



The Governance of Land Use

Country fact sheet Mexico

The planning system

Levels of government and their responsibilities

Mexico is a federal country with 3 levels of government; the national level, 32 federated states and 2 457 municipalities. The territory of the capital Mexico City is under federal control. Compared to other federal countries, the national government is an influential actor related to land use. According to the constitution, all land and water in Mexico belongs to the nation and the national government is in charge of providing legislation to operationalise this principle. It prepares the framework legislation that structures the planning system and is responsible for environmental issues and housing policy. The government also affects land use through the work of several of its agencies. Most importantly, the *Secretariat of Agriculture, Territory and Urban Development (SEDATU)* is active in land-use policy. It works with local governments by providing funding and technical assistance for projects that are in line with the priorities of the national government. Other important government agencies are the *National Institute of Housing Promotion (INFONAVIT)*, the *National Water Commission (CONAGUA)*, the *National Land Ownership and Regulation Commission (CORETT)* and the *Secretariat of Environment and Natural Resources (SEMARNAT)*.

Mexican states have fewer powers related to land use than the national government, which is unusual among federal OECD countries. State responsibilities are primarily related to economic development. The main policy documents of states to guide economic development throughout their territories are the *State Spatial Development Plans*.

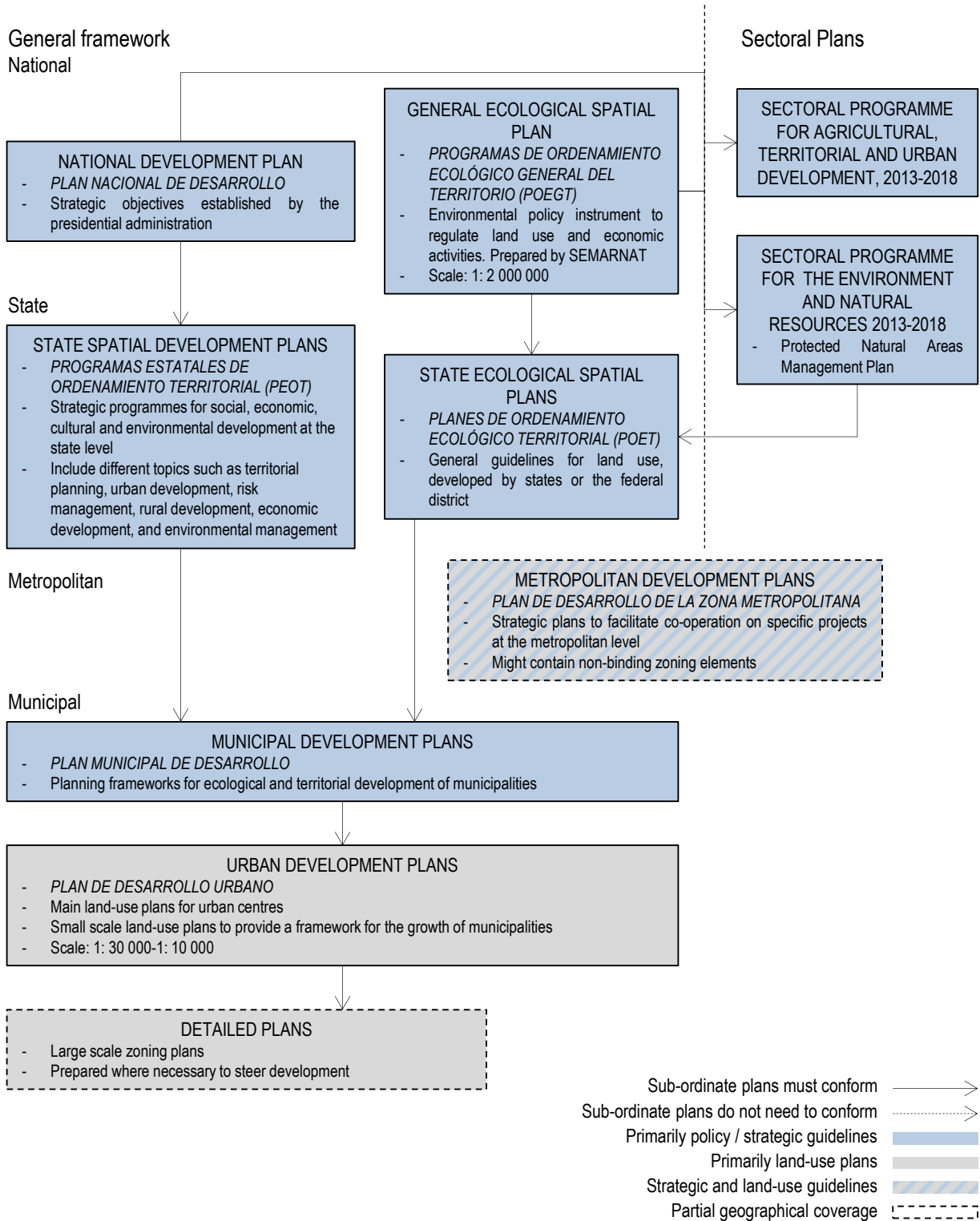
The constitution specifies that municipalities are the planning authorities. They can decide on land use as long as they take other constitutional provisions and guidelines of higher levels of government into account. They have several instruments at their disposal. Most importantly, they develop land-use plans that control land-use changes and decide whether or not to issue building permits. Exceptions to this rule are mining and water extraction activities, which are regulated by the national governments. Municipalities are also responsible for land administration within their jurisdiction. Furthermore, they can set property taxes and are responsible for the provision of public services and infrastructure.

