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Consejo Nuevo León-Lou Test

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Introduction (H2 test)

Across both developed and developing economies, the recurring obstacle to economic transformation is not a shortage of good policy ideas, but the difficulty of sustaining them across political cycles, coordinating actors who do not naturally work together, and translating high-level strategy into local implementation. A few years ago, Nuevo León recognized this issue and designed a solution. According to Mónica Leal, one of the pioneers of Consejo Nuevo León (CONL), the organization was “founded around the idea that the structural challenges facing the state could not be solved by a single government or through isolated efforts”.

It is hard to properly characterize Consejo Nuevo León. It is not an implementing agency, but neither is it simply a think tank. Legally founded in Nuevo León's Strategic Planning Law, establishes it as a single institution comprising government officials, university rectors, and citizen representatives from business and civil society. Its formal mandate centers on strategic planning, evaluation, and policy proposals. Over time, however, it has acquired two additional functions that go beyond what is established in the law: it serves as the institutional memory of successive administrations, preserving lessons and helping effective policies survive political transitions; and it acts as a neutral agency among all actors. Through these functions, CONL illustrates how an institution with limited formal authority can shape public agendas, sustain policy across electoral cycles, and contribute to regional economic transformation.

More specifically, this case focuses on three interconnected roles that CONL performs: (1) coordination, (2) long-term planning and policy continuity beyond electoral cycles, and (3) creating strategies and providing technical assistance tailored to local needs.

Nuevo León: An Industrial Region (Left as normal bold test test)

Nuevo León is one of the six Mexican states that share a border with the United States. Consolidated in 1824, the state’s capital is Monterrey, one of the biggest and most important cities in Mexico (See Appendix I). Its economy is mainly industrial-based, with the sector accounting for 34.3% of Nuevo León’s GDP and in 2024, it accounted for 12.7% of the country’s manufacturing output. It is also the third most productive state, producing 350 MXN (20 USD) per hour worked, 60.8% above the national level.

With a population of 5.75 million and a labor force of 3 million, it has an unemployment rate of 2.8%, with around 35% of the labor force working informally. Manufacturing makes up 34.2% of employment, followed by services at 26.6% and commerce at 20%. The state attracts substantial investment from the United States.

Historically, the northeastern part of Mexico, including Nuevo León, was among the earliest centers of industrialization since the mid-19th century. This was boosted by the American Civil War, which enabled an influx of capital from trade with England and the arrival of the railroad, which facilitated transportation and communication.

The region's institutional ecosystem also developed around private-sector leadership and universities. Tecnológico de Monterrey, for example, was founded in 1943 by Eugenio Garza Sada and other business leaders, reflecting a regional model in which private enterprise invested directly in human capital and technical education. The university has now become one of the most important and prestigious educational institutions in the country.

Overall, its economic story has been linked to commerce, railways, proximity to the United States, mining and metalworking networks, and a regional business class that reinvested in manufacturing, finance, education, and civic institutions.

However, the state also faces a set of persistent development challenges, including water scarcity, pressure on the electricity grid, severe traffic congestion, limited public transportation, air pollution, security concerns, and high levels of inequality.

These inequalities are visible in the urban form of the Monterrey Metropolitan Area, where patterns of infrastructure, connectivity, and access to public services differ sharply across municipalities. San Pedro Garza García, part of the metropolitan area, is one of the wealthiest municipalities in Mexico, and in Latin America, with an estimated GDP per capita of nearly US$80,000 in 2022, roughly five times the state average. Yet, Nuevo León as a whole still reports a poverty rate of 10.6%, equivalent to around 614,800 people. San Pedro, by contrast, has a population of about 132,000, representing only around 2% of Nuevo León's population.

Consejo Nuevo León: A birth in public-private collaboration (H3 test)

Beginning around 2009, Nuevo León experienced a security crisis as criminal organizations fought for territorial control across the state, straining local governments' capacity to respond. Homicides increased by 42% between from 2008 andto 2009, rising from 241 to 343, and reached a peak of 2,174 in 2011 before declining in subsequent years. One of the most widely known incidents was the killing of two Tecnológico de Monterrey students on campus in March 2010, following a confrontation between the military and members of organized crime. Disappearances were also on the rise.

