total of 37 days.

B. Solution

In March 2010 the Government of the State of Chiapas and the Tuxtla Gutiérrez City Council entered the Agreement of Administrative Collaboration on Cadastral Matter, whose purpose is to set the bases and guidelines to entrust the City Council with the cadastral functions, the provision of services and the participation in technical and operational processes related to cadastral activities; also, to have updated cadastral information, under the supervision and regulation of the state cadastral authority. The main goal of the agreement is optimising the integration and use of cadastral information, as well as the following:

• Standardise the alphanumerical and cartographic cadastral data with the Tuxtla Gutiérrez Municipal Treasury.
• Standardise the technical-administrative normativity applied to obtaining, integrating and using the information.
• Carry out the cadastral functions jointly by the DCURE and the Municipal Treasury.
• Reduce response times and improve the quality of the cadastral services provision.
• Increase the trustworthiness and quality of cadastral data.
• Increase the coverage of the cadastral registry.

C. Current Situation

With the agreement already in operation, the service provision process requires an average of seven days and takes place as follows:

• The request is directly submitted to the Technical and Cadastral Support Department of the City Council, which sets a date for the field inspection.
• The field inspection is carried out and the form is filled out.
• Assembly/digitisation, updating and valuation process in the City Council, through the SGC software provided by the DCURE.
• The municipality delivers the record to the DCURE.
• The DCURE requests from the taxpayer the payment of service fees.
• The service is printed.
Verification, initialisation and signature of the document.

Delivery of the document to the taxpayer.

The municipality has access to the SGC via Internet, and can integrate, update and save all changes, modifications and corrections to cadastral registries in it, backed up by physical inspections. This implies that both the municipality and the DCURE can visualise the alphanumerical updates of the cadastral registry made by any of these two entities. This also facilitates agencies, such as the municipal Ministry of Public Works, the shared use of cartographic information beyond merely cadastral purposes.

The main benefits for cadastral services users derived from the implementation of the collaboration agreement are the following. It:

- Increases the combined capacity for inspections and services.
- Reduces the response time for cadastral services and the waiting time for inspection. Furthermore, it reduces the double inspection of the DCURE and the municipality, since now this only corresponds to the municipality.
- Determines the standardisation of technical normativity between the state and the municipality, avoiding confusion.
- Coordinates the DCURE and the Municipal Treasury services related to real estate, reducing inconsistencies, corrections, clarifications and inconveniences for the users.

Between March 15th and August 15th, 2011, the new scheme has benefited 983 users who have registered properties, 398 that have reported modifications to properties and 1,172 related to other services that involve coordination with the Municipal Treasury.

The DCURE also provides via Internet the Web Cadastre System for Notaries, where cadastral certificates are issued and transfers of title are submitted; the Certificate Issuance System for Developers, through which developers can obtain the initial cadastral certificate of the lots constituted in their developments; and the E-Valuamático System, where authorised valuation experts can elaborate cadastral valuations for real estate transfer of title transactions.

As of August 2011, via Internet 10,803 cadastral certificates for notaries, 1,421 cadastral certificates for developers, 13,807 cadastral valuations of transfer of title for authorised valuation experts, and 6,300 copies of real estate transfer of title declarations have been issued through the DCURE digital systems.

D. Participation of Public Servants

The implementation of the agreement involved training activities for municipal officials on subjects such as Microstation basic tools, digitisation in electronic tablet, property assembly and cartographic updating, handling of “raster” files, capture of data by geographical coordinates, reference processes, normative standardisation, cadastral physical inspections, cadastral systematic valuation and use of GPS PROMARK3 receivers.

With regard to the DCURE staff, 15 people participated in the following categories:

- Five people from the Cadastral Digitisation Department adapted the E-Valuamático system; installed and verified the system’s operation for the generation of valuation certificates; adapted the SGC; installed and verified the system’s operation for the recording of registrations,
eliminations and updating of cadastral data; implemented and trained the municipal personnel in the E-Carto system, in order to use it when consulting and editing the Tuxtla Gutiérrez cartography (surveying and altimetry), among other activities.

- Six people from the Cadastral Surveys Department made adjustments to the cartography of Tuxtla Gutiérrez and its districts, adjustment to the extension of the metropolitan area, topological cleansing (eliminating errors in the digital files of Tuxtla Gutiérrez’s cartography), training on cartography and Microstation basic tools, digitisation in electronic tablet, property assembly and cartographic updating, handling of “raster” files and capture of data by geographical coordinates, training on the Global Positioning System (GPS) and on Estación Total, on use, discharge and processing of data obtained in the field, using the CIVIL CAD software.

- Four people from the Valuation and Services Department provided training on normative standardisation, cadastral physical inspections, property valuation in the SGC and on the E-Valuamático, as well as interactions between them.

It is noteworthy that there was no need to increase budgets or staff; the implementation was made with the financial and human resources available at the DCURE and the municipality.
Property Registration
Annex 8

The Integral System of Notarial Management (SIGEN) of the State of Baja California

A. Problems to be Solved

The problems faced by the Registry of Public Property and Commerce of Baja California (Registro Público de la Propiedad y del Comercio de Baja California, RPPC) that the SIGEN helps to address are summarised as follows:

- Queues to handle and pay for procedures.
- Limited working hours for the reception and delivery of procedures.
- High costs of notarial services.
- Legal certainty in precedence.
- Insufficiency of human resources to service users.

B. Solution

The SIGEN allows notaries and the RPPC automated electronic communication regarding registration and notices applications, promoting more legal certainty and reducing response times. The system has the following modules:

- Security: The same notary controls its employees’ access to the system, by registering all measures made in the records.
- Counter: Creation of electronic records in the notary through the service requests of its clients and the entering of the documents delivered.
- Safeguard: This allows the notary to distribute workloads among its analysts or planners, digitise documents, print control numbers and testimonies, as well as safeguard official stationery.
- Analysis: Preparation of deeds (using the notary’s own deed templates and text editing) with access to the registration files for automatic incorporation of registration data (background, properties, owners) and request of preventive notices.
- Coordination: Authorisation by the notary of deed drafts and testimonies, remote request of deed registration, as well as incorporation of the registration results.
• Signature: Process in which the notary authorises the deed.

• Configuration: Process for administering users, access and system catalogues.

C. Current Situation

The main benefits of the SIGEN are the following:

• It enables to automate communication with the registration institution, which allows the notary to request the registration of their deed or send the preventive notice from their office.

• More legal security through the electronic signature, promoting the integrity and authenticity of the notarial package, which is enveloped (the images containing the digital testimony are compressed) and transmitted through the Internet.

• It electronically provides the notary the results of the registration, completing the title management cycle.

• It enables payment of procedures online.

• It provides the notary automated tools for deed generation, such as a text editor to prepare deed templates and procedures models according to the needs of frequent users (developers or construction companies).

• It promotes the concept of hardcopyless office by handling digital documents, with advantages such as avoiding the wasting and (internal and external) circulation of original documents, as well as the costs and times of documentation transfer, and promotes the economy of spaces.

D. Participation of Public Servants

To develop the system a consulting company was hired, which worked with four people. Two people from the RPPC work on managing the system. The RPPC is also in charge of training personnel from the notaries that decide to adopt the system. The training plan involves the following functions, times and sessions:

<table>
<thead>
<tr>
<th>Functions</th>
<th>Time (minutes)</th>
<th>Sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counter</td>
<td>80-90</td>
<td>1</td>
</tr>
<tr>
<td>Digitalisation</td>
<td>50-60</td>
<td>1</td>
</tr>
<tr>
<td>Safeguard</td>
<td>110-120</td>
<td>1</td>
</tr>
<tr>
<td>Analyst</td>
<td>110-120</td>
<td>1</td>
</tr>
<tr>
<td>Coordinator</td>
<td>80-90</td>
<td>2</td>
</tr>
<tr>
<td>Notary</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>Administrator</td>
<td>120-130</td>
<td>2</td>
</tr>
<tr>
<td>Preparation of receipt</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Making payment</td>
<td>10</td>
<td>1</td>
</tr>
</tbody>
</table>
Annex 9

The System for Online Payment of the Tax on Real Estate Transfer of Title “Municipal Electronic Declaration” (DEMU) of the Tuxtla Gutiérrez Municipality, Chiapas

A. Problems to be Solved

Before the implementation of the DEMU system, the municipality examined every day up to 10 records of declarations of transfer of title transactions submitted by public notaries, but occasionally, when the capacity to provide service was surpassed, some records could not be received or were returned if they did not comply with the requirements. Furthermore, the calculation of the tax to be paid lent itself to errors since it was done manually on a payment form.

B. Solution

The DEMU system enables the taxpayers who turn to a notary to request real estate transfer of title procedures in order to reduce the times needed to pay the corresponding taxes since they can process the procedure from any computer with access to Internet.

The Income Law for the Municipality of Tuxtla Gutiérrez (Ley de Ingresos para el Municipio de Tuxtla Gutiérrez, Chiapas), for Fiscal Year 2011 established in its Article 5 that the tax declaration on real estate transfer of title “must be submitted through the electronic means stipulated by the municipal fiscal authority through the MTG-1 form included in it, duly filled out for each transfer of title”. In addition to the provisions of the Income Law, the normative framework is complemented with the Rules of Operation for the Payment of Tax on Transfer of Title of Real Estate, Condominiums and Developments, Via Internet, which establish that public notaries can pay taxes through this system 365 days a year, 24 hours a day.

C. Current Situation

With the implementation of the DEMU system in 2011, the notary enters the portal with a code and keyword provided by the municipality and captures the transfer act, electronically attaching the documents requested. In turn, the system generates an official receipt. On the other hand, the municipal Transfer of Title section examines the transfer of title act and the attached documents, and if the record is complete, it sends the confirmation of admissible status to the notary, and should that not be the case, the staff member sends the confirmation of inadmissible status (Figure 1). Also, the system incorporates an electronic messenger that enables direct communication on matters related to the procedures carried out.
The main benefits generated by the DEMU system are the following:

- The procedure is processed online, both the capture of the transfer of title act and the payment of the corresponding tax. This makes it possible to handle more requests than under the previous scheme and prevents users from having to stand in lines.

- The documents attached for the procedure are digitised creating an electronic file, which prevents the accumulation of physical documentation and favours the economy of spaces.

- The calculation of the transfer of title tax, as well as of other accessories that are generated, is automatic, which prevents errors and simplifies the procedure.

- Tax collection becomes more efficient.

- Direct contact with the staff who examine the transfers of title is prevented, thus reducing the possibility of irregular measures.

D. Participation of Public Servants

The system was developed and implemented by staff from the Innovation and Technological Development Coordination of the City Council, so no costs of hiring personnel or additional consultants were involved. Also, the application was developed in free software that does not require paying for a license. For its part, the Transfer of Title section was in charge of preparing the documents and providing legal support.

