

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	MEXICO/CID - Isthmus & DR
▪ TC Name:	Support for administrative simplification and regulatory improvement at the subnational level in Mexico
▪ TC Number:	ME-T1530
▪ Team Leader/Members:	Reyes, Javier Ramiro (IFD/ICS) Team Leader; Farias, Pedro Cesar L. (IFD/ICS) Alternate Team Leader; Lugo, Gloria (CID/CME) Alternate Team Leader; Grayeb Bayata, Claudia (CID/CME) Alternate Team Leader; Enriquez Mendoza Jose Luis (CID/CME); De Dobrzynski, Esteban (LEG/SGO); Martinez, Ynty Koyllor (IFD/ICS); Hernandez Carrion, Jose Luis (IFD/ICS); Lagarda Cuevas, Guillermo (IFD/ICS); Garza Cortina, Miriam (VPC/FMP)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	01 Apr 2024
▪ Beneficiary:	State of Sonora and State Tamaulipas
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$180,000.00
▪ 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:	CID/CME - Country Office Mexico
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2024-2030:	Social inclusion and equality ; Productivity and innovation ; Economic integration; Institutional capacity and rule of law; Gender equality; Diversity

### II. Objective and Justification

- 2.1 The general objective of this Technical Cooperation (TC) will be to contribute to strengthening the institutional capacities of the federal states (subnational level) to promote a better business environment in the country. This will be achieved through three specific objectives: (i) supporting the implementation of the Business Electronic File (EEE) by integrating state procedures that consume data generated by state or national institutions; (ii) initiating the integration of procedures managed by entities at the municipal level, laying the groundwork for vertical integration of the EEE and (iii) generating common protocols that allow for the flow and use of data among the three levels of the Mexican government.
- 2.2 The EEE has evolved as Virtual Data Manager that enables the provision of data to be accessed by a requesting entity through an Administrative Registry that serves as the providing database in order to expedite the validation of requirements for the resolution of procedures. For the time being it has not the capabilities to store data nor to construct a clients dedicated file with all their data. A pilot implementation experience of the EEE was carried out in the state of Jalisco over the past year, specifically in the artisan registration process. The experience has been successfully completed, and with the corresponding learning, there is now a clear action plan for future state-level implementations, thereby facilitating the path for pilot experiences at the municipal level. This technical cooperation aims to use the lessons learned from

the pilot and thereby design improvements that make the EEE more agile and flexible to adapt to the diverse realities of the federal entities.

### III. Description of Activities and Outputs

- 3.1 **Component I. Implementation of the EEE in two federal states (US\$90,000).** This component will allow for the consolidation of the development of the EEE at the state level.
- 3.2 **Component II. Pilot implementation of the EEE at municipal level (US\$50,000).** This component will allow for testing the scalability of the tool in view of implementing the EEE at the subnational level with vertical integration.
- 3.3 **Component III. Generation of data transfer and usage protocols (US\$30,000).** This component will work on identifying Mexican best practices and proposing international standards for data transfer and usage in administrative simplification.
- 3.4 **Component IV. Study case and dissemination (US\$10,000).** The results of the implementation of this TC will generate enough data to identify best practices in the implementation of regulatory along with digital tools.

### IV. Budget

Indicative Budget

Activity/Component	Total IDB Funding US\$
Component I. Implementation of the EEE in two federal states	90,000.00
Component II. Pilot implementation of the EEE at municipal level	50,000.00
Component III. Generation of data transfer and usage protocols	30,000.00
Component IV. Study case and dissemination	10,000.00
<b>Total</b>	<b>180,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 At the request of the Government of Mexico, the TC will be executed directly by the Bank through ICS with the support of the Bank's Representation in Mexico.
- 5.2 The request is justified by institutional factors inherent in the internal budget execution processes in Mexico, which may result in significant delays in contracting and could have a negative impact on the achievement of the planned development objectives. ICS has extensive experience in executing technical assistance projects and is successfully executing several national TCs in the same field (ATN/OC-16371-ME and ATN/OC-19301-ME). The focal point responsible for the execution will be the sector specialist designated by IFD/ICS, supported by the team of the Bank's Representation in Mexico. This specialist will be responsible for supervising and approving the reports resulting from the contracted consultancies.

### VI. Project Risks and Issues

- 6.1 The main identified risks are related to: (i) the selection of technological solutions for the EEE not being the most suitable to achieve the results in a timely and efficient manner and (ii) difficulties in coordination among agencies and levels of government that may hinder the effective implementation of the second component of the technical cooperation. These risks will be mitigated respectively through: (i) involving stakeholders, IDB specialists, and recognized experts in discussions to support technological decisions and (ii) identifying leading institutions that can effectively coordinate implementation efforts.

## **VII. Environmental and Social Aspects**

- 7.1 This TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).