

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	MEXICO/CID - Isthmus & DR
▪ TC Name:	Support for Better Regulation and Trust in Government.
▪ TC Number:	ME-T1430
▪ Team Leader/Members:	FARIAS, PEDRO CESAR L. (IFD/ICS) Team Leader; CUBO CONTRERAS, AITOR (IFD/ICS) Alternate Team Leader; REYES, JAVIER RAMIRO (IFD/ICS); DASSEN, NICOLAS (IFD/ICS); MAHFOUZ, GIOVANNA L. (IFD/ICS); GARCIA RODRIGUEZ, YOCAURIS DEL CARMEN (CID/CDR); MIRANDA MONROY, EDNA (CID/CME); FITZPATRICK, SILVANA VALDIVIESO (IFD/ICS); MANZUR MADARIAGA, MICHELLE (IFD/ICS); BARRAGAN CRESPO, ENRIQUE IGNACIO (LEG/SGO); RIVERA, KATIA (IFD/ICS)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Support Program for Regulatory Policy Reforms - ME-L1299
▪ Date of TC Abstract:	05 Mar 2020
▪ Beneficiary:	Comisión Nacional de Mejora Regulatoria (CONAMER) de México
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$400,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	IFD/ICS - Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	IFD - Institutions for Development Sector
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Productivity and innovation ; Institutional capacity and rule of law

II. Objective and Justification

- 2.1 The objective is to contribute to the reduction of the transaction and regulatory compliance costs that citizens and businesses in Mexico must face through the strengthening of National Commission for Regulatory Improvement (CONAMER) capabilities. The specific objectives are: (i) to advance in the consolidation of the National Catalog of Regulations, Procedures and Services (CNARTyS); (ii) to support the design of the Electronic Document for Procedures and Services, and; (iii) to promote the implementation of the Law on the Promotion of Public Trust (LFCC).
- 2.2 México has been a pioneer in the region in transforming regulatory improvement into a relevant public policy for the construction of a modern and inclusive economy and has achieved recognition as a leader in good regulatory practices. More recently, the Government has approved relevant regulations, among which are: (i) the reform to article 25 of the Political Constitution; (ii) the General Law for Regulatory Improvement (LGMR) and, (iii) the Law for the Promotion of Citizen Confidence (LFCC). Those regulations have made regulatory reforms mandatory for all levels of government,

creating the National Council for Regulatory Improvement (CNMR), the National System (SNMR) and the National Strategy for Regulatory Improvement (ENMR). In addition, the explanation of the institutional challenges is expanded with the following text: However, there are still pending institutional challenges that are: i) the difficulty of coordination between organs and levels of government; ii) limitations to access and management of information that supports regulatory compliance; iii) the complexity of administrative requirements and procedures for carrying out procedures and services; and iv) the inefficiency of the regulatory compliance verification systems. This TC will contribute to the objectives of Policy-Based Program (PBP) ME-L1299 Program to Support Regulatory Policy Reforms, through the generation of inputs for its formulation and support for the implementation of its policy measures. The objective of the PBP is to contribute to a better business environment, by supporting the implementation of the General Regulatory Improvement Laws (LGMR) and the Promotion of Citizen Confidence (LFCC). To that end, it will promote measures to strengthen regulatory governance, social participation and transparency, in addition to the adoption of regulatory tools at all levels of government.

III. Description of Activities and Outputs

- 3.1 **Component I: Consolidation of the National Catalog of Regulations, Procedures and Services.** . To enable CONAMER for the management and evolution of CNARTyS, including technical assistance and training for diagnoses, requirements analysis, feasibility studies and tests for the integration with other systems. The Catalog will support the implementation of the Electronic Document for Procedures and Services provided for in the LGMR
- 3.2 **Component II: Design of the Electronic Document for Procedures and Services (EETS).** . It will seek to define the technological, regulatory and institutional conditions for the implementation of the EETS. The TC will fund studies to design the governance model, definiton of technological and institutional requirements and the cost-benefit analysis of the system. CONAMER then will be able to comission the development of the EETS.
- 3.3 **Component III: Implementation of the Law on the Promotion of Citizen Trust.** . This component will support building trust between citizens, businessmen and the government through citizen participation and the reduction of discretion in government inspections. Specifically, support will be given to putting the Citizen Trust Registry online, generating the Census guidelines and generating framework coordination agreements to reduce inspections.
- 3.4 **Component IV: Monitoring, Dissemination of Results and Evaluation.** Support the coordination of activities related to execution of the project, like monitoring, evaluation and the dissemination of products and results.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Consolidation of the National Catalog of Regulations, Procedures and Services.	US\$143,200.00	US\$0.00	US\$143,200.00
Design of the Electronic Document for Procedures and Services (EETS).	US\$154,000.00	US\$0.00	US\$154,000.00
Implementation of the Law on the Promotion of Citizen Trust.	US\$77,400.00	US\$0.00	US\$77,400.00
Monitoring, Dissemination of Results and Evaluation	US\$25,400.00	US\$0.00	US\$25,400.00
Total	US\$400,000.00	US\$0.00	US\$400,000.00

V. Executing Agency and Execution Structure

- 5.1 At the request of the beneficiary, the project will be executed by the Bank, through IFD/ICS with support from the Bank's Representation in Mexico.
- 5.2 The justification is framed in the criteria for execution by the Bank described in Annex 10 of the Operational Guidelines for the Selection and Contracting of Consulting Firms in Operations Executed by the Bank (OP-1155-2), in particular legislative or procedural restrictions . It is common for national budgetary standards to subtract funding and delay the execution of the TCs implemented through the regular budget of entities in Mexico. ICS also has extensive experience in the execution of technical assistance projects in modernization of the State and is successfully executing a TC with the same beneficiary (ATN / OC-16371-ME).

VI. Project Risks and Issues

- 6.1 Risks:
The main risks identified relate to: (i) the beneficiary's institutional capacity to ensure the sustainability of the results; and (ii) the possible lack of coordination between agencies and levels of government that undermine effective implementation,
Mitigations:
They will be mitigated through: (i) direct support to CONAMER teams that will coordinate activities, and knowledge transfer at all stages of the project; and (ii) timely support to the National Council for Regulatory Improvement coordination of problems to proceed with their rapid solution.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".