The operational capacity of the staff of the Transfer of Title section was favoured, from the reception to the validation and filing of the transfer of title measures. Furthermore, the area of cashiers does not have to collect payments through windows.
Annex 10

Modernisation of the Public Registry of Property and Commerce of Baja California

A. Problems to be Solved

Before the modernisation of the Public Registry of Property and Commerce of Baja California (Registro Público de la Propiedad y de Comercio de Baja California, RPPC), the users had to carry out their procedures in person, which involved transportation and waiting times. The notaries delivered photocopies attached to the original protocol, and this caused accumulation of files and required an investment in spaces to safeguard them.

B. Solution

The main objectives of the RPPC modernisation process were the following:

- Providing by electronic means public service on real state matters from several government offices, linking them through a website and allowing the user to obtain the service in less time and at a lesser cost.
- Regulating the exercise of real estate activity in the state through mechanisms that foster the confidence of the citizens in public notaries and contribute to the orderly growth of cities.
- Validating the cadastre-registration data in order to strengthen legal security in land property.
- Digitising the registration files for its preservation and safeguard, promoting the authenticity and fluidity of services, increasing efficiency of the use of physical spaces and promoting the income of financial resources through the use and implementation of technological tools.

C. Current Situation

The process has generated the following achievements and benefits:

- Publication in March 2009 of reforms to the Public Registry of Property and Commerce of Baja California Law, which allow the integration of a modernisation fund and the creation of a judicial review when the service issuance is denied.
- Staff training through seminars.
- Development of management indicators for operability and institutional expense.

• Re-editing of the agency’s website and creation of one-stop services.

• Entering of agreements with the five City Councils of the state to favour the coordination and exchange of registration and cadastral data for the period 2008-2009.

• Digitisation of the first part of the historical registry of Mexicali in 2007, which amounts to 3,780,000 images and incorporation of an additional 2,460,000.

• Digitisation of the rest of the historical records of Mexicali in 2008, which amounts to 6,750,000 images and the total of the Tecate office with 1,640,000.

• Controlled access to computerised systems, registering all movements carried out by the staff during the processes.

• The physical record of documents does not increase any more, since all documents entered for their registration are returned to the user once digitised.

• Implementation of the advanced electronic signature, as well as the request, payment services and certificates delivery online. It is also possible to consult the registration information remotely.

• Validation of the procedures authenticity in the RPPC portal, in which it is possible to verify, using a code, if the procedure is legitimate.

• Implementation of the Notarial Management Integral System (SIGEN).

• Reduction of response times in procedures.

• Reduction of hardcopy use and better use of spaces.

All RPPC procedures are identified in relation to response times, requirements and areas to which they correspond; there are request forms and brochures, and the portal describes the procedures characteristics. Also, Commitment Letters to the Citizen explicitly establish the procedures response times.

Under the Federal Programme of Modernisation of Public Registries (Programa Federal de Modernización de Registros Públicos), the RPPC has a 96.19% qualification, which is above the national average. Also, the modernisation process involves savings for the RPPC, since it is no longer necessary to acquire registration books and invest in spaces for their safeguarding.

D. Participation of Public Servants

The civil servants group that coordinated the modernisation process was integrated by the RPPC Director, the Deputy Director and the Computer Systems and Statistics Coordination, who sought the support of a consulting company to examine processes and to develop the computer applications.
Notes

1. Title Fourth of the Law establishes the characteristics of this appeal. Article 82 states “when the registration, cancellation, annotation or issuance of the certificate is denied, the user can appeal against this decision within the three working days after the notification takes effect”.

2. In case of creation of new developments, information on properties is standardised through a cadastral code. Additionally, there will be an agreement between the Ministry of Social Development and the State Government through which the National Institute of Statistics and Geography (INEGI) will prepare a diagnosis to standardise all cadastral data.

3. The SIGEN allows the notaries and the RPPC automatic electronic communication to request registrations and notices, guaranteeing more legal security and reducing response times.

4. The model includes a biannual evaluation of 243 modernisation indicators. Each indicator is evaluated with 0% (non-compliance), 33% (basic), 66% (medium) or 100% (compliance). Also, the public registries are classified, according to their progress, as “insufficient”, “sufficient” or “satisfactory”.

Annex 11

Modernisation of the Public Registry of Property and Commerce of the State of Colima

A. Problems to be Solved

In November, 2009, the Public Registry of Property and Commerce of the State of Colima (Registro Público de la Propiedad y del Comercio, RPPC) was one of the state agencies that showed a longer delay in procedures: an average of 35 working days. There were even some procedures that had been waiting for a solution for more than one year. The delay in the procedures was distributed among different areas, as shown in the following table:

<table>
<thead>
<tr>
<th>Area</th>
<th>Delayed procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualification</td>
<td>5,178</td>
</tr>
<tr>
<td>Registration</td>
<td>8,605</td>
</tr>
<tr>
<td>Examination</td>
<td>3,455</td>
</tr>
<tr>
<td>Legal</td>
<td>9,262</td>
</tr>
<tr>
<td>TOTAL</td>
<td>26,500</td>
</tr>
</tbody>
</table>

The flow of processes previous to the modernisation effort is illustrated in the following figure:

Figure 1. RPPC Flow of Processes before the Redesign
As shown, the process included 10 steps to register a procedure, which took approximately 15 working days, as long as there were no delays, but with the prevailing delay, the delivery time increased to 35 working days.

**B. Solution**

The modernisation of the RPPC involved the improvement of several processes with the purposes of:

- Reducing the delay in the processing of documents and procedures.
- Redesigning processes.
- Improving the quality of services.
- Training staff.
- Obtaining the ISO 9001:2008 certification.

**C. Current Situation**

The redesign resulted in the following flow of processes:

*Figure 2. RPPC Flow of Processes after Redesign*

The new system began operating as of the 6th of January 2010. Since then, the procedures submitted to the RPPC and entered through a window before 10:30 a.m. are classified in two groups: those with no problems are delivered the same day and those that involve embargoes and/or require a more thorough investigation take a maximum of three working days.

A very important aspect of the RPPC services is legal security. The reforms and new legislation approved generated services involving the use of the electronic signature that benefit the clients in general, as well as the notaries, in the following procedures:

- Obtaining the non-encumbrance certificate online.
• Online presentation of the first early warning with the non-encumbrance certificate.
• Online presentation of the second early warning or title deed signature warning.
• Online printing of simple copies of title deeds.
• Online registration of credit cancellation or liens deeds.
• Online printing of certified copies of deeds.
• Online registration of simple purchase and sale deeds.

In addition to the previous services, notaries and citizens can consult the status of the procedures entered through windows of the RPPC, and request and print records of property at the http://RPPCcolima.col.gob.mx website.

All these procedures are available 24 hours, 365 days a year, can be printed with electronic signature, and can be validated at http://validacion.col.gob.mx. In this website stakeholders can verify the authenticity of any document electronically signed. The site requests the data that correspond to the agency to which the document belongs, the validation data, and regarding RPPC documents the property registration number and its identifying data, as shown in the following figure:

Once data are entered, the “validate” button is pressed. If the system finds the evidence, it will display the document related to the data that has been supplied, allowing the corroboration of the content of the printed document with the one on the screen. If the printed document is different from the one displayed, then the printed document is apocryphal.

Also, the new computer system called SIRGA carries out an equitable distribution of the workloads. The procedures required by users, through a window or via Internet, are classified within the system. These procedures are distributed among the staff of each one of the areas, so the user cannot specify to whom each request is assigned. This prevents a direct contact between the user and the person working on the procedure, and thus inhibits the possibility of any irregular action. Moreover, since the assignment of workloads is automatic and equitable, discretionary power use is nullified, as workloads are not assigned by a person but by the system. The same procedure applies for procedures requested via Internet.
The process was also accompanied by the digitisation of 9,000,000 images of documents of the registry databank, backed-up in three different servers. The RPPC has been acknowledged as a registry whose processes are totally certified, the same as for the Reunion of the National Chamber of Housing Development and Promotion Industry (Reunión de la Cámara Nacional de la Industria de Desarrollo y Promoción de Vivienda, CANADEVI) and the ANCE corporation, as well as the bars and colleges of state attorneys and the chambers and associations of real estate building and development professionals.

D. Participation of Public Servants

With the purpose of developing the modernisation process and designing a plan to achieve the established objectives, a working group formed by staff of several ministries, such as the Ministry of General Government, the Ministry of Administration and the Ministry of Finance, was created.

Two agencies participated on behalf of the Ministry of General Government: the General Government Direction and the RPPC. The General Government Direction, with a group of five attorneys, analysed and generated proposals of reforms and draft legislation in order to implement the certified electronic signature. The norms created were the Law of the Electronic Signature of the State of Colima (Ley de Firma Electrónica para el Estado de Colima) and its by-laws, while the reforms were applied to the Civil Code, the Civil Procedures Code, the Criminal Code, the Criminal Procedures Code, the Cadastral Law, the Notaries Act of the State of Colima and the Regulations of the RPPC. These projects were consulted with all state notaries, bars and colleges of attorneys and local members of Congress, obtaining the approval of the whole package in August 2010.

At the RPPC, agreements were subscribed with unionized and non-unionized personnel, with the purpose of delivering the established objectives; thus, the personnel collaborated working extra hours. An additional group of seven attorneys was hired to work full time to eliminate the backlog. The goal involved finishing all delayed procedures during November and December, 2009, which implied delivering 3,200 delayed procedures a week.

The elimination of the backlog initiated with these measures on November 1st, 2009, and the goal was fulfilled on December 31st of the same year (see Figure 3).

Figure 3. Elimination of the Procedures Backlog at the RPPC
Additionally, the RPPC Direction redesigned the processes, reducing the number from 10 to five. With the elimination of the backlog and the process redesign, the times for the delivery of procedures were reduced.

The General Direction of Technological Innovation participated on behalf of the Ministry of Administration, and with a group of developers from the Electronic Government Direction created a computer system which allows the implementation of a one-stop registry screen, reducing the times required in the registry process and adjusting to the needs generated by the processes redesign.

The Income Direction and the State Cadastre Direction collaborated on behalf of the Ministry of Finance. The computer area personnel of the Income Direction, with the staff of the Electronic Government Direction, created the mechanisms required for online payment of procedures, initially using a credit card. The computer area personnel of the Cadastre Direction, with the staff of the Electronic Government Direction and of the RPPC, conducted a survey to link the information contained in the public registry and the cadastre databases, with the purpose of generating new services and speeding up existing services.1

The following is a summarized list of the staff who participated in the different activities:

- Elimination of backlog:
  - Seven attorneys exclusively hired for this task.
  - 10 non-unionized and 10 unionized employees, all attached to the RPPC.