In response, the state government and the private sector organized the Alliance for Security (Alianza por la Seguridad), formalized in February 2011, bringing together government, business leaders, and universities to design and help staff a new state police force. This effort culminated in the creation of Fuerza Civil in September 2011, a new state police force that later became widely recognized as one of

Mexico's most professionalized and trusted state police forces.

Around the same time, in July 2010, Hurricane Alex hit the Monterrey Metropolitan Area, claiming 15 lives. Part of the recovery effort involved the creation of the Nuevo León State Reconstruction Council (Consejo Estatal para la Reconstrucción de Nuevo León, CERNL), formed by federal, state, and local actors, as well as universities, civil society organizations, and private companies. Within three days, 85% of the population had regained access to piped water, schools were able to start classes on time in August, and the Council oversaw a broad reconstruction of the metropolis's infrastructure. The experience reinforced the view that broad cross-sector participation was not merely consultative but could improve government effectiveness by strengthening coordination, mobilizing technical expertise, and accelerating implementation.

Together, these experiences, particularly the hurricane, convinced state leaders that successful collaboration should not depend on temporary responses to crises. Instead, they sought to institutionalize this model through a permanent governance mechanism capable of sustaining citizen participation and long-term planning beyond gubernatorial terms. This vision took shape in the Strategic Planning Law for the State of Nuevo León, which ultimately created Consejo Nuevo León.

Consejo Nuevo León (CONL) is defined as a “cross-administration, nonpartisan, advisory, and policy-proposing body that brings together the expertise and knowledge of civil society, academia, the private sector, and government to serve.

the State of Nuevo León.” The law underlying CONL’s founding establishes the principles, authorities, instruments, and citizen participation mechanisms for strategic planning in the state, including mechanisms for the executive to coordinate with the federal government, municipalities, and civil society.

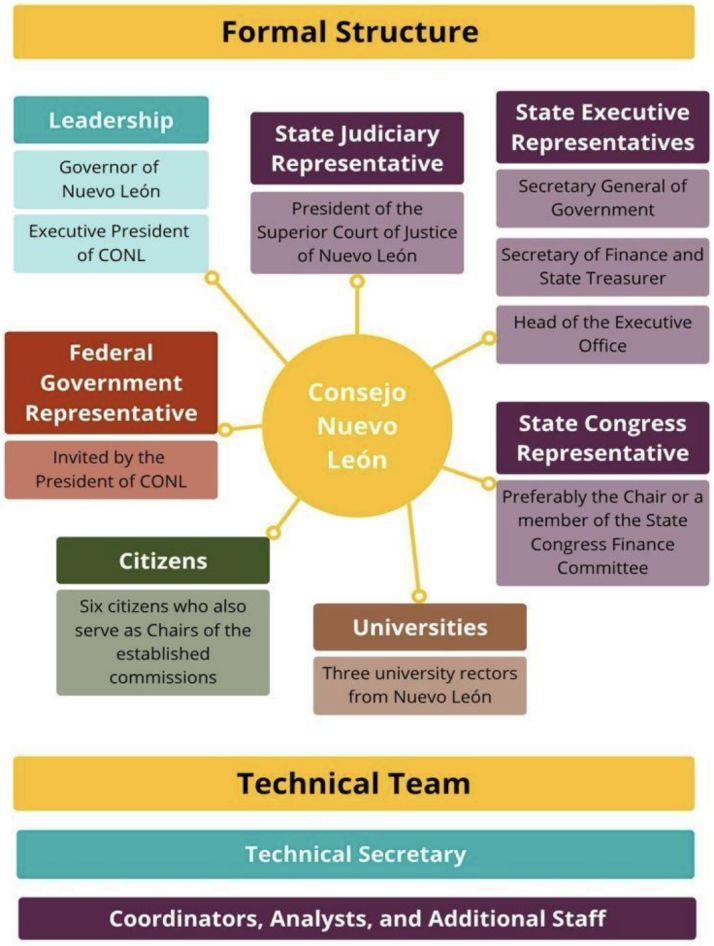
Reflecting its coordination function, CONL’s board members include national representatives, state officials from the three levels of government, universities, and citizens. Additionally, it has a professional technical team. Its responsibilities include elaborating the Strategic Plan; promoting long-term planning, performance measurement, and accountability; informing citizens; tracking strategic projects and priority programs; among others.

CONL operates in the space between policy design and execution: convening actors, framing problems, and producing technical alternatives. Its recommendations may influence government decisions, but it does not control public budgets or compel agencies to implement them.

