

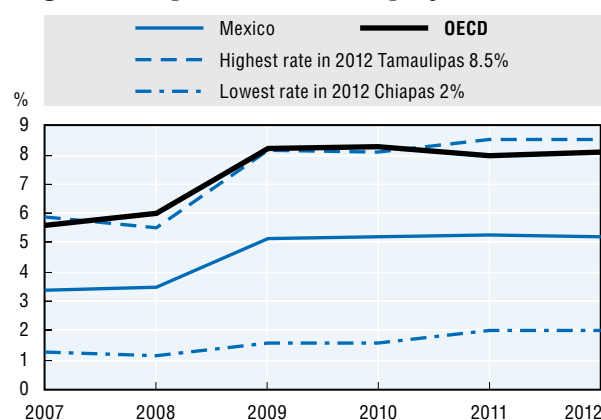
Mexico

Recent policy developments

- In 2013, the new administration created the Ministry of Agrarian, Territorial and Urban Development (SEDATU).
- SEDATU (as the head of the sector) has been assigned the task of leading, on a federal level, all issues related to urban and housing development. Its New Urban and Housing National Policy will focus on: the development of orderly urban growth; reducing the housing gap; and promoting more loans and subsidies to improve the quality and availability of housing in both urban and rural areas. It seeks to promote a more compact, dense and vertical city model. This new federal policy operates as an umbrella governing many other policies at lower levels of government, including, for example, housing policy.
- The National Development Plan 2013-2018 covers several areas relevant to regional development. For example, one strategic area is “transition towards a model of sustainable urban development” with measures related to housing, urban renewal, transport and land use.
- Public investment will seek to develop states and municipalities. These subsidies will be prioritised to those governments which have signed The Coordination Framework Agreements with the Federation. The selection criteria will focus on those projects which offer solutions to Mexican federal priorities, as well as the capacity to leverage competitiveness and show innovation in its execution.

Government structure	Municipal-level governments	Intermediate-level governments	Regional or state-level governments
Federation	2 457		32
Regional development policy			
Lead ministry(ies) or committees	Ministry of Agrarian, Territorial and Urban Development (SEDATU)		
Regional development framework	The main objectives and initiatives in the fields of regional, urban and rural development are set out in the National Development Plan for 2013-2018, which envisages both transversal programmes for these areas and territorially focused programmes for distressed regions.		
Urban development policy			
Lead ministry(ies) or committees	Ministry of Agrarian, Territorial and Urban Development (SEDATU); Institute of National Housing Fund for Workers (INFONAVIT)		
Urban policy framework or strategy	None, but the National Development Plan 2013-2018 anticipates the development of an urban framework.		
Rural development policy			
Lead ministry(ies) or committees	Ministry of Agrarian, Territorial and Urban Development (SEDATU); Ministry of Social Development (SEDESOL); Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA)		
Rural policy framework or strategy	Law on Sustainable Rural Development (LSRD) (2001) and the Special Concerted Rural Development Programme (PEC)		

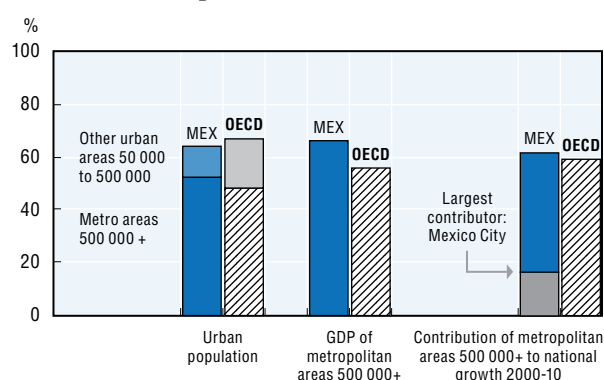
Regional disparities in unemployment trends



In 2011, the unemployment rate was the highest in Tamaulipas (8.5%) and the lowest in Chiapas (2%). The youth unemployment rate is the highest in Tamaulipas (42.9%) and lowest in Chiapas (8%).

StatLink <http://dx.doi.org/10.1787/888933108339>

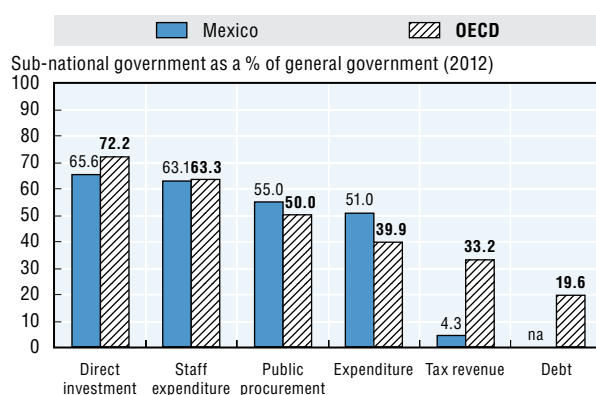
The importance of urban areas



In Mexico, 65% of population lives in cities of different sizes: the share of population in metropolitan areas (urban areas with more than 500 000 inhabitants) is 53%, compared to 49% in the OECD area.

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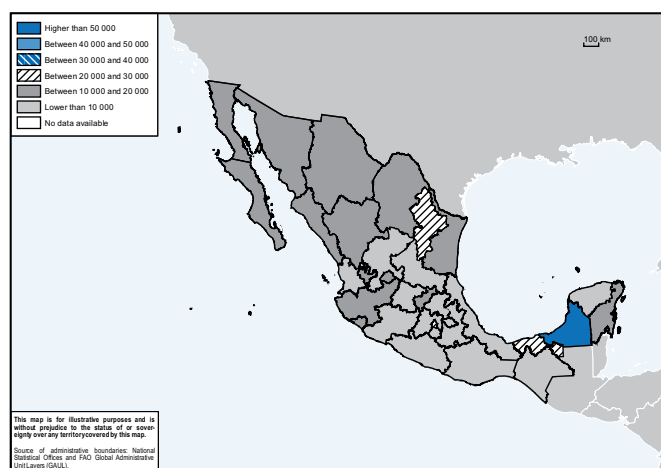
The role of sub-national governments in public finance



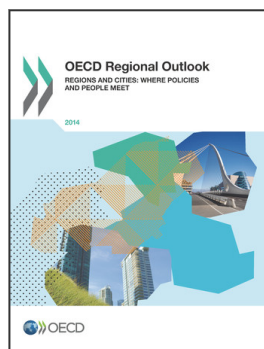
In Mexico, 66% of total public investment was carried out by sub-national governments (SNG), compared to 72% in the OECD area. SNG investment has increased in Mexico from USD 298 per capita in 2007 to USD 322 per capita in 2011.

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Regional differences in GDP per capita levels



Mexico had the 2nd largest regional disparities in GDP per capita. In the previous decade, regional growth varied from +9.3% annually in Tabasco to +0.5% in Morelos.



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