- Legal reforms:
  - Five attorneys of the Ministry of General Government.

- Software development:
  - Five programmers from the Electronic Government Direction for the desk application.
  - Three programmers of the Electronic Government Direction for the Web applications.
  - Two computer specialists from the RPPC.

- Processes redesign:
  - Two computer specialists, the General Director and the Organisation and Systems Director of the RPPC.

Notes

1. The need to link this information was detected due to discrepancies on surfaces, boundaries and owners’ names.
Annex 12

The Integral Registry System of the State of Chiapas (SIREC)

A. Problems to be Solved

Previous to the implementation of the Integral Registry System of the State of Chiapas (Sistema Integral Registral del Estado de Chiapas) (SIREC), entering Public Registry of Property procedures was a difficult task, since there were no notaries’ classifications or templates. The workloads were re-distributed by the section’s head and the procedures did not follow the order in which they were entered; if the qualifier so desired, they could work on procedures entered last, so there was no order of precedence.

Additionally, employees worked with physical books, which made it impossible to determine the record of the transactions carried out, and allowed the alteration of the procedures’ order. For example, it was impossible to consult, in real time, the procedures affecting a real estate request; therefore, if this had an early warning and a non-encumbrance certificate, it was not possible to be certain about which of the two procedures had to be handled as a precedence since it was not known which of them had been entered first.

B. Solution

The computerised system SIREC, implemented since January 2011, automates the substantial operation of the Public Registry of Property offices, standardises processes, unifies criteria, uniforms the way of working, improves capacity, reduces times of service, and facilitates administration and supervision of the workloads. It also administers the precedence of registrations, improves administration of digital records and fosters the security and legal certainty of the information.

C. Current Situation

With the SIREC, entering documents is faster since it incorporates catalogues of frequent users and pre-coded templates. A notarial application was also developed; this is a linking tool by which the notary can send information related to their procedure and/or notarial acts, thus making a pre-request which is automatically generated from their office. This reduces the times of reception of a procedure, since when this arrives to the window, the notary or manager of the notary will only indicate the number(s) of the pre-request generated by the system, and immediately download it with the data of the procedure previously filled-in by the notary, avoiding errors in the capture process and speeding up entering time.
Precedence is generated from the moment users enter their procedure with the incorporation of the property registration number, and not until it reaches the qualification stage. To handle it better within the system, each procedure is identified integrating the figure of a “universal flyer”; that is, several acts can be incorporated in a flyer, but each one is handled independently, even though they are in the same flyer. Thus, new items or records arise: the electronic registries are separately assigned to each act. Previously, these registrations were made manually and were identified by physical seals, which incorporated a section, a book, a tome, a volume and a registry. Now the qualification is simpler because the analyst has tools that allow consultation in real time. Also, analysts rely on the digital record that is also incorporated to the SIREC, speeding up the handling of the flyers. The system does not allow the advancement of procedures, only the qualification of those within a rank of 15 procedures, since they are in order of precedence.

With the SIREC the procedure can be assigned from the window to the analyst/qualifier; this balances the workloads and the difficulty level of the task. The precedence is incorporated to the SIREC, since if a procedure is entered the system cannot process it until the procedure that was entered first is signed.

Additionally to these benefits, the SIREC makes it possible to visualise at all times the status of procedures, as well as the date, hour, minute and second in which each analyst/qualifier/section’s head/registrar receives it and issues a response. The assignment of the applications is randomised and automated, which inhibits the possibility of irregular acts.

D. Participation of Public Servants

In order to implement the SIREC computerised system in the nine main state delegations, the migration components of the document databank, processes redesign, development and implementation of the SIREC and the computer specialists group of the Public Registry were jointly involved. Before each implementation, the delegates and their personnel were trained on the system and the new processes, and were later provided with on site support.

The implementation also implied new registration processes, a new regulation (published in the State’s Official Gazette on November 17th, 2010), a higher capacity hardware to support databases, training for the ISO 9001:2008 certificate (in process for the issuance of the non-encumbrance certificate), as well as the notarial application and performance indicators.
Application to the Supplier's Registry
Annex 13

The Purchasing Portal of the Baja California State Government: www.comprasbc.gob.mx

A. Problems to be Solved

Before the development of the portal (Portal de Compras del Gobierno del Estado de Baja California), a diagnosis concluded that there were no adequate means to consolidate the policy that had been established for the free participation of local companies in the government’s purchases. It was clear that the best way to optimise public resources was to participate more in the way of proposals; however, the means available were not enough.

The response times in the purchasing procedures were high and this caused dissatisfaction in internal users because the supply of goods and services required by government programmes was not timely looked after. Additionally, there were high operation costs with increasingly limited budgets and disconnected working processes, duplication of activities and excessive procedures. There were no operational efficiency standards nor indicators that allowed people to be aware and improve the quality of services.

B. Solution

Because of this, the Government of Baja California developed the ComprasBC portal, where acquisitions by direct award, invitations and public biddings are published (Figure 1). The purpose is to have more participation of local businesses interested in selling to the government, particularly the micro, small and medium companies that operate in the state.

The following are the principles pursued by using ComprasBC:

- Equity.
- Non-discrimination.
- Non-limitation of participation.
- Better purchasing conditions for the state.
- Avoiding the exercise of discretionary power in the invitation and selection of suppliers.
- Transparency in purchasing procedures.
- Speeding up and reducing the times needed for the purchasing processes, establishing the Internet as the standard to follow for free participation.
C. Current Situation

The ComprasBC portal includes the registry of suppliers sections where an access code is assigned to participate in online estimates, direct award procedures through online estimates, and publication of invitation and bidding procedures. In the portal it is possible to consult online the articles that are currently in a purchasing process by the government, the submission of estimates for active requisitions and the offering of facilities to be incorporated as a supplier.

The system has the following characteristics:

- It is integrated to the budget control, warehouses (inventories) and expenses systems, which allows the acquisitions process to be completely digital, from the filling of the purchasing request on behalf of the agencies and the registration of the budget commitment, to the procurement procedure, the reception of goods in warehouses and the payment in expenses.

- It opens the different purchasing procedures available: purchasing requisitions, reverse auction, invitations and bidding.

- It simplifies the registration of suppliers with the assignment of the simple electronic signature.

- It establishes an electronic purchasing process open to suppliers, allowing for the submission of estimates and the competition in reverse auctions.
• The purchasers have access to the estimates received only after the process is closed, so that they can comparatively analyse the offers.

• Publication of decisions and purchasing orders.

The portal also offers statistical information on suppliers and the entries of the active requisitions in which estimates have been submitted, as well as the statistical record of acquisitions made by supplier or by purchase category. It also generates indicators to follow up on its use, such as the share of purchasing procedures published on the Internet and the publication of the level of participation and procedures won by the supplier (Figure 2).

Figure 2. Indicators Generated by the Portal

All of this facilitates agencies the request and follow-up of the procurement of goods or services, as well as a reduction of the estimate and procurement time. In this sense, it highlights that the procurement time of direct awards through estimates is 48 hours, contrasting with the up to three weeks previously required. Also, this change has reflected on efficiency in the use of public resources, since the cost of purchases has been optimised 5%-10%, making it possible to redirect the budget toward priority activities.

The practice has been implemented 90%, since implementation of the electronic signature in the generation of purchasing orders was programmed for 2012. In parallel to the use of the portal, the Government Suppliers Fairs were established in 2009. In these events, that take place each year all over the state, the acquisitions units of the state government with greater purchasing volumes show participating businesses what, how and when to sell (Figure 3). Also, they present the electronic tools under which the purchasing procedures are published.
D. Participation of Public Servants

A team headed by the Administration Office, which also incorporated representatives of the agencies with more demand for goods and services, as well as the Ministry of Economic Development and the areas of normativity and computerised systems, was created to deliver the task ahead.

The development of the portal required a general administrator of the project, a technological design coordinator and three systems developers. They worked in collaboration and directed the efforts of the acquisitions area personnel, which included its director, two department heads and the purchasers. Additionally, the suppliers were trained on the new way of operation.

For the acquisitions personnel this has been an effective tool in their work, since it has eliminated operational and routine tasks enabling them to concentrate on significant tasks, such as evaluating the best purchasing conditions.
Annex 14

Simplification of the Process of Enrolment in the Registry of Suppliers of the State of Colima Government

A. Problems to be Solved

The enrolment in the Registry of Suppliers (Padrón de Proveedores) is a procedure whereby an individual or a corporation interested in maintaining a client-supplier relationship with the state government, that is state agencies and decentralised entities, is registered. In fact, in order to be a supplier of the state government it is necessary to be included in this registry or listing of suppliers, which is managed by the Acquisitions Direction through the Ministry of Finance and Administration; this listing includes the activity, fiscal data and documents that support the legal status of the businesspersons registered to sell to the government.

Before implementing the online registry, the enrolment in the Registry of Suppliers was done manually. First, suppliers were provided with a request template that they had to fill with their information and deliver in the Acquisitions Direction offices, attaching the previously required original documents in order to verify the information. This request was captured in the acquisitions system in the suppliers' registration module (Figure 1). Another way of registering the supplier was for the agencies to send the request to register the supplier in the acquisitions system; they captured the data and followed up on the procedure with the Acquisitions Direction. However, this operation generated errors and delays. In both methods, the supplier's record was not kept nor digitised; the only evidence remaining was the registration of the capture in the suppliers' system. The proof for the supplier was the enrolment template with the seal and the staff’s signature.

B. Solution

Because of this problem, the government visualised the creation of a website for suppliers, which they could access to register with no need to visit the offices, with no restrictions regarding working hours or availability of personnel, where they could modify or update their data and keep a digital record of their documents.

A supplier interested in enrolling in the registry must fill the request online (Figure 2) at the proveedores.col.gob.mx portal and attach some documents, such as an official identification, proof of address, Federal Registry of Taxpayers certificate, latest income tax return, charter and its modifications. Once the request is registered, it is sent to the Acquisitions Direction, where it is analysed and authorised as a supplier if the documents are in order.

The purpose of this practice is to simplify the procedure of enrolment in the Registry of Suppliers of the State of Colima Government, by using information technologies and reducing requirements, offering a suppliers’ portal to improve service.
The following are the specific objectives of the practice. To:

- Reduce the number of steps and/or documents in the process.
- Head towards the “A Government without Papers” policy and integrate a permanent database, through the digitisation of documents.
- Provide a service with no restrictions of hours, days or available personnel, by systematising the suppliers’ registration process.