Another core function of CONL is addressing the discontinuity of government planning across political cycles. In Mexico, governors serve six-year terms, mayors serve three-year terms, and development strategies often change with each administration. Before CONL’s creation, the state relied on the *State Planning Law*, which established a State Development Plan and a Planning and Evaluation Council with

citizen participation. However, these mechanisms remained centered primarily on the planning needs of the government in office. CONL introduced a longer-term planning mechanism that solved this issue.

These functions have been most visible during the design of *Plan Estratégico Nuevo León 2040*. When CONL delivered this strategic plan to Governor Samuel García in 2023. García explicitly framed the plan as an antidote to the common pattern in which new officials would "discover the black thread" and change rules, norms, and policy direction every three or six years.



Continuity is built into CONL's terms and procedures. Citizen councilors serve six-year terms, while institutional members remain as long as they hold office. The Council meets quarterly in ordinary session, with extraordinary sessions permitted, and operates under specified quorum rules and consensus-based agreements: features that create routine, predictability, and some insulation from partisan turnover.

The commission system serves as the core coordination mechanism. Each commission works as a "dupla", in which it must be chaired by a citizen councilor and paired with the head of the relevant state agency as the technical secretary.

Currently, the CONL is divided into nine commissions in accordance with the nine priorities established in the *Strategic Plan for Nuevo León 2040*:

1. Commission for Culture
2. Commission for Economic Development
3. Commission for Social Development
4. Commission for Sustainability
5. Commission for Education
6. Commission for Public Finance
7. Commission for Effective Governance and Transparency
8. Commission for Health
9. Commission for Public Safety and Justice

And a subcommission for gender equality. (See Appendix II).

CONL has proven successful, prompting international organizations such as the United Nations and the Inter-American Development Bank (IDB) to take notice. In 2020 and 2021, it received the *United Nations Public Service Award* for the "institution's excellence in serving the public interest and its significant contribution to the improvement of public administration in the country." The German Agency for International Cooperation (GIZ), the Mexican Agency for International Development Cooperation (AMEXCID), and Mexico's Ministry of Foreign Affairs (SRE) granted the *Copilli Award for Participatory Governance*, describing CONL as "an example of local governance because it co-creates public policies through the participation of civil society, business leaders, academics, and government officials".

Consejo Nuevo León: Diving Into Its Functions

CONL focuses on how Nuevo León could better understand complex problems, create tools for better decision-making, build capacity within the government, innovate in public policy, and protect long-term priorities from short-term distractions. Its functions can be classified into three:

1. **<u>Coordination (Testing not deleting the line breaks)</u>**

As mentioned earlier, coordination is a central piece of CONL's work. The institution goes from aligning fragmented government actions and budgets across agencies to optimize funding for preventing violence against women to co-creating a common governance framework across branches of

government with international partners that includes a guide to standardize participatory processes across the three executive, legislative, and judicial powers.

One of the most valuable examples focused on economic transformation is the support plan they created for SMEs. The plan focuses on integrating Nuevo León's SMEs into global value chains by eliminating financing and information barriers. Additionally, CONL fostered the installation of the Small Business Development Center created by U.S. President Barack Obama that is currently booming, and it's focused on capacity building and training for SMEs.

Furthermore, CONL acts as an intermediary among actors, bringing technical expertise, neutrality, and legitimacy to the policymaking process. Recently, CONL was asked to lead the review of the *Metropolitan Coordination Law*, a process that requires bringing together mayors from four different political parties. CONL's perceived neutrality and technical focus help create a space in which actors across political parties are willing to participate.

2. <u>Strategy & Technical Assistance</u>

The institution's expertise lies in its technical knowledge and definition of strategies. Some projects include the creation of a Municipal Competitiveness Index for local investment attraction, standardized data and created software to track students in the public education system, and developing strategies to boost regional development through tourism.

One example is CONL's analysis of nearly 93,000 women in Nuevo León who want to work but face barriers that keep them out of the labor market. Rather than treating women's labor force participation as a single, generic problem, CONL used statistical analysis, territorial mapping, cluster analysis, and interviews to identify distinct profiles of women and the specific external barriers to employment they face. The project found that care responsibilities are a central obstacle: many women who are available to work report that they cannot do so because they lack someone to care for children, older adults, or sick family members. By segmenting these women into distinct profiles, including young women facing maternity-related barriers, women with prior work experience but heavy care burdens, women outside the metropolitan area with limited job and care infrastructure, and older women who left the labor market due to family responsibilities, CONL produced evidence that can support more targeted public policy.

