



Until today

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2

FEDERAL RULES have been eliminated

FEDERAL RULES HAVE BEEN ELIMINATED



**Fewer rules,
better results**

MINISTRY OF PUBLIC ADMINISTRATION



Al día de hoy han sido eliminadas

1 2 2 3 4

normas del GOBIERNO FEDERAL



GOBIERNO FEDERAL

MÉXICO 2010

SFP



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Fewer rules, better results

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August, 2010

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**GOBIERNO
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Menos reglas, mejores resultados

9 de agosto 2010





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2010**

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Fewer Rules, Better Results

1. INTRODUCTION

On September 2nd, 2009, within the framework of the Third State of the Union, President Felipe Calderon committed to undertake a wide-ranging regulatory reform in order to make citizens' life easier, to increase competitiveness and to facilitate the economic and social development of the country as the eighth action of the Ten Actions for a Deep Transformation of Mexico.

With this strategy, the government seeks to fight the paralysis generated by excessive regulation, to close the door to the discretionary creation and implementation of provisions that cause opacity and unnecessary costs for the government and for the citizens, eradicate corrupt practices and diminish the Public Administration costs in order to apply these resources in priority tasks of the country.

The regulatory reform started with the creation of an inventory of the governmental rules in force. Using this catalogue as a

basis, all the agencies comprising the Federal Public Administration identified duplicated rules, processes and inefficient activities, excessive costs and bureaucratic procedures that generate unnecessary costs to citizens.

With the inventory and the identification of duplicities, worthless rules and unjustified procedures, the Ministry of Public Administration identified two major tasks to achieve the objective set by the President:

1. Standardize administrative processes in order to provide quality goods and services to citizens and to eliminate all unnecessary rules (Guillotine of Administrative Regulations).
2. Facilitate governmental procedures and services in order to serve citizens in a better manner, repealing all the unjustified ones (Guillotine of Substantive Regulations).

2. GUILLOTINE OF ADMINISTRATIVE REGULATIONS.

NINE HANDBOOKS OF GENERAL APPLICATION

The Guillotine of Administrative Regulations consisted in the elaboration and publication of nine Handbooks of General Application which aim to optimize the governmental operation in nine subjects:

1. Governmental Acquisitions
2. Auditing
3. Internal Control
4. Public Works
5. Financial Resources
6. Human Resources
7. Material Resources
8. Information and Communication Technologies
9. Transparency

To achieve this end, nine working teams were created with representatives of various entities and agencies who were responsible of researching the leading management practices in these subjects.

Using this research as a starting point, the nine Handbooks that will standardize the application of all the processes in the Federal Public Administration, easing and facilitating the government's operation, were elaborated.

NINE HANDBOOKS OF GENERAL APPLICATION

BENEFITS OF THE ACQUISITIONS HANDBOOK

- More agile and opportune payment to providers.
- Homogeneous formats in all the governmental agencies.
- Transactions in electronic means.
- Purchase processes will be simplified through mechanisms such as framework contracts, electronic tenders and reverse auctions through the new Compranet.

BENEFITS OF THE AUDITING HANDBOOK

- Auditors will be able to plan, program and execute in the most efficient way auditing processes and will be able to focus in identifying, preventing and fighting serious corruption cases.

BENEFITS OF THE INTERNAL CONTROL HANDBOOK

- Agencies will be able to identify the circumstances that inhibit the

accomplishment of its goals and objectives and will fulfill their tasks and functions in benefit of the citizens.

BENEFITS OF THE PUBLIC WORKS HANDBOOK

- Homogeneous formats and more transparent tender processes.
- Facilitates the opportune assignation of projects, its execution and conclusion.
- Monitoring of physical progress of works will be done through the electronic binnacle in order to assure appropriate and quality work.
- Promotes public investment and, consequently, the development and growth of the country.

BENEFITS OF THE FINANCIAL RESOURCES HANDBOOK

- Establishes measures to rationalize, control and orient public expenditure.
- Gives appropriate information about the budgeting exercise.
- Standardizes financial and expenditure processes encouraging transparency and accountability in the use of public resources.

BENEFITS OF THE HUMAN RESOURCES HANDBOOK

- Reduces administrative human resources costs.
- Allows reorienting resources that in the past got lost in the administrative process to give a better service to citizens.

- Guides the selection, hiring, training, evaluation and motivation of public servants to satisfy the needs of the citizens and to fulfil the objectives of their agencies.