C. Current Situation

Immediately after the supplier enters the request online and attaches the documents that certify his/her legal status, the information is automatically sent to the state government suppliers’ enrolment box, where it is analysed and evaluated, and is granted the pre-registration status. Later on, an electronic mail message is sent, informing the supplier that he/she must visit the Acquisitions Direction offices for the verification of the digitised documents. Once these are verified and validated, the applicant is authorised to be included in the registry of suppliers and receives a Suppliers’ Card as a certificate (Figure 3).

The new process only requires the applicant to visit the Acquisitions Direction offices once for the verification of documents, instead of several times, as established in the previous system. The response time is immediate, since the process consists only of verifying documents without any capture. There are neither renovations nor countersignatures, the enrolment is permanent, and this eliminates potential administrative costs for re-registration procedures.

Also, the requirements are just those necessary to certify the suppliers’ legal status. Suppliers have access to a web space where they find general information on the acquisitions process, can save their digital record and will be able to participate in the different types of purchases through the portal. On the other hand, the agencies do not have to register the supplier anymore, although they will alternately maintain the option.

There are six stages of implementation, and according to the plans and execution, the project is now in stage 4, “Suppliers’ updating”, where suppliers that sold to the state government during 2011 are invited to access the suppliers’ portal in order to register and update their information. As far as the online enrolment of new suppliers is concerned, the process is in the initial stage, considering that the suppliers’ portal was launched in July 2011 (Figure 4).

It is noteworthy that there are three means through which entrepreneurs can obtain information on the procedure of enrolment in the Registry of Suppliers: through the Telephone line 01800 Informatel, personally at the Acquisitions Direction offices, and via Internet at the proveedores.col.gob.mx website.

D. Participation of Public Servants

The development of this practice directly involved seven civil servants from the Innovation for Public Administration General Direction, in charge of coordinating the information technologies services offered by the state government. Two of them were in charge of analysing the system’s requirements, four of them worked on the solutions design and five of them on software development.

This practice allowed the civil servants to save time in the registration activities and focus on providing the supplier with personalised service and solving technical or information problems.
### Notes

1. Should the entrepreneur not be able to digitize the documents, the Ministry of Finance and Administration offers the service free of charge.

#### Figure 1. Scheme Previous to the Implementation of the Registry of Suppliers Process

A. The entrepreneur requests at the Acquisition Direction Offices the requirements established to be a supplier.
   
   Time: 1 hour

B. The entrepreneur integrates the documents requested.
   
   Time: Up to 15 days

C. The entrepreneur delivers the documents in person or by courier service and the Acquisitions Direction enters them in the system.
   
   Time: 24 hours maximum

#### Figure 2. Request of Online Registration in the Registry of Suppliers

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tipo de proveedor</td>
<td>Empresa (persona moral)  Persona (persona física)</td>
</tr>
<tr>
<td>Nombre proveedor</td>
<td></td>
</tr>
<tr>
<td>Nombre de la empresa</td>
<td></td>
</tr>
<tr>
<td>Razon social</td>
<td></td>
</tr>
<tr>
<td>Ida de Emprendedor</td>
<td></td>
</tr>
<tr>
<td>Inversion anual</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
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<tr>
<td>Telefono</td>
<td></td>
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<tr>
<td>Tipo documento</td>
<td></td>
</tr>
<tr>
<td>Domicilio</td>
<td></td>
</tr>
<tr>
<td>Localidad</td>
<td></td>
</tr>
<tr>
<td>Contacto</td>
<td></td>
</tr>
<tr>
<td>Razon social del proveedor</td>
<td></td>
</tr>
<tr>
<td>Documentacion</td>
<td></td>
</tr>
</tbody>
</table>

**Carta de presentacion (todos sus datos)**
Figure 3. Simplified Process of Enrolment in the Registry of Suppliers


Time: 5 minutes

Entrepreneur fills the form online and attaches documents. Status: Pre-Enrolment of Supplier

Time: 10 minutes

Entrepreneur submits documents in original in order to be examined and validated. Status: Enrolment of Supplier

Time: 20 minutes maximum

Figure 4. Stages of the Simplification Project of the Process of Enrolment in the Registry of Suppliers
Before-the-counter Factors and Regulatory Transparency
Annex 15

The Entrepreneurship Development Centre (CEDE), the Fast Units of Business Management (URGE) and the TRAMITEL Customer Service Telephone Line of the State of Sinaloa

A. Problems to be Solved

Before the creation of the Entrepreneurship Development Centre (Centro de Desarrollo Empresarial, CEDE) and the URGE (Unidades Rápidas de Gestión Empresarial), to open a company the entrepreneur had to visit several specialised windows, carry out up to 13 procedures with their corresponding format and deliver the same documents in up to nine different offices (Figure 1).

B. Solution

At the CEDE, located in the Culiacán Municipality, the entrepreneur finds in just one place management, consulting, advice, linkage, training and financing services, and is assisted by executives specialised in each service. The URGE are service units that help the entrepreneur carry out all procedures in one place and where the applicant is serviced free of charge by only one civil servant, who acts as a liaison with the agencies in charge of the procedures (Figure 2). On the other hand, TRAMITEL is a toll free telephone line that provides advice and liaison services regarding the various programmes that support SMEs and the procedures related to business activity.

The objectives of these practices are the following:

- Reduce obstacles in the creation, start and operation of new companies, connecting entrepreneurs with the sources of entrepreneurial support and financing, and facilitating citizens the solution of procedures.

- Establish the operating bases of the Business Management and Regulatory Reform State Programme (Programa Estatal de Gestión Empresarial y Reforma Regulatoria).

- Facilitate measures oriented to the revision, adaptation, improvement and transparency in the formulation and enforcement of state and municipal regulations.

- Set the bases for deregulation and administrative simplification.

- Lay the foundations of government administration culture and service for the entrepreneur.

- Establish coordination and participation mechanisms in the regulatory improvement policy of the state and municipal governments’ agencies and entities, as well as their parastatal or paramunicipal entities and public trusts.
Figure 1. Process for Starting a Business in Sinaloa before the URGE and the CEDE

Flow Diagram before the URGE and the CeDE

Start

(USER) Asks at the City Council Information Desk about requirements for starting a business

(AYTO STAFF) Turns user to the corresponding counter

(USER) Goes to counter 1 and ask for requirements

(Counter 1) Delivers requirements

2

(USER) Receives resolution on Procedure 1

Are those all the procedures?

End

Yes

Does he/she meet the requirements?

1

Is the following procedure a municipal one?

NO

Is the following procedure a state procedure?

(NO)

NO

Does he/she meet the requirements?

(USER) Collects requirements

(USER) Delivers requirements to applicant

(Delivers requirements)

(Counter 2) Delivers requirements to applicant

Returns home

(USER) Returns home

(Counter 2) Delivers requirements

Examines documents

(Carries out procedure)

(collects)

Examines documents

2

( поскос)

(Counter 2) Delivers requirements

(Counter 3) Delivers requirements to applicant

(Counter 3) Examines documents

(Counter 3) Collects requirements

(Counter 3) Picks up procedure

Isn't the following procedure a state procedure?

Yes

(USER) Collects requirements

(Counter 3) Delivers requirements

(Counter 3) Examines documents

(Counter 3) Collects requirements

(Counter 3) Picks up procedure

3

(USER) Collects requirements

(Counter 2) Delivers requirements

Examines documents

(Carries out procedure)

(collects)

Examines documents

Does he/she meet the requirements?

Does he/she meet the requirements?

(USER) Delivers requirements

Return to the City Council Information Desk

Returns home

(USER) Returns home

(Counter 2) Delivers requirements

Examines documents

(Carries out procedure)

(collects)

Examines documents

Does he/she meet the requirements?
C. Current Situation

From mid-1999 the government started working on the integration of the Unique Format for starting a business, now known as Sinaloa’s System for Quick Business Start-up (Sistema Sinaloense de Apertura Rápida Empresarial, SSARE) (Figure 3). This format consolidates the procedures of land use licenses and official number, alignment, feasibility of water supply and sewerage services, wastewater discharge permit, preventive environmental impact report, construction permits, enrolment in the State Tax Registry, subdivision of properties, drinking water and sewerage contract, environmental impact and risk declaration, decision on traffic impact, permits for the placement of ads and billboards and fiscal promotion certificates.

For the integration of the Unique SSARE Format, work meetings were held with the civil servants in charge of receiving, revising and authorising each one of the procedures, with the main purpose of submitting and analysing the potential improvements regarding requirements, response times, internal processes and costs. As a result, the land use license and official number were integrated in only one procedure, and the documents required for each of them are now delivered only once, in order to integrate a Unique record for all procedures included in the format; thus, the entrepreneur does not have to duplicate attachments.

Five URGEs were opened in the Ahone, Guasave, Salvador Alvarado, Culiacán and Mazatlán municipalities. In a second stage URGEs were created in Choix, El Fuerte, Sinaloa de Leyva, Angostura, Mocorito, Badiraguato, Navolato, Elota, San Ignacio, Cosalá, Concordia, El Rosario and Escuinapa.
During February 2007, TRAMITEL was created, and in January 2008, the CEDE opened in the Culiacán municipality.

Finally, during March 2008 the abretuempresa.gob.mx website was launched.1 Also available is the www.urge.gob.mx portal.2

The benefits of these programmes are summarized as follows:

- Continuity of the municipalities’ active participation in the regulatory reform policy, through the Collaboration Agreements on Business Management and Regulatory Reform (Convenios de Colaboración en Materia de Gestión Empresarial y Reforma Regulatoria), for the URGEs’ operation.
- Starting of companies in only one site.
- Toll free customer service telephone line through which the user can be informed of requirements, place, hours and costs of an entrepreneurial procedure.
- Free of charge procedures management.
- Management of consulting, advice, linkage, training and financing services for the SMEs, through federal and state programs.

The main benefit is that the entrepreneur does not need to visit different offices to carry out procedures to start a business or, should that be the case, solve procedures in problematic situations, obtain financing or be linked to a support programme; now the applicant only visits an office that has all the windows and services they require.

D. Participation of Public Servants

In the first stage of implementation of these practices three members of the Business Management and Regulatory Improvement Direction, as well as operational staff from the Culiacán Municipality and some state government ministries participated in the design of the Unique SSARE Format. The URGE of the Ministry of Economic Development and of the Culiacán Municipality was started. In the second stage five URGEs were opened, each one with the services of a manager and an executive. In the third stage, 12 additional URGEs were opened, each with the services of a manager and an executive. Afterwards, the Business Management and Regulatory Reform of the State of Sinaloa Law was approved and the Business Management and Regulatory Reform State Commission was created, with nine employees at the central office and 24 executives and managers in the municipal URGEs.