Subsequently, CONL developed a practical "policy kit" for local officials, based on three highly technical projects on care. The kit includes a shared glossary of 14 care-related concepts, a step-by-step guide for designing care policies, a checklist to verify progress, and a set of policy instruments that municipalities can adapt to their own contexts. These instruments include transfers, work-life balance measures, training, respite services, bringing services closer to users, and direct provision of care services.

The project highlights CONL's wider role: diagnosing issues effectively and linking social policy with economic growth. It also narrows the gap between technical knowledge and municipal implementation. Unlike the federal government, CONL has the ability and resources to investigate hidden constraints impacting local communities.

3. <u>Long-term Planning & Policy Continuity</u>

The elaboration of Nuevo León's Strategic Plans is one of the clearest examples of CONL's institutional value. Their importance lies not only in establishing a long-term vision for the state, but also in the process through which that vision is built. The Plans translate CONL's mandate into practice by bringing actors across sectors together to identify shared priorities and create a framework capable of guiding public decisions beyond a single administration. The strategy is periodically revised through participatory processes, as required by law, allowing it to adapt to changing conditions while maintaining continuity over time.

The creation of the Strategic Plan for Nuevo León 2015-2030 was the first task after CONL's creation. The Plan was co-created with approximately 600 representatives from government, academia, the private sector, and civil society. Supported by McKinsey & Company, the process combined technical analysis with stakeholder deliberation. The Plan was officially published in 2016. By 2017, CONL reported a "progress of 33% of the indicators included in the Plan, with some of them even showing positive progress toward their targets."

In 2019, CONL launched its first comprehensive review. The process was supported by the OECD, which recommended the Plan to be more action-oriented and better suited for monitoring implementation and performance. The update was executed through a broad participatory process. More than 25,000 citizens helped identify the state's priorities, while 600 representatives from 270 organizations co-developed policy proposals and performance indicators. The draft plan was then subject to public consultation, receiving over 1,500 comments and 30 institutional submissions through an online participation platform. The process was designed in collaboration with CIDE's National Laboratory for Public Policy, strengthening the plan's technical rigor and legitimacy.

Following the adoption of a new State Constitution in 2022, which strengthened the institutional framework for long-term planning and formally recognized CONL as the one responsible for it. The reform sought to better align the Constitution, the Strategic Plan, the State Development Plan, and the budgeting process. Rather than simply extending the existing 2030 Plan, CONL used this institutional reform as an opportunity to develop a new Strategic Plan 2040, updating the state's long-term vision to reflect emerging challenges and changing priorities.

The 2040 Plan was produced through a participatory process involving more than 10,000 citizens, local organizations, public officials, citizen councilors, and priority communities. Its elaboration was funded

with both public and private resources.

The process involved eight stages:

1. **Diagnostic Review**

The nine commissions and CONL's technical team updated key information on the state to identify the main structural challenges, trends, and opportunities facing Nuevo León.

2. **2040 Vision Consultation**

More than 10,000 citizens participated in a public survey, "Construyendo el Futuro", which helped identify the issues that the population considered most important and contributed to shaping a shared long-term vision for the state. (See Appendix V).

3. **Definition of Objectives**

CONL convened 330 specialists from more than 68 local organizations across civil society, academia, the private sector, and government. Through nine foresight workshops and 17 working tables, participants helped define the plan's priorities and objectives.

4. **Citizen Review**

The draft plan was opened to public review through the digital platform *participa.conl.mx*. Through this process, CONL received 1,785 comments and 35 institutional position papers, which were used to strengthen and refine the draft.

5. **Definition of Goals and Indicators**

A group of 42 specialists validated 253 indicators and established plausible targets for 2040. This stage was especially important because it transformed the plan from a broad vision into a framework that could be monitored and evaluated over time.

6. **Consultation with Indigenous Peoples and Communities**

CONL also conducted 13 sessions with Nahuatl, Zapotec, Mixtec, Mixe, Tének, and Otomí communities in order to incorporate their priorities, needs, and challenges into the plan.

7. **Review and Validation by the Commissions**

The nine commissions subsequently reviewed and validated it. This stage helped ensure internal coherence across the different thematic areas and linked the broader participatory process back to

CONL's institutional structure.

