Mexico City Organizations Fact Sheet

The policy-making process in Mexico (and Mexico City) is complicated, and is quite different from the U.S. examples we’ve presented in Blocks 2-4 and many of the Practice Makes Perfects. Moreover, the readings don’t clearly pull together all of the organizational issues that would be useful for the purpose of the policy analysis. To supplement your reading, we have created this fact sheet.

Mexico City Environmental Law and Organizations

Within the country, we are focusing primarily on two levels of government – the Mexican national government, and the governments of two states – the State of Mexico (or EM), and the Federal District (DF). The Federal District includes the historical heart of Mexico City. The State of Mexico includes several Mexico City suburbs that are included in the Mexico City Metropolitan Area (MCMA). It also contains many municipalities that are not currently part of the MCMA. Within the governments, we are focusing our attention on the executive branches, rather than on the legislative and judiciary. And within the executive branch, we focus on agencies that are part of the issue of urban air quality in Mexico City.

Environmental Law

The primary legal mandate for air pollution prevention in Mexico is the 1988 General Law of Ecological Balance and Environmental Protection. This law assigns several responsibilities to the national government:

1. Issuing “standards” for air quality. “Standards” includes a range of functions.
   a. Ambient air quality criteria
   b. Maximum permissible levels for air pollutants released by industrial sources
   c. Emissions limits for vehicles
2. Permits for industrial facilities under federal jurisdiction. This includes most heavy industry (chemicals, energy, metals, cement, paper, cars, transport) as well as all industry in the Federal District. These facilities must install air pollution control equipment, monitor to ensure limits are being met, and submit emissions inventories.
3. Enforcement. The Federal government has primary responsibility for enforcement, including a range of civil and criminal sanctions. The government may, in agreement with state or municipal officials, delegate all or some of its enforcement functions.
4. Air quality issues that affect more than one state. This responsibility is not fully spelled out in the law, but as will be discussed below, is worked out in practice.

Because many heavy industries in Mexico are owned wholly or partially by the national government, the Environment Ministry (or SEMARNAT) often needs to consult with other ministries before setting standards, including the Ministries of Commerce and
Industry, and Energy and Mining. Also, SEMARNAT must consult with the Ministry of Finance when trying to change tax policy, or introduce regulations that would have significant economic impacts.

State and local governments are also assigned several responsibilities:

1. Light industry
2. Vehicle use (inspection and maintenance, driving policies, etc.)
3. Zoning
4. Operating an air quality monitoring system
5. Planning for what to do when environmental conditions are an “emergency”

Although not included in Mexican environmental law, the states also have responsibility for developing public transit systems.

**National Government**

The Environment Ministry (SEMARNAT). Over the last thirty years, the government of Mexico has tried several organizational approaches to solving environmental problems.

1970s: Environmental issues part of Health Ministry

1982: Environment moved to SEDUE (ministry of urban development and ecology)

1992: Environment moved to SEDESOL (ministry of social development)

1994: Environment and natural resources functions combined into a single agency called SEMARNAP (Environment, Natural Resources, and Fisheries).

2000: Newly elected President Vincente Fox pulls fisheries out of SEMARNAP, and renames the agency SEMARNAT.

This is in contrast to the United States, whose Environmental Protection Agency has remained roughly the same since 1970. At the same time, many environmental policy analysts believe that combining natural resources and environmental management into the same organization is better than maintaining separate functions, as is done in the U.S.

Environment Ministry sub-agencies:

Within SEMARNAT, there are two sub-agencies that carry out national air pollution responsibilities under the law.

INE (National Institute of Ecology) issues standards and permits (functions 1, 2 & 4)

PROEFPA (Office of the Attorney General for Environmental Protection) has all national enforcement responsibilities (function 3), including inspecting facilities under
SEMARNAT jurisdiction to ensure that they are complying with their permits, and filing civil complaints against violators.

**State Governments**

Both the EM and the DF have state-level ministries with jurisdiction over local environmental issues. The EM’s is called the Secretary of Ecology and the DF’s is called the Secretary of Environment, but their basic role is the same.