Currently, 27 people work at the CEDE: four executives from the “Ponte Al Día” programme,3 three executives from the “Reincorporación al Crédito” programme, five executives from the URGE, three from image design, one from TRAMITEL, one from environmental management, two from the trademarks and patents registries, two from financing, two from computerised systems, one from the SAT (who provides service one day a week at the CEDE), one from Empreser4 and the directors of the CEDE and the URGE network, which has a staff of 18 managers and 10 executives.

Notes

1. This site was created by the state government, in coordination with the 28 municipalities. The zoning and/or feasibility of land use certificate can be processed online through this portal.
2. This Internet site provides information on the different services offered at the URGEs, as well as the requirements for accessing them.
3. The support consists in offering taxpayers advice on their fiscal obligations, as well as informing and managing plans or programmes of waiver of fines, and payment agreements, in order to stabilise the companies’ situation.

4. The support of this programme consists in offering advice to entrepreneurs for the formulation of their business plan.

Figure 3. Single SSARE Format

<table>
<thead>
<tr>
<th>Datos del Contribuyente</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Registro Federal de Contribuyentes</td>
<td>Clave CURP</td>
</tr>
<tr>
<td>2. Apellido Paterno, Materno, Nombre(s) o Razón Social</td>
<td>Fecha de Constitución (Año (aa), Mes (mm), Día (dd))</td>
</tr>
<tr>
<td>3. Domicilio de las Oficinas Administrativas o Domicilio Particular</td>
<td>Número Exterior</td>
</tr>
<tr>
<td>Calle</td>
<td>Número Interior</td>
</tr>
<tr>
<td>Colonia</td>
<td>Localidad</td>
</tr>
<tr>
<td>Municipio</td>
<td>Entidad</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Datos del Establecimiento</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Registro Federal de Contribuyentes</td>
<td></td>
</tr>
<tr>
<td>2. Nombre Comercial</td>
<td></td>
</tr>
<tr>
<td>3. RFC del Representante Legal</td>
<td></td>
</tr>
<tr>
<td>4. Domicilio del Establecimiento</td>
<td></td>
</tr>
<tr>
<td>Calle</td>
<td>Número Exterior</td>
</tr>
<tr>
<td>Colonia</td>
<td>Localidad</td>
</tr>
<tr>
<td>Municipio</td>
<td>Entidad</td>
</tr>
<tr>
<td>5. Número del Representante Legal</td>
<td></td>
</tr>
<tr>
<td>6. Domicilio del Representante Legal</td>
<td></td>
</tr>
<tr>
<td>Calle</td>
<td>Número Exterior</td>
</tr>
<tr>
<td>Localidad</td>
<td>Municipio</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registro de Impuestos Estatales</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fecha de Alta</td>
<td></td>
</tr>
<tr>
<td>2. Administración Local de Recaudación o Agencia Fiscal</td>
<td></td>
</tr>
<tr>
<td>3. Impuesto</td>
<td></td>
</tr>
<tr>
<td>4. Efectúa Pago</td>
<td>Periodicidad</td>
</tr>
<tr>
<td>5. Forma de Pago</td>
<td></td>
</tr>
<tr>
<td>6. Sobre Nómina</td>
<td>Manunal</td>
</tr>
<tr>
<td>7. Servicio de Hospedaje</td>
<td></td>
</tr>
<tr>
<td>8. Sobre Adquisición de Vehículos Usados</td>
<td></td>
</tr>
<tr>
<td>9. Actividad Principal</td>
<td></td>
</tr>
<tr>
<td>10. Personal Ocupado</td>
<td></td>
</tr>
<tr>
<td>11. Monto de la inversión o capital social (cifras en pesos)</td>
<td></td>
</tr>
<tr>
<td>12. Clave Patrimonial (IMSS)</td>
<td>Fecha de Contratación</td>
</tr>
<tr>
<td>13. Num. de personas ocupadas con ingresos menores a 2 salarios mínimos</td>
<td></td>
</tr>
<tr>
<td>14. Año (aa), Mes (mm), Día (dd)</td>
<td></td>
</tr>
<tr>
<td>15. Num. de personas ocupadas sin remuneración</td>
<td></td>
</tr>
<tr>
<td>16. Num. de personas ocupadas con ingresos mayores a 2 salarios mínimos</td>
<td></td>
</tr>
</tbody>
</table>

Fundamento legal: Ley de Gestión Empresarial y Reforma Regulatoria del Estado de Sinaloa en su Capítulo IV
Disposiciones administrativas: Convenios de Colaboración con los Municipios 7 de mayo del 2004. Manual de Operación del SSARE

Note: This page includes information on the user and the business and on the State Tax Registry.
Note: This page includes the request for Land Use Certificates and official number, providing the location of the company.
Note: This page includes the request of feasibility of water supply and sewerage services, wastewater discharge permit and construction permits.
Note: This page includes the request for permits for the placement of ads and billboards and environmental impact.
INSTRUCTIVO DE LLENOSS SARE

Escriba cuidadosamente todas las anotaciones con máquina de escribir o letras mayúsculas de moldex, empleando cada espacio sólo para el dato que se pide. Se deberán presentar los nuevos que se requieran de conformidad con los trámites que pretengan realizar.

Datos Generales del Contribuyente
1. No llenar la fecha de ingreso, ya que este dato es para uso exclusivo de las autoridades.
3. Anote su Clave Única del Registro de Población.
4. Si se trata de persona física anote apellido y nombre(s), si es persona moral anote razón social.
5. Fecha de nacimiento (persona física), o fecha de firma de documento constitutivo (persona moral).
6. Anotar la fecha en que su empresa inició actividades o pretende iniciarse.
7. Anotar el domicilio de las oficinas administrativas tal como se indica, en caso de ser persona física anotar domicio particular.
9. Describa la actividad preponderante de su empresa.

Datos del Establecimiento
10. Anotar el nombre comercial de la empresa.
11. Marcar con una “x” el tipo de establecimiento.
12. Anotar el domicilio del establecimiento y su horario de labores tal y como se indica.

Registro de Impuestos Estatales
15. Deberá anotar al nombre de la Administración Local de Recaudación o Agencia Fiscal.
16. Marcar con una “x” el impuesto que le corresponda.
17. Describir su actividad principal.
18. En personal ocupado deberá anotar el total de empleados, incluyendo obreros, técnicos, personal administrativo, socios y/o familiares que laboren en la empresa.
19. Anotar el monto de la inversión o capital social de la empresa.
20. Anotar la clave patrimonial del IMSS y la fecha de contribución del personal que labora en la empresa. (Tomar como referencia el primer bloque de empleados).
21. Anotar el número de personas que perciben ingresos menores a dos salarios mínimos netos, así como las que exceden de los dos salarios netos y las que no perciben remuneración o sueldo.

Solicitud de Licencia de Uso de Suelo, Alimentación y Número Oficial (Subdivisión de Predios en caso de ser necesario)
22. Indicar el número de cuenta catastral, manzana y lote.
23. Marcar con una “x” los servicios urbanos con que cuenta: agua, drenaje, electroiluminación, gaseificación, banqueta y pavimento (asfáltico, hidráulico y empedrado).
24. Especificar uso o destino actual y propuesto del inmueble.
25. Indicar las medidas de superficie total en metros cuadrados, frente, fondo, costado derecho e izquierdo en metros lineales.
26. Indicar el número oficial en caso de existir.
27. Indicar las distancias a la esquina más próxima, a escuelas, edificios públicos, iglesias, etc.
28. Realizar un croquis del predio siguiendo las indicaciones en el formato, utilizando medidas en metros y en caso de subdivisión de predios anexar croquis de estado actual y propuesto.
29. Indicar el croquis la ubicación del predio.

Solicitud de Factibilidad de Servicios de Aguas Potables y Alcantarillado.
29. Anotar el volumen promedio de agua a utilizar en metros cúbicos por mes.

Permiso de descarga de Aguas Residuales al Sistema de Alcantarillado Municipal.
30. Anotar horas de operación al día de la empresa, días que labora a la semana, meses que labora al año e indicar qué mes (Enero, Febrero,.....)
31. Anotar número de inmueble, nombre y dirección de la empresa, que se dirija o que se dirija a la empresa para dar el permiso.
32. Enlistar sustancias o productos químicos a utilizarse en el proceso, mantenimiento y limpieza indicando la cantidad y/o volumen.

Licencia de Construcción
33. Anotar el nombre completo, número de registro y firma del Director Responsable de la obra (DRO) y especializados.
34. En datos del predio anotar el número de cuenta del servicio de agua y hacer una breve descripción del tipo de construcción, marque con una “x” el tipo de obra, anotar en m la superficie a construir que se listan, así como la superficie de uso exclusivo y la superficie de uso común.

Permiso de Colocación de Anuncio
35. Anotar las medidas en metros lineales, indicando largo, ancho y altura del anuncio, material del mismo, su ubicación en la empresa y el texto que manejará.

Datos de Materia Prima
36. Anotar Materias Primas y aditivos utilizados en el proceso productivo.
37. Anotar la unidad de medida y el consumo estimado.
38. Marcar con un “x” si la materia prima es Importada o Nacional.

Datos de producción
39. Anotar el año que inició la producción (los datos de producción deben anotarse para un mínimo de dos años. Anexar una hoja si el espacio es insuficiente).
40. Anotar el nombre completo del producto por región, por ejemplo: leche pasteurizada, queso panela, etc.
41. Anotar la capacidad instalada de la empresa para elaborar el producto y el porcentaje de uso de dicha capacidad.
42. Anotar la unidad de medida del producto.
43. Anotar lugar y fecha donde se presenta el formulario.
44. Anotar el nombre del propietario o representante legal y su firma.

“REGLAS TRANSPARENTES, TRÁMITES SENCILLOS”

Nota: This page includes instructions on how to fill the format.
**REQUISITOS PARA TRÁMITES Y TIEMPOS DE RESPUESTA DEL SSARE GENERAL.**

### Trámites Básicos

1. Licencia de Uso de Suelo y Número Oficial
2. Alineamiento
3. Factibilidad de Servicios de Agua Potable y Alcantarillado
4. Permiso de Descarga de Aguas Residuales
5. Informe Preventivo de Impacto Ambiental (Anexo I)
6. Licencia de Construcción
7. Alta en el Registro de Impuestos Estatales

 Tiempo de Respuesta Total = 16 días cabeceras municipal, 25 días de sindicatura.

