APEC Project - Development and Implementation of Methodologies to Improve the Quality of Regulations and Regulatory Impact Assessments for Enhancing Market Openness, Ensuring Transparency and Promoting Economic Growth

Submitted by: Mexico
Development and implementation of methodologies to improve the quality of regulations and regulatory impact assessments for enhancing market openness, ensuring transparency and promoting economic growth.

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Regulation has been one of the tools available to the State to ensure and protect the public interest, but it carries a latent risk, especially for the rapid and profound change in the social and economic conditions in which it has become an obstacle to social welfare.

The main objective of improving regulation is to improve the efficiency of national economies and their ability to adapt to change and to ensure the competitiveness of the economy.

The evolution of regulatory policy in the world:

- Much of the twentieth century governments had no interest in conducting a thorough review of issued regulation. This created obstacles to progress in various countries.
- The first steps to improve the regulatory environment were in the 70s, with various programs of economic deregulation.
- In the 80s and 90s, the deregulation process developed a new facet, administrative and regulatory reform.
- Regulatory reform finally evolved into the "regulatory policy", which is defined as dynamic, continuous and consistent government policies to improve the quality of regulation issued.
Regulatory policy in Mexico

Since the late 80s, Mexico has followed a global trend characterized by economic deregulation transition in compliance with regulatory governance cycle. That is why in 1989 it implemented the first program of economic deregulation in Mexico and created the Economic Deregulation Unit (EDU), the initial step in the formation of COFEMER.

The Mexican experience of regulatory policy

With the implementation of the RIA in the Federal Government, Mexico has improved in several indicators of regulatory reform, as shown by the indicator of the Organization for Economic Cooperation and Development (OECD) about the institutional capacity to manage regulatory reform, where Mexico ranked 5th place among the 30 countries included in the 2009 report and in 6th place in the use of RIA.

Furthermore, the amendments made in 2010 features a Regulatory Impact Analysis in accordance with the best international practices and impact calculator similar to that used in countries such as Australia or New Zealand.

It is for this reason that since 2012, Mexico has been an active participant in the training activities of Regulatory Impact Assessment in APEC member countries, such as Russia, Chile, Peru, China, Hong Kong and Chinese Taipei.
**Objectives**

- Share experiences and best practices in evaluation of regulatory impact.
- Develop methodologies to improve the quality of regulation.
- Develop a system of education and training for government officials and regulators to develop regulatory analysis and quality control proposals that improve the ability of economies to develop a regulatory framework that detonates growth and productivity.

**History**

- In September, COFEMER sent to the Secretariat of Asia-Pacific Economic Cooperation (APEC) a proposal for conducting three workshops to develop methodologies of regulatory impact assessment.
- On October 15, the proposal was pre-approved by the Budget Committee of APEC.
- On November 16, the governments of Peru and Australia sent evaluation forms of project quality and support for the proposal.
- On December 28, COFEMER was notified of the approval of the project.

**What is the project?**

The project consists of three workshops to be held in Mexico City, during 2013.

**Topics**

- The focus of the workshop is to discuss methodologies for Regulatory Impact Assessments, with emphasis on methods to measure the costs and benefits of a regulatory project.
- Specifically, we will discuss issues related to economic and social regulation.

**Participants**

- The workshops involved or will involve three public servants from Chile, Peru, and Russia. And two experts, one from Australia and one from New Zealand will participate.
- Similarly, public servants will be called from Mexico, that regulatory impact assessments.
Why is important this project?

• The international community lacks a compendium of best practices for the assessment of regulatory alternatives through methodologies and/or quantitative or qualitative methods.
• This hinders the work of public servants seeking to improve the quality of regulation.
• It is therefore of great importance that the APEC economies meet in order to discuss methodologies and generate practical knowledge to the international community dedicated to improving the quality of regulation.

Mexican experience

• Since 2000, Mexico established the Regulatory Impact Assessment.

• In 2012, Mexico made an effort to combine methodologies and theories to regulatory impact analysis, using two online courses called "Diploma in Regulatory Impact Assessment: Methodologies and strategies applied to practical cases" and "Diploma in Economic Regulation".

Main products of project

What will we expect?

• Improve technical skills of public responsible servants to conduct regulatory impact assessments.
• Develop literature on documenting the different practices in regulatory impact assessment to be used to improve the regulatory framework in APEC member economies.
• Develop principles for regulatory impact assessment.
Program Agenda

First workshop on regulatory impact assessment

Date: March 21-22
Objective: To exchange knowledge and practices on regulatory impact analysis of economic and social development.
Scope: Document with the practices regarding regulatory impact assessments in specific areas.
Workshop development:
Participating officials will present and discuss the methodologies used in the regulatory impact analysis of the following sectors:

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<thead>
<tr>
<th>Economic regulation</th>
<th>Social regulation</th>
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<tbody>
<tr>
<td>Energy</td>
<td>Technical standards</td>
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<td>Electricity</td>
<td>Environment</td>
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<td>Gas</td>
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<td>Telecommunications</td>
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<td>Water</td>
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Each economy, through their official participants, must choose 3 adjustments where work was undertaken economic impact analysis, to determine the profitability of regulation.

Analysis will be presented to all participants in order to distinguish the methodologies used for cost-benefit analysis.

Program Agenda

Second workshop on regulatory impact assessment

Date: September 4-5 (Tentative)
Objective: Derive a set of principles to be considered in the analysis of the regulation of documentation and practice methodologies.
Scope: Establish a set of common principles in the evaluation of the regulation.
Workshop development: Participants will outline the main guidelines that were used in the economic analysis in order to establish a set of principles to be used to guide future regulatory assessments.

Program Agenda

Third workshop on regulatory impact assessment

Date: December 12-13 (Tentative)
Objective: Establish the characteristics and work plan of the training process in economic evaluation of regulation officials APEC economies.
Scope: Develop a training program for officials from APEC member countries.
Workshop development: Participants will discuss the elements that form part of the training process, as well as the agendas and publication of material that will be used in the training sessions.
Description of program activities

The activity program is divided into three workshops to be held in Mexico City and a period of analysis and systematization of the information offered.