8. **Editing, Approval, and Publication of the Plan**

The final plan was edited and formally approved unanimously during the Eighth Ordinary Session of Consejo Nuevo León on September 18, 2023.

The Plan's elaboration demonstrates CONL's value in three ways. First, broad participation helped build social and political legitimacy around a shared vision rather than the agenda of a single administration. It was built as a collective exercise. Second, the process combined participation with technical rigor, translating stakeholder input into expert-validated priorities and measurable indicators. Third, CONL linked long-term planning to public accountability through a platform where citizens can access indicators, download data, and track progress, providing both transparency and a reference point for future administrations.

At the same time, the success of the Plan should not be overstated. The existence of a strong plan does not guarantee implementation. Its long-term value will depend on whether state and municipal governments use it to guide decisions, whether commissions and duplas translate its goals into concrete projects, and whether citizens and organized groups use the indicators to demand accountability.

Beyond developing these plans, CONL functions as the "memory of the administrations." The institution keeps records of what worked and what did not. Additionally, it has to manage the process of removing the party's logo from successful policies so that they can endure beyond political cycles.

Why Does It Work in Nuevo León?

A deeper reading of CONL requires asking why this model emerged in Nuevo León and why it continues to work. To answer this question, we need to consider, on the one hand, what characteristics of the Nuevo León ecosystem make CONL viable and, on the other, what specific features of CONL allow it to actively influence the state.

Nuevo León Ecosystem

As mentioned earlier, northern Mexico, and Nuevo León in particular, has been an important industrial center since the nineteenth century. Over time, the state has developed a dense ecosystem of firms, business associations, universities, and professional networks. CONL can be understood, in part, as the institutionalization of long standing patterns of collaboration among these actors. As Ana, the Technical Secretary, put it, "Nuevo León's government is used to the private sector participating without necessarily being interested in obtaining an immediate benefit. The government is used to going to the private sector and asking for money, participation, and responsibility for certain issues."

A key factor sustaining this dynamic is that many of the businesses involved do not face strong conflicts of interest with the state government, nor does the state exercise dominant control over the local economy. Many firms serve clients and suppliers located outside Nuevo León and, in many cases, outside Mexico altogether. This reduces their dependence on the state government and gives them greater autonomy to participate in public initiatives without such engagement being primarily tied to securing direct economic benefits. In this sense, CONL builds on an ecosystem in which private sector participation in public affairs is already relatively normalized and can be framed as a contribution to the state's broader economic development rather than as a transactional relationship.As Ana explained, "The business sector does not depend on the state. The state actually represents less than 8 percent of Nuevo León's GDP."

CONL Features

There are five characteristics that help explain why CONL is able to function effectively. First, its governance and funding structure gives it a degree of independence from any single actor. CONL is funded in equal parts by the private sector and the government, but contributing financially is not a condition for participating. Its membership also extends beyond those two groups. As Ana emphasized, "It is a state council, where one of the actors is the private sector." This distinction matters because CONL is neither a forum for the private sector to negotiate its interests with the government nor a council created by the governor to serve as a group of personal advisors.

Second, CONL has a clear rule intended to protect this independence: private sector participants cannot have business ties with the government. This helps reduce potential conflicts of interest and reinforces the idea that participation is meant to serve broader state objectives rather than individual commercial interests. In a context where business involvement in public affairs is extensive, this rule is particularly important for preserving CONL's credibility.

Third, CONL's legal status gives it a level of recognition and legitimacy that informal coordination mechanisms often lack. Because it is established by law, the Council is not dependent solely on the willingness of a particular administration to convene it. Its formal mandate provides institutional continuity, while its legitimacy has been reinforced over time through its work and its ability to remain relevant across political cycles.

Fourth, the dupla model connects technical expertise to both strategy and implementation. Specialists are not only brought into discussions at the planning stage, but are also positioned to influence the work of the relevant ministries as policies are implemented. This creates a bridge between CONL's long term planning role and the day to day operation of government.

Finally, CONL has a permanent technical team whose sole responsibility is to make the institution work. The existence of a dedicated technical team means that CONL is not simply a periodic forum for high

level discussion. It has an organizational infrastructure that sustains the relationships and processes on which the model depends.

Challenges

Although CONL has managed to consolidate as an important actor in the public policy setting, it still faces some challenges.