### Trámites Adicionales

1. Subdivisión de Predios
2. Contrato de Agua Potable y Alcantarillado
3. Manifestación de Impacto y Riesgo Ambiental
4. Dictamen de Impacto Vial
5. Permiso para la Colocación de Anuncios
6. Certificado de Promoción Fiscal (+) (Anexo II)

### Requisitos Básicos

1. Copia de la escritura (contrato de compra-venta o documento que acredite propiedad y/o concesión).
2. Alta ante la Secretaría de Hacienda y Crédito Público copia.
3. Dictamen de Impacto Vial, en caso de ser necesario. (**)
4. Proyecto arquitectónico aprobado por SSA (original y 7 copias) (**)
5. Dictamen de Impacto Ambiental. (**)
6. Pago de derecho por uso y aprovechamiento de zona Federal en caso de ser necesario.
7. Copia de alta en el IMSS. (***)

Nota: se verifica al hacer el trámite estado de cuenta del predial y del agua al corriente.

(**) Sólo para solicitar licencia de construcción.

(***) Sólo para Alta en Registro de Impuestos Estatales (Númina)

### Requisitos Adicionales

1. Copia del Acta Constitutiva. (+)
2. Acreditación del Representante Legal. (+)
3. 2 copias de la propuesta de subdivisión y estado actual.
4. Modalidad de la Manifestación de impacto contestada
5. Planos con accesos, salidas y señalización.
6. Plano o croquis del anuncio.
7. Constancia de No adeudo de Impuestos Estatales y Municipales de la empresa y accionistas. (+)
8. Copia de última declaración de ISR e IVA. (+)
9. Constancia de Uso de Suelo. (+)

---

**REGLAS TRANSPARENTES, TRÁMITES SENCILLOS**

**Nota:** This page includes information on the requirements for the procedure and response times.
INFORME PREVENTIVO DE IMPACTO AMBIENTAL

Datos Generales (Proporcionar la siguiente información en hojas adicionales)
1. Nombre del responsable de la información del proyecto que se presenta.
2. Naturaleza del proyecto (Descripción General)

Indicar si es:
- a) Construcción
- b) Ampliación
- c) Instalación de obra existente
- d) Acondicionamiento
- e) Otro (especificar)

Indicar:
- a) Tipo de Actividad
- b) Diagrama de flujo de producción (anexar)
- c) Capacidad de Producción Proyectada
- d) Inversión Requerida

3. Vida útil del Proyecto
4. Programa de trabajo del Proyecto
5. Obras o servicios de apoyo a utilizar en las diferentes etapas del Proyecto
6. Sitios alternativos para el desarrollo de la actividad
7. Elementos de Riesgo en un radio de 500 metros
   - a) Cercanía a grietas, fallas o fracturas geológicas
   - b) Cercanía al cauce del río, arroyo o zona inundable
   - c) Cercanía a gasera, gasolinera y/o conducto de perfusión
   - d) Cercanía a vías del ferrocarril, líneas o subestaciones eléctricas

Preparación del sitio y construcción
1. Anteproyecto de la obra civil
2. Descripción de la obra civil desarrollada para la preparación del terreno
3. Vías de Acceso
4. Requerimientos de mano de obra (Especificar número de empleados, turnos y horarios)
5. Materiales y sustancias que serán utilizadas (Emitir e indicar origin y volúmenes, enumerando primero las sustancias peligrosas)
6. Equipo y/o maquinaria requerida (Emitir e indicar capacidad instalada)

Operación y Mantenimiento
1. Recursos naturales del área que serán aprovechados (Especificar orígenes y volúmenes)
2. Enfilar productos finales (Tipo, volumen de producción/unidad de tiempo)

Información Ambiental
Para las etapas de construcción y operación del Proyecto indicar:
1. Requerimientos de:
   - a) Electricidad (indicar carga conectada, demanda y consumo promedio)
   - b) Combustibles (origen, volúmenes o tonna de almacenamiento)
   - c) Agua Cruda y/o Potable y fuentes de suministro
2. Residuos que serán generados en las diferentes etapas del proyecto (Describir):
   - a) Emisiones a la atmósfera
   - b) Descarga de aguas Residuales
   - c) Residuos Sólidos (Basura doméstica, industrial y/o agroquímica)
3. Emisiones de Fluidos (fuentes)
4. Residuos según clasificación CRETIB (Corrosivos, Explosivos, Tóxicos, Inflamables y/o Biológicamente-infectioso)

Medidas de mitigación:
1. Describir manejo, tratamiento, reuso, reciclaje y disposición final de:
   - a) Aguas residuales
   - b) Basura doméstica e industrial
   - c) Residuos peligrosos
2. Describir sistema de control de Emisiones Atmosféricas de:
   - a) Gases, humos y partículas
   - b) Olor
   - c) Ruido
3. Describir plan de contingencia, en caso de derrame o fuga accidental
   Nota: La empresa consultora indicará el nombre, razón social, número de registro ante la Secretaría de Planeación y Desarrollo, domicilio y teléfono.

Nota: This page includes the requirements for the preventive environmental impact report.
Note: This page includes the request for fiscal promotion certificates.
Annex 16

The Chiapas Emprende Centres

A. Problems to be Solved

Before the creation of these centres, Chiapas did not have any mechanisms of service for the citizens that linked all services offered by the State Ministry of Economy, so that when starting procedures, the applicant had to contact different under-secretariats (Figure 1).

Figure 1. Situation Prevailing before the Establishment of the Chiapas Emprende Centres

B. Solution

In October 2007, as part of the State Development Plan 2006-2012, the Ministry of Economy of the State of Chiapas opened the Entrepreneurial Development and Employment Centre (CEDE-e) in the Tuxtla Gutiérrez municipality, with the purpose of creating a new entrepreneurial culture, as well as offering advice and information on procedures and concentrating them so that they could be made in only one site, both for starting a business as well as for expanding one already in operation.

For the modification of the situation described in Figure 1 a system was implemented, in which employees in charge of procedures and services in each under-secretariat feed the information on them. All civil servants who perform this task have a special account to access the system. Currently,
only the State Ministry of Economy uses this system, but it is capable of registering other services and procedures, working independently from the ministry or entity in charge."

C. Current Situation

The Chiapas Emprende Centres, as they are known now, provide a unique input and output service for the entrepreneur, thus avoiding visits by the applicant to different locations according to the procedure required (Figure 2).

Figure 2. Connection of Entrepreneurial Procedures via the Chiapas Emprende Centres

The following are some other characteristics of the Chiapas Emprende Centres:

- Personnel trained in technical aspects of entrepreneurial procedures.
- User-friendly facilities (Figure 3), located at the central zone of the municipalities.
- Institutional back-up for strengthening the one-stop scheme.

Figure 3. One-stop Service Windows at the Tuxtla Gutiérrez Chiapas Emprende Centre
The centres offer four options to the entrepreneur for the creation of mercantile companies: rural production society, limited responsibility micro-industrial society, cooperative society and social solidarity society. The most common services are entrepreneurial and financing advice, and it is possible to link the entrepreneur in the following procedures (Figure 4):  

- Search of mixed and phonetic anteriorities.
- Trademark registration.
- Bar codes for the product.
- Verification of the bar code for product and packaging.
- Official company name and notice of use for the creation of societies.
- Registration of charters in the Public Registry of Commerce.
- Ratification of signatures of the charter or assembly.
- Information for certification in the Chiapas Trademark (“Marca Chiapas”).

**Figure 4. Billboard of Services of the Chiapas Emprende Centres**

Note: Services offered are: Entrepreneurial Management Centre, Entrepreneurial Commerce Centre, Corporate Identity Centre, Entrepreneurial Advice, Integral Training Centre, Chiapas Trademark.

It is noteworthy that the government has made an effort to facilitate entrepreneurs access to these customer service offices by establishing centres in the municipalities with greater economic activity in the state: Tuxtla Gutiérrez, Tapachula, San Cristóbal de las Casas, Pichucalco, Palenque and Comitán.

**D. Participation of Public Servants**

The centres’ structure is headed by the general coordinator of the programme and four directors. The one-stop windows have a total of eight people distributed in the different municipal centres, plus 10 people in system maintenance and linkage with procedures. The participation of human resources in the implementation stage has been essential, due to his/her significant role as a direct link between the procedures and services administrators and the applicant, through one-stop service windows. Therefore, each window advisor is trained before being assigned to fulfil his/her role, each time a new procedure is incorporated or when their operation rules change.
Notes

1. Currently the centres also offer advice regarding programmes run by the State Ministry of Labour, although there are still no full links.

2. Regarding these procedures, the entrepreneur receives advice and is linked with the corresponding agencies, whereas the task of managing the procedures handled by the State Ministry of Economy is also carried out from the centres.

3. The “Marca Chiapas” is used to characterize products and services manufactured and produced in Chiapas and has the purpose of promoting products from all the state regions and establishing national and international trade relations, as well as to promote Chiapas as a producer and exporter state.
Annex 17

The Municipal Business Centres (CMN) of the State of Colima

A. Problems to be Solved

Before the creation of the Municipal Business Centres (CMN), an entrepreneur who wanted to open a company in Colima needed an average of 15 days for the municipal procedures, especially if their license did not correspond to an activity included in the SARE. Additionally, the response time for the federal and state agencies was from five to 90 days. Also, the entrepreneur needed to visit different offices at different levels of government, since the procedures were scattered. Therefore, the number of procedures, the transfer costs and the response times generated administrative costs for the entrepreneurs. Since 90% of the businesses in Colima are microcompanies, the owners provide the service and were forced to close while carrying out the procedures.

B. Solution

The CMN Network is a strategic project addressed to build a network of 10 centres, one in each municipality of Colima, in order to speed up federal, state and municipal governments procedures that entrepreneurs, micro, small and medium companies must carry out to be able to operate, providing them physical and technological infrastructure.

The following are the specific objectives of this project. To:

- Provide the state municipalities with the physical and technological infrastructure required to carry out procedures and services that foster economic development.
- Provide government services and programmes to the state SMEs in order to increase their productivity.
- Implement in the 10 municipalities a technological platform (software) that allows the standardisation and control of procedures and services offered by the SMEs, with the following benefits:
  - Having access to geographical information for decision-making.
  - Having statistical information of economic activity in real time.
  - Increasing the tax collection levels.
- Provide the companies with process technologies and systems to speed up responses to their requirements in terms of procedures, permits, licenses and services.
• Guide entrepreneurs and SMEs on the best way to start, operate, promote, consolidate or strengthen their businesses with services such as federal, state and municipal procedures; training and advice; financing options and employment opportunities.

• Have the CMN network transmit the information generated by the local economy to the state government, in order to develop and implement public policies in real time.

Figure 1. Procedures Processes before and after the CMN

Illustration of the Municipal Business Centres Network for the State of Colima

Each CMN has three requirements: construction, equipment and software. Each municipality carries out the bidding, contracts, supervision and execution of the construction and equipment, whereas one unique supplier provides the software for the 10 CMNs, but each municipality assigns a liaison officer to execute the tasks of assessment of needs, programming, implementation, training and supervision.