Both states have health ministries concerned with health, the medical system, and preventing illness, including illness from air pollution.

The other key state ministry is the DF’s Secretary of Transport, which runs the Metro (public subway/light rail system) and the remnants of the public bus system. (Metro web site is [http://www.metro.df.gob.mx/](http://www.metro.df.gob.mx/) is Spanish-only, but there’s lots of information that can be gleaned even with limited Spanish ability.)

**State-Federal Coordination**

**CAM/Air Quality**

Since air pollution in the Mexico City area crosses political boundaries, the state and national governments have begun working together to reduce emissions and concentrations. There have been two plans developed:

1. PICCA (1990-1995), and

Some details of the plans and how they have been implemented to date can be found in the background reading.

The governments have also created organizations with responsibility for implementing the plans. The current version, called the CAM (Metropolitan Environmental Commission), was created in 1996. Its job is to coordinate between SEMARNAT and the state governments. (Web site: Sma.df.gob.mx/cam/cam.htm, but it is only in Spanish)

CAM has among its members several national government agencies, including SEMARNAT, the ministries of Commerce and Industry, Health, and Energy and Mining. It also includes major energy stakeholders, such as PEMEX (the state-owned oil company). The key players, however, are drawn from the state governments. The president of CAM rotates every two years between the EM and DF governors, and the technical secretary rotates between the states’ environmental ministers.

One important thing to remember is that CAM does not have enough funding to carry out all of the projects it develops. Outside funders, especially international lenders like the World Bank, play a significant role in implementing PROAIRE and any future plans.
COMETRAVI/Transportation

This commission is similar to the CAM in that it has responsibility for ensuring that the DF, EM, and national government work together on issues related to transportation in the MCMA. Unlike the CAM, however, COMETRAVI has not been very successful. The road networks of the DF and EM are poorly integrated, leading to additional congestion and emissions. It also causes considerable inconvenience for people trying to travel from one to the other. In fact, the road network within the EM itself leaves much to be desired. Since the EM is considerably poorer than the DF, it spends less on highways.

Moreover, the Metro system, which is run by the DF government, and not by COMETRAVI or the national government, does not serve the EM well. This is one reason for the decline in the Metro’s share of total trips.

State-Owned Stakeholders

The national government’s Ministry of Energy has jurisdiction over several state-owned energy companies, including PEMEX (oil and gasoline) and CFE (electricity).

PEMEX – the state oil company. PEMEX has responsibility for oil and gas drilling, refining, and transport within Mexico. Because Mexico is a large net oil exporter, PEMEX serves as a major profit center for the Mexican government, generating a sizeable fraction of total revenues for the national government. At the same time, because it is state-owned, it is subject to political control. PEMEX can therefore be forced to make investments for environmental or other purposes more easily than could private companies. The national government therefore faces a balance in running PEMEX between maximizing profitability and meeting other social objectives such as employment and providing fuel to the public at low prices.

CFE – the state electricity company (though there is another small company called LFC that generates power in Mexico City but is also state-owned). CFE generates nearly all of the electricity in Mexico, and is the only company allowed to sell electricity to the public. CFE faces many of the political concerns that PEMEX does, especially pressure to keep power costs low for consumers. Yet because Mexico does not export electricity, it does not generate a large revenue surplus for the government.

Unlike oil and electricity, there is some private involvement in the natural gas market, especially in pipelines, storage, and sale to end users. Private involvement is regulated by the national Energy Regulatory Commission, or CRE.

Additional Background
Three Web sites you may want to look at, that provide good introductions to Mexico’s
demography, geography, economy, and political conditions, are:
http://www.inegi.gob.mx/ (the Mexican Census Bureau. It has information in English,
but more in Spanish).
http://www.eia.doe.gov/emeu/international/mexico.html (has an energy focus, but
detailed energy and environmental information)
http://www.odci.gov/cia/publications/factbook/geos/mx.html (more general than the EIA
site).