The first challenge is political. CONL's influence depends on building close relationships with the administration in office, but those same relationships can become a liability when governments change. As elections approach, CONL has to begin engaging with other political parties and potential incoming officials so that they understand what the council does and how it could work with them. In the words used internally, there comes a point when CONL has to stop wearing the current government's "color." This requires a careful balance. The institution has to be close enough to the government to influence policy, while remaining sufficiently independent that a new administration does not see it as part of the previous government. The first time there was a change in government, the incoming administration questioned whether CONL should continue to exist. That question is less prominent today, but every transition still requires CONL to prove both its neutrality and its usefulness. New officials may still ask whether they can trust it, whether its recommendations will be relevant to their priorities, and whether it carries a political agenda.

This concern also shapes how CONL responds to attempts to use the institution for political purposes. Because of its proximity to the government and the credibility of its commissioners, there are incentives for political actors to associate themselves with the council. CONL has therefore tried to maintain clear boundaries around its role. One example is its relationship with the media. CONL generally does not position itself as a public political voice, even when controversies arise. This can generate questions about why it remains silent, but the response has been to emphasize that CONL is a technical council rather than a political or advocacy body. As Ana mentioned, "we are not politically correct in private settings, we are in the public ones."

A second challenge is sustaining the resources that make the model work. Its funding structure creates some uncertainty. If the government were to reduce its contribution, it is not clear whether the private sector would continue funding CONL at the same level. At the same time, demand for CONL's work is growing. Around half of its budget is used for projects, and some of those projects require consultants, technology, or other specialized services. The government is currently asking CONL to take on more initiatives, but its ability to finance them is becoming more limited. The challenge is therefore to find additional sources of funding without creating new forms of dependence that could compromise its autonomy.

The model also depends heavily on citizen commissioners. Keeping them involved and motivated

requires continuous work, particularly during political crises or corruption scandals, when association with public institutions can become more difficult.

Finally, CONL faces a more difficult question about how to measure its own impact. The Council can develop recommendations, present alternatives, and try to persuade government officials, but it does not control implementation. This makes it difficult to determine responsibility for outcomes. If a proposal is not implemented, the reason may be outside CONL's control, but it may also indicate that the council failed to build sufficient support for it. As Ana reflected, "There's a point where our job is to provide alternatives and recommendations, and implementation is not our responsibility. At the same time, the fact that I didn't convince the state government to implement the project could also be my problem." The same ambiguity exists when a recommendation is implemented successfully: it is not always clear how much credit CONL should claim.

This makes conventional indicators of success insufficient. Counting how many recommendations are implemented captures only part of CONL's role. Its influence can also take the form of changing the options considered by the government, improving the design of a proposal, bringing technical expertise into a ministry, or keeping a long term issue on the agenda. The challenge is therefore to assess an institution whose value often lies in shaping decisions rather than making them directly.

Conclusion

CONL's experience suggests that its influence does not come from formal authority, but from the credibility it has built over time. Its value comes from producing technical knowledge that the government can use, convening actors that do not always work together, and maintaining enough neutrality to remain relevant across administrations.

Its lemma, "trust through knowledge," captures this logic well. CONL earns a place in the policy process by being useful. Its technical team, commissions, and dupla model allow specialists to work closely with public officials, design policies, and preserve knowledge that might otherwise be lost when governments change. Over time, that technical contribution has helped CONL build trust not only with the government in office, but also with business, academia, civil society, and incoming political actors.

CONL is an institutional answer to a common development problem: regions need long-term strategies, but political systems often reward short-term action. Its Strategic Plans establish a common reference point, its technical team preserves institutional memory, and its relationships across sectors make it possible to carry ideas and lessons from one administration to the next.

At the same time, the case shows that this model depends on constant maintenance. CONL has to repeatedly demonstrate its neutrality, remain useful to new administrations, keep commissioners involved, protect itself from political use, and secure enough resources to respond to growing

demands. Its influence is also difficult to measure because it often shapes decisions without directly implementing them.

Overall, CONL leverages its deep understanding of Nuevo León's local context to identify problems and convene the actors best positioned to address them. By doing this, it shows that regional economic transformation is not only a matter of federal industrial policy or private investment. It also depends on local institutions capable of developing strategies that respond to the state's specific economic and social challenges, an approach that would be difficult for the federal government to replicate through nationally standardized policies.CONL does this through a distinctive governance model in which all