Each CMN that is created must implement a SARE, which is validated by the COFEMER; this requires having documented processes, catalogues of SARE activities, response times and costs approved by the City Council, as well as procedures manuals indicating how to issue a municipal license.

Fifty per cent of the project’s financing comes from the SME fund (Fondo PyME) of the Ministry of Economy, 25% from the state government and 25% from municipal governments. The CMN project incorporates in each municipality’s operation the use and outreach of the portals for starting a business at the state level (miempresa.col.gob.mx) and at the federal level (tuempresa.gob.mx).
C. Current Situation

The following are some of the benefits obtained from the implementation of the state CMN network:

- Coordination at the inter-municipal level and with the state government for the design of strategies focused on promotion of investment.

- Municipalities integration to share experiences and feedback on their economic activity in meetings coordinated by the state government.

- Advice and training for municipalities on regulatory improvement and economic development.

- Generation of potential for starting new companies and growth of those already in operation, as well as for the creation of jobs.

- Increase the municipal tax collection.

- Internal processes improvement, which should reflect on more efficient services.

- Economic information for decision-making.

The specialised software integrates all areas related to the issuance of licenses on a platform that allows interoperability, as well as information administration, elimination of inspections and control of times of response to applicants.

Figure 2. Panorama of the CMN of the Colima Municipality

The following are the main benefits offered by this project to the business community:

- Reduction of visits to agencies to carry out procedures for starting a business. Also, entrepreneurs will not need to travel outside their municipality to execute them, and they will not need to travel to the state capital city or to go from one agency to another.

- Obtainment of licenses in less than 72 hours.

- Increase of economic formality, which should allow companies to have access to federal and state programs focused on SMEs.
D. Participation of Public Servants

The public servants who participate in the project are trained and receive advice from personnel of the Ministry of Economic Development in order to improve their processes, design the flow of services and submit additional programmes for the development and consolidation of companies. Additionally, the project has allowed municipal personnel to have access to better equipment, software that facilitates their work, and training. An example is the Minatitlán Municipality, one of the most distant from the capital city and whose public servants have been trained in institutions such as the State Financing System for the Development of Colima (SEFIDEC), the Business Incubator of the University of Colima and the Ministry of Labour and Social Welfare.
Annex 18

Diagnosis of Before-the-counter Factors in the State of Colima

A. Problems to be Solved

At the beginning of this diagnosis each agency was visualised as an independent service unit that had to work toward client satisfaction based on service times. There was no registry of the services offered to entrepreneurs, for example, both for starting a business and for having access to programmes, pay taxes or carry out enrolments in entrepreneurs registries, among other procedures. Thus the first stage of the diagnosis consisted in elaborating this inventory in order to be informed of all services offered and direct the analysis to the agencies involved.

The results of the diagnosis performed in the agencies was integrated in five strands:

- **Integral vision of services for entrepreneurs:** In this strand we can appreciate a clear need to create a registry of services for entrepreneurs, with the purpose of making information on procedures accessible, either through the Internet or by concentrating procedures of a similar nature in service centres.

- **Complete and accessible information on procedures:** Applicants did not always have complete information on procedures (for example, requirements, process and completion times). The diagnosis allowed the channelling of measures addressed to inform the entrepreneurs on procedures, either in print or through electronic means.

- **Simplification and speed-up of procedures:** The use of perception surveys allowed for the detection of services that were perceived as slow and that would be the first areas of opportunity to address.

- **Service offered by civil servants:** Similar to the procedures speeding up strand, the identification of a deficient perception of the service offered by civil servants made it possible to focus the training efforts on certain service areas.

- **Adaptation of spaces and signage:** In the infrastructure block, elements such as access to parking lots, adaptations to receive and provide service to the handicapped, the distribution of the windows according to service and signage were evaluated.

B. Solution

This project included research analysing the operation of the citizen service facilities, especially for entrepreneurs, from the more general infrastructure aspects such as building, parking lots, access for the handicapped, functionality of the service windows themselves and work spaces, to the process followed by the user when carrying out the procedures. The main benefit obtained is being able to implement measures to standardise the quality of service, make procedures more accessible, reduce waiting and response times, and promote communication and outreach to the citizen.
There were 15 agencies and entities involved in this exercise, with a total of 146 procedures diagnosed, corresponding to the following areas:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Direction</th>
<th>Diagnosed Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Finance</td>
<td>Income Direction</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Fiscal Audit Direction</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Cadastre Direction</td>
<td>13</td>
</tr>
<tr>
<td>Ministry of Administration</td>
<td>Electronic Services and Procedures Direction</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Acquisitions Direction</td>
<td>1</td>
</tr>
<tr>
<td>Ministry of General Government</td>
<td>Labour Direction</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Transport and Road Traffic General Direction</td>
<td>5</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>State Comission for Protection against Sanitary Risks (COESPRIS)</td>
<td>45</td>
</tr>
<tr>
<td>Ministry of Rural Development</td>
<td>Rural Development General Direction</td>
<td>6</td>
</tr>
<tr>
<td>Ministry of Urban Development</td>
<td>Urban Development General Direction</td>
<td>6</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>Highschool and Higher Education Direction</td>
<td>1</td>
</tr>
<tr>
<td>Ministry of Economic Promotion</td>
<td>Economic Development and Promotion General Direction</td>
<td>22</td>
</tr>
<tr>
<td>Ministry of Tourism</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Colima Institute for Quality (Instituto Colimense para la Calidad)</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>146</strong></td>
</tr>
</tbody>
</table>

Once the agencies and services to be diagnosed were determined, variables that influence the users’ satisfaction were identified. These variables were divided into three blocks:

- Physical facilities: Infrastructure, furniture, signage and parking lots.
- Perception of service: Evaluation of service, staff service, service time, efficiency, and communication with the citizen.
- Process carried out by the entrepreneur to obtain the procedure or service: Value chain.

For the diagnosis, visits were made to the service areas of each agency with the purpose of observing the infrastructure variables, administering service perception surveys and documenting the value chains. The evaluation of these variables allowed the state government to focus its efforts on the aspects negatively perceived by entrepreneurs.

**C. Current Situation**

Once the diagnosis was concluded, the general report was sent to each head of the participating agencies so that they could implement the observations raised, and the Ministry of Administration is following up on their application. For example, the following measures were taken in response to the problems detected regarding signage:

- Visible identification of each one of the offices of the Administrative Complex by signalling main doors and interiors.
- Installation of directories in front of each entrance to the Administrative Complex. These directories show a list of the offices located in each building and their office number.
• Installation of directories in Braille beside the ones previously described.
• Identification with nomenclature of the citizen service windows at the Ministry of Finance.
• Lettering of directories in the main entrances to the buildings.

In addition to the improvements resulting in a better service at a window, the state government implemented a strategy to give citizens access to information on procedures. First, the Ministry of Economic Development created the miempresa.col.gob.mx portal, in which entrepreneurs have access via the Internet to procedures to start a business, with no need to visit the agencies. The portal includes procedures for seven state agencies.

On the other hand, the government is working on linking the Registry of Procedures and Services (RTyS) to the agencies’ websites, so that information on procedures is maintained up to date in real time. Both strategies are addressed to entrepreneurs, as well as services focused on citizens in general, including information on parking availability, facilities for the handicapped and average response times. The RTyS includes all procedures, classified by agency, that the state government offers citizens. The information on each procedure includes 14 registries: name of the procedure, classification, target population, procedure’s description, requirements, costs, steps to be taken, response time, person responsible for the procedure, location where it is carried out, forms of payment, product obtained, affirmative/negative feedback and observations.

Efforts are also being made so that the toll free telephone line, 01800 Informatel, can offer information on procedures and offer it to citizens with no access to the Internet. Finally, there is an ongoing project for the construction of an information module at the entrance of the Administrative Complex.

The “Survey on Service Perception” provided information used to reach an optimal level of client satisfaction. With this purpose in mind, a survey with 12 questions was designed, including the general evaluation of the service window, infrastructure, spaces for the handicapped, cleaning, personnel who assisted the customer, service and image, as well as suggestions to improve the service (Figure 1). Also as a result of the diagnosis, civil servants who deal with entrepreneurs directly were trained by the Government and Public Administration School of the state government.

D. Participation of Public Servants

The team in charge of the diagnosis consisted of nine people, including a person in charge of the project and eight liaisons, who in turn worked in coordination with other liaisons in the units where the 146 studied services are provided. The officials of these agencies participated describing the process for the documentation of the chain of value and contributed comments they received from the entrepreneurs, as well as their main complaints and the problems they faced daily.

Notes

1. The Administrative Complex is a series of offices that concentrates in the same place seven of the centralised agencies of the state Executive.
Figure 1. Survey on Service Perception Format

<table>
<thead>
<tr>
<th>Nombre del documento:</th>
<th>ENCUESTA DE PERCEPCIÓN DE SERVICIOS</th>
<th>CLAVE: N/A</th>
</tr>
</thead>
</table>
1. ¿Qué servicio acudió a tramitar el día de hoy? | | |
2. En general, ¿cómo evaluaría la ventanilla de servicios? | | |
   - Excelente ( )
   - Bueno ( )
   - Regular ( )
   - Malo ( )
   - Pésimo ( )
3. El acceso a los servicios lo considera: | | |
   - Fácil ( )
   - Difícil ( )
4. ¿El personal de ventanilla resolvió todas sus dudas? | | |
   - Sí ( )
   - No ( )
5. ¿Cómo fue el trato que recibió del personal que lo atendió? | | |
6. ¿En cuánto tiempo realizó su trámite y/o servicio? | | |
7. ¿El servidor público le comunicó el tiempo que tardaría? | | |
   - Sí ( )
   - No ( )
8. ¿Realizó su trámite satisfactoriamente? | | |
   - Sí ( )
   - No ( )
   - ¿Por qué?: |
9. ¿Sabía que tenía que cumplir con algún requisito o llevar algún documento? | | |
   - Sí ( )
   - No ( )
   - pasar a la pregunta No.11
10. Forma en que se enteró de los requisitos y/o documentos para el trámite: | Pagina web ( )
   - Teléfono ( )
   - Material impreso ( )
   - Medios de comunicación ( )
   - Personal de la dependencia ( )
11. Califique las instalaciones del lugar de atención del 1 al 10, donde el 1 es pésimo y el 10 es excelente:
   - Oficinas en General
   - Limpieza de oficinas
   - Limpieza en el servicio sanitario
   - Condiciones para personas con discapacidad
   - Ventilación
   - Señalización de oficinas
   - Iluminación
   - Señalización de seguridad
   - Muebles de espera y atención
12. Tiene alguna sugerencia al respecto para mejorar el servicio: | | |
   - No ( )
   - Sí ( )
   - ¿Cuál?: |

Versión N°: 0

Página 1 de 1
Efficiency for the Management of Procedures
Annex 19

Diagnosis and Training of the Human Resources in Charge of Entrepreneurial Procedures in the State of Colima

A. Problems to be Solved

The efficiency in the management of procedures requires that the civil servants who offer these services have an adequate profile for the position and are specifically trained according to their tasks. Sometimes the staff available is enough in number, but lacks the adequate skills and knowledge.