Spatial and land-use plans

Mexico has a hierarchical planning system with several plans at each level of government. At the national level, two main plans exist. The *National Development Plan* contains general objectives for the economic and social development of the country and related spatial aspects. It contains guidelines for land-use policies in urban and rural areas and links them to development goals. It is renewed every six years. The national *General Ecological Spatial Plan* aims at regulating land use to protect the environment and to promote sustainable development. Whereas the *National Development Plan* is approved by parliament, the *General Ecological Spatial Plan* is approved by regulatory decision. Both plans also provide the framework for the *Sectoral Programme for Agricultural, Territorial and Urban Development 2013-2018* and the *Sectoral Programme for the Environment and Natural Resources 2013-*

2018. The General Ecological Spatial Plan also designates protected areas through the Natural Protected Areas Administration Plan.

Organisation of spatial and land-use planning in Mexico



At the state level, the two most important plans mirror those at the national level. *State Spatial Development Plans* and *State Ecological Spatial Plans* contain objectives and strategies for the respective topics at the state level and must take the corresponding national plans into account. Similar to the national plan, *State Ecological Spatial Plans* designate protected areas.

Three common types of plans exist at the municipal level. The *Municipal Development Plan* provides guidelines for urban development that follow those established at the national level. It takes into account the natural and built environment and combines them with a long-term vision for economic and social development. The *Urban Development Plan* and *Development Plans for Population Centres* are comprehensive plans that contains zoning regulation for the built-up territory of a municipality at a scale between 1: 30 000 and 1: 10 000. *Detailed Plans* are large scale zoning plans that are prepared for areas where it is necessary to steer development.

Between the state and the municipal level, *Metropolitan Development Plans* can be prepared by supra-municipal associations under the guidance of state governments. They are supposed to co-ordinate policies between municipalities in metropolitan areas, but few such plans exist and their practical relevance and impact is limited.

Major laws and regulations

Article 27 of the Mexican constitution defines principles related to land ownership and the state's control of land use. *Article 115* gives municipalities the authority to control land use in their territory and outlines the services that they are required to provide. The *Human Settlements General Law*, the *Urban Development Law*, the *General Land Use and Environmental Policy Law* and the *Planning Law* provide the framework legislation that structures the planning system. They are complemented by the *Cadastral Law* and the *Building Code*. The main environmental law is the *Ecological Equilibrium and Environmental Protection General Law*. The *Federal Housing Law* has important consequences for residential developments, as it aims at increasing the supply of land for housing and reducing land speculation.

Co-ordination mechanisms

Some vertical co-ordination is provided by the hierarchical nature of the planning system. Higher level plans are binding for subordinate plans. Furthermore, the *Secretariat of Agriculture, Territory and Urban Development (SEDATU)* works directly with municipalities and uses a system of incentives to encourage them to follow national policy priorities regarding land use. Co-ordination across policy fields is within the responsibilities of the sectoral agencies of the national government (see above). Municipalities generally follow the lead of those agencies in their land-use decisions.

Ownership rights

Expropriation is possible for a broad range of reasons and in recent decades, it has frequently been used for urban renewal projects. Land owners are entitled to compensation, but no clear rules determining its size exist. Often, compensation is based on the cadastral value or the appraised value of a property, which may differ from its market value.

Recent and planned reforms to the system of land-use planning

In its broad outlines, the current Mexican planning system was established in the late 1970s with the creation of the *Human Settlement and Public Works Secretariat*, a predecessor of *SEDATU*. In 1987, a constitutional reform changed *Article 115* of the constitution that defines the responsibilities of municipalities for land-use planning. In 1999, the same article was amended to include municipal responsibility for property taxes and cadastral management.