BENEFITS OF THE MATERIAL RESOURCES HANDBOOK

- Makes better use of the resources of the Federal Public Administration in order to increase the effectiveness of public agencies.
- Eases the reduction of maintenance, storage and lease costs in real estate and personal property.

BENEFITS OF THE INFORMATION AND COMMUNICATION TECHNOLOGIES HANDBOOK

- Generates resource savings for citizens, businesses and for the State through the supply of automated digital services, procedures and processes.
- Increases the effectiveness of public agencies by the improving the governmental digital readiness.
- Encourages governmental transparency.

BENEFITS OF THE TRANSPARENCY HANDBOOK

- Encourages transparency with socially useful and focused information.
- Strengthens accountability, fights the corruption and diminishes opacity.
- Facilitates the access to governmental public information to citizens.

3. PRESIDENTIAL AGREEMENT TO CONSOLIDATE THE ADMINISTRATIVE GUILLOTINE

To strengthen this exercise of Administrative Guillotine, on August 10, 2010 the President of the Republic issued an Agreement published in the Federal Official Journal which consists in:

1. Eliminating unnecessary rules

With this Agreement all the dispositions, policies or strategies, actions or criterions and proceedings that oppose to the nine Handbooks are abolished.

2. Containing the emission of new rules

The Agreement prohibits the production of rules in the matters contained in the nine Handbooks by the Federal Public Administration.

3. Giving certainty about the regulation in force in the Federal Government

The Agreement obliges all the Federal Public Administration to publish in the Federation's Official Journal before September 10, 2010 a list with all the regulation that will still subsist, eliminating at the same time all the rules and dispositions not published to that date.



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The Ministry of Public Administration will validate, before its publication, the rules that will maintain its effectiveness so that all the dispositions not authorized will be eliminated.

4. Giving certainty on the exception cases

The Agreement foresees the publication of dispositions only in four exception cases: 1) in emergency situations, 2) for fulfilling an obligation established in a law, 3) when it is necessary to honor an international commitment, 4) when given its own nature the rule shall be issued or actualized periodically.

With this Agreement and with the issuing of the nine Handbooks, the Government of President Felipe Calderon is eliminating 7,311 rules.

In general, the Ministry of Public Administration will guarantee the fulfillment of the Agreement, monitoring the elimination processes, the publishing of the regulation in force and the avoidance of emission of rules.

4. ECONOMIC IMPACT

In the next months, the Ministry of Public Administration will measure the economic impact that the Guillotine of Administrative Regulations will have within the Federal Government. The expected consequences of the nine Handbooks are:

1. Decrease of tender's times.
2. Economic savings within Government from better acquisitions and better prices due to reverse auctions generated through the new Compranet.
3. On time payments to providers.
4. Appropriate execution of tenders and the projects assignments for the development of all kind of infrastructure.
5. Simplification of the requirements and the processes that micro and small businesses, or any providers, have to follow.
6. Timely attention to any risk that the execution or the delivery of a public work may imply through works' control and auditing.

7. Time and resources savings in all agencies and entities through the standardization of archive processes, inventories and dispositions of real estates.
8. Use of information technologies in governmental resources management, in the provision of services and the realization of citizens' procedures.
9. Efficient corruption combat, focusing time, resources and intelligence of the Control Agencies in research tasks and tracking assignments instead of unnecessary administrative tasks.

5. GUILLOTINE OF SUBSTANTIVE REGULATIONS. RULES WITH CIVIL IMPACT.

In order to simplify the procedures and to increase governmental effectiveness in the economic and social development of the country, all the agencies and entities are working to guillotine substantive regulations.

As well as in the administrative guillotine, the elimination of substantive rules



started with the creation of an inventory of dispositions, identifying the unnecessary ones to abrogate them in order to make an easier interaction between the government and the citizens.

In this effort, up to August 9, 2010, the agencies have eliminated a total of 4,923 substantive rules. This task will be complemented with the elimination of 1,848 rules, prior to December 31, 2010. Therefore, in 2010, a decrease of 6,711 dispositions that disturb the relation between the citizens and the government is planned.

This strategy is already presenting concrete benefits for citizens and for businesses, generating economic savings and diminishing times for realizing a procedure or giving a service:

1. Elimination of requirements for tax payments.

The elimination of guidelines for the Added Value Tax and of documentation requirements for the refund applications will simplify the revision process of tax declaration and will speed up tax refunds on behalf of the Tax Administration System.

2. Improvement of temporal entering rules of foreigners.

The design of a Migratory Procedures Handbook, the release of the new

Multiple Migratory Form and the reduction from 59 to 17 migratory procedures will let an easy and rapid documentation for anyone that visits Mexico for less than 180 days, encouraging tourism and commercial exchanges.

3. Integration of a unique identity database.

The Ministry of Foreign Affairs is working in the construction of a database that will help validate with security and in real time biographic and biometric information of the persons that request passports, visas, consular registrations and letters of naturalization. The implementation



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of this database will allow eliminating requirements and diminishing the time that a citizen would have to spend.

4. Facility in social benefits granting.

In order to increase the number of beneficiaries that receive social benefits from the Federal Government through bank means and electronic cards, the Bank of National Savings and Financial Services eliminated the rules that were hindering this process.

5. One-stop shop for foreign trade.

The Ministries of Economy, Health and Agriculture, and the Tax Administration System, among other agencies, will

consolidate all the requirements that the government demands for exporting and importing, centralizing the information, the control, the consults and the decision making process in terms of foreign trade. Moreover, these agencies are working in the treatment and improvement of the rules on matters of tariff classification and inspection of foreign trade, simplifying the trade procedures of exportation and importation of products.





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6. FEWER RULES, BETTER RESULTS

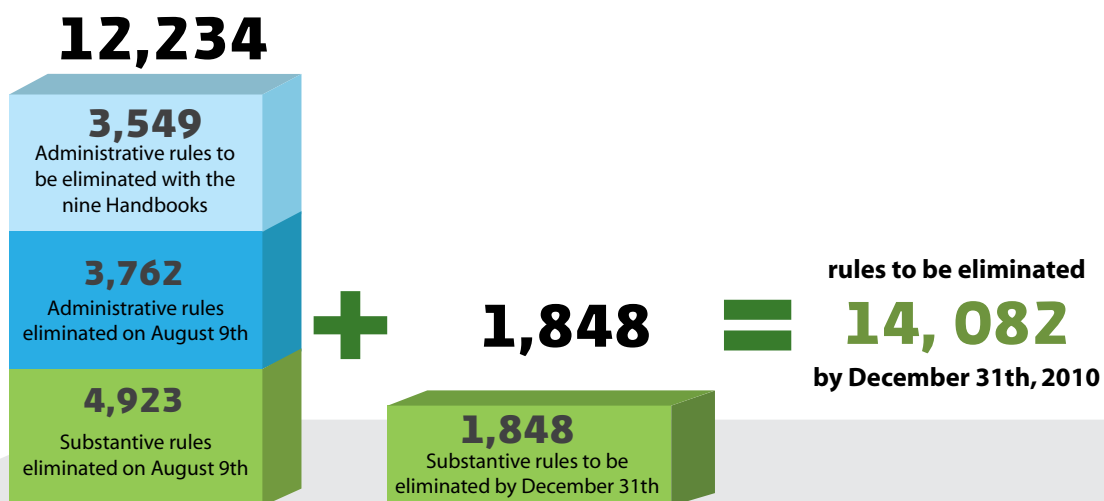
With the publication of the nine Handbooks and with the Presidential Agreement, the government of President Calderon has eliminated 12,234 rules, effort that will be completed with the elimination of 1,848 rules in the next months. In this way, in 2010, 14 thousand rules will have been eliminated, 40 percent of the current regulation, representing the most aggressive regulatory guillotine in Mexican history. Fewer rules will promote structural changes within the government, fomenting a cultural change in public servants minds which will encourage the performance and achievement of objectives over any bureaucratic requisite.

The regulatory guillotine gives transparency and certainty of the rules that will be in force, avoids the publication of new regulation and limits discretionary practices from public servants.

The deregulation effort carried out by Mexico can be compared to the best documented cases of the Organisation for Economic and Co-operation Development (OECD). At this moment, the OECD is evaluating the Regulation Guillotine of Mexico.

The impact of this strategy will be reflected in the rise of the government's efficiency and transparency, in the competitiveness and in the economic growth of the country, and in the capacity to attend citizens with better public services and more agile procedures. So, with fewer rules we will have better results.

Administrative and Substantive Regulation Guillotine Results





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