The situation prevailing before the implementation of this practice was the following: there were profiles by competencies of the positions related to the service to the community in all the centralised public administration. Additionally, the government had training and evaluation instruments that allowed the implementation of the practice; it is noteworthy that, although some of the civil servants working in these service areas had already participated in several seminars and workshops related to customer service, they had not done so under the training approach by administrative unit and evaluation in real time method.

B. Solution

The government of the state of Colima developed a programme consisting in offering training on two main subjects: customer service and communication and institutional image, as well as in evaluating the knowledge acquired in the seminars, and defining the profile of public servants linked to the areas of customer service in the business sphere. The two main subjects include contents on customer language, public ethics and transparency.

Between March 22nd and July 2nd, 2011, 20 workshops on each subject were carried out, at 10 hours each. Additionally, a diagnostic questionnaire and a skills and attitudes evaluation were applied.

The training was offered to civil servants at the three management levels (operational, middle managers and directors), whose functions are oriented to customer service within the business sphere or whose activities correspond to processes that influence the economic development of the state. The methodology for the evaluation in real time consisted of an observation guide that contained 12 factors to evaluate, focusing on the participant’s individual development.

One of the specific objectives of this practice was to carry out a diagnosis of the profile, determining the evidence of the participant in terms of general skills and specific skills for public servants with tasks related to customer service in the business area.

The process followed for the diagnosis and global evaluation of the participating civil servants’ performance pondered different factors: 20% was dedicated to the diagnostic questionnaire (Figure 1), 10% to the profile, 20% to the evaluation of knowledge obtained through training (made at the end of each course) and 50% to skills and attitudes.
The diagnostic questionnaire contained a series of questions that were asked to each one of the civil servants participating in the practice. Regarding the profile, the public servants were asked to deliver information on their maximum level of education, age and seniority in public administration, with the purpose of identifying how close are the position profiles to the tasks they perform and to the functional areas. Regarding skills and attitudes, the following were evaluated with an observation guide instrument:

- Attitudes: Responsibility, initiative, commitment to the community, participation and teamwork.
- Values: Common good, honesty, institutionality, equity and transparency.
- Skills: Communication, strategic thinking, service orientation, negotiation and organisation.

C. Current Situation

The immediate results were specifically two: Training through workshops on subjects related to service to 481 public servants and evaluation of the competencies profile and the performance in the seminar. The following table lists the number of civil servants participating by agency involved:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Participation in 1 workshop</th>
<th>2 workshops</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Administration</td>
<td>29</td>
<td>118</td>
<td>147</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>31</td>
<td>99</td>
<td>130</td>
</tr>
<tr>
<td>Public Registry of Property Direction</td>
<td>4</td>
<td>38</td>
<td>42</td>
</tr>
<tr>
<td>Transport and Road Security General Direction</td>
<td>8</td>
<td>30</td>
<td>38</td>
</tr>
<tr>
<td>Ministry of Economic Promotion</td>
<td>11</td>
<td>26</td>
<td>37</td>
</tr>
<tr>
<td>Ministry of Labour</td>
<td>4</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>State Financing System for the Development of Colima (SEFIDEC)</td>
<td>2</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Ministry of Urban Development</td>
<td>4</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Ministry of Youth</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Ministry of Planning</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>101</td>
<td>380</td>
<td>481</td>
</tr>
</tbody>
</table>

D. Participation of Public Servants

For the implementation of this practice a team of 14 civil servants (evaluators and instructors) of the Human Resources General Direction relied on the professionalisation system of the Government and Public Management School of the state administration. Upon conclusion of the seminars, the staff suggested some complementary subjects to improve their functions, such as teamwork, effective communication, administration, human relationships and public speaking skills. 92% of the participants obtained satisfactory results in their evaluations.

The following are some other results obtained in the evaluation of public servants:

- 98% of the public servants are knowledgeable of the services offered by their agency.
• 72% of the agencies or directions have modules, areas or windows that provide information on customer services.

• 76% answered that their agency or direction has a complaints and suggestions box.

• 98% consider that they have the knowledge, skills and attitudes required to provide the customer an efficient service.

• 24.74% do not know that the Transparency Law demands the agencies to deliver simple and understandable information regarding the procedures of the public administration.

Figure 1. Diagnostic Questionnaire

1. Are you aware of the services offered to customers by your agency or direction?
2. Does your agency or direction have a module, area or window that provides information of customer services?
3. Does your agency or direction have a complaints and suggestions box?
4. Do you follow up on the complaints and suggestions submitted by the customers that are received in your agency or direction?
5. Do you consider that you have the knowledge, skills and attitudes to provide an efficient customer service?
6. Are you aware that the law demands agencies to deliver simple and understandable information on the procedures of the public administration?
7. Are you aware that the law demands public servants to offer a decent and efficient service?
8. Which are the means used by your agency or direction to publicize and inform customers of procedures and services?
9. Which strategies or lines of action do you think that the state government should establish in order to improve services and strengthen economic development?
10. Which measures would you implement in your position to improve the service provided by your agency or direction?
Additional Information Sources


Congreso del Estado de Baja California, Ley de Firma Electrónica para el Estado de Baja California, www.congresobc.gob.mx/5080j/Parlamentarias/TomosPDF/Leyes/TOMO_I/Leyfirmaelec.pdf.

Congreso del Estado de Baja California, Ley del Registro Público de la Propiedad y de Comercio para el Estado de Baja California, www.congresobc.gob.mx/contenido/LegislacionEstatal/Parlamentarias/TomosPDF/Leyes/TOMO_IV/leyregpub_06MAR2009.pdf.


Convenio de Coordinación para el Otorgamiento de Recursos Federales que serán destinados a la Modernización del Registro Público de la Propiedad, que celebran la Consejería Jurídica del Ejecutivo Federal y el Instituto del Registro Público de la Propiedad y del Comercio del Estado de Morelos, www2.cjef.gob.mx/Documentos/CONAVI/adjuntos/11082009_Convenio_Morelos_DOF.pdf.

Convenio de Coordinación para la Operación del Registro Público de Comercio y Apoyo a la Modernización del Registro Público de la Propiedad del Estado de Morelos, que celebran la Secretaría de Economía y dicha Entidad Federativa, Diario Oficial de la Federación, November 10th, 2005.


Gobierno del Estado de Morelos, Segundo y Tercer Informes de Gobierno 2006-2012.


Portal de apertura de empresas del Gobierno de Sinaloa: www.abretuempresa.gob.mx.


### Acronyms and Abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>APE</td>
<td>Administración Pública Estatal</td>
</tr>
<tr>
<td>ASISTE</td>
<td>Atención Sistematizada de Trámites y Servicios (Baja California)</td>
</tr>
<tr>
<td>BN</td>
<td>Número Nacional de Empresa (Columbia Británica, Canadá)</td>
</tr>
<tr>
<td>CAE</td>
<td>Centro de Apoyo Empresarial</td>
</tr>
<tr>
<td>Canacitra</td>
<td>Cámara Nacional de la Industria de Transformación</td>
</tr>
<tr>
<td>CANACO</td>
<td>Cámara Nacional de Comercio, Servicios y Turismo</td>
</tr>
<tr>
<td>CANADEVI</td>
<td>Cámara Nacional de la Industria de Desarrollo y Promoción de Vivienda</td>
</tr>
<tr>
<td>CANIRAC</td>
<td>Cámara Nacional de la Industria de Restaurantes y Alimentos Condimentados</td>
</tr>
<tr>
<td>CCC</td>
<td>Cartas Compromiso al Ciudadano</td>
</tr>
<tr>
<td>CEDE</td>
<td>Centro de Desarrollo Empresarial (Sinaloa)</td>
</tr>
<tr>
<td>CEDESPE</td>
<td>Comité Estatal para la Desregulación y Promoción Económica (Jalisco)</td>
</tr>
<tr>
<td>CEDU</td>
<td>Comisión Estatal de Desarrollo Urbano (Aguascalientes)</td>
</tr>
<tr>
<td>CEGERR</td>
<td>Comisión Estatal de Gestión Empresarial y Reforma Regulatoria del Estado de Sinaloa</td>
</tr>
<tr>
<td>CFE</td>
<td>Comisión Federal de Electricidad</td>
</tr>
<tr>
<td>CIAPACOV</td>
<td>Comisión Intermunicipal de Agua Potable y Alcantarillado de Colima y Villa de Álvarez</td>
</tr>
<tr>
<td>CMIC</td>
<td>Cámara Mexicana de la Industria de la Construcción</td>
</tr>
<tr>
<td>CMN</td>
<td>Centro Municipal de Negocios</td>
</tr>
<tr>
<td>Coespris</td>
<td>Comisión Estatal para la Protección contra Riesgos Sanitarios</td>
</tr>
<tr>
<td>Cofemer</td>
<td>Comisión Federal de Mejora Regulatoria</td>
</tr>
<tr>
<td>Cofepris</td>
<td>Comisión Federal para la Protección contra Riesgos Sanitarios</td>
</tr>
<tr>
<td>COMERJAL</td>
<td>Comité de Mejora Regulatoria del Estado de Jalisco</td>
</tr>
<tr>
<td>Conavi</td>
<td>Comisión Nacional de Vivienda</td>
</tr>
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<td>COPARMEX</td>
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<td>Secretaría de Promoción Económica (Jalisco)</td>
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SGC: Sistema de Gestión Catastral
SIAPA: Sistema de Alcantarillado y Agua Potable de Jalisco
SIDU: Sistema de Información de Desarrollo Urbano (municipio de Colima)
SIEM: Sistema de Información Empresarial Mexicano
SIFRAGS: Sistema de Fraccionamientos y Condominios de Aguascalientes
SIGEN: Sistema Integral de Gestión Notarial
SIGER: Sistema Integral de Gestión Registral
SIREC: Sistema Integral Registral del Estado de Chiapas
SME: Micro, pequeñas y medianas empresas
SOPDU: Secretaría de Obras Públicas y Desarrollo Urbano (Tuxtla Gutiérrez, Chiapas)
SRE: Secretaría de Relaciones Exteriores
SSARE: Sistema Sinaloense de Apertura Rápida de Empresas
UMR: Unidad de Mejora Regulatoria (Nuevo León)
URGE: Unidad Rápida de Gestión Empresarial
For more information on the cooperation initiative between the OECD and the Ministry of Economy and on the Short-term Measures project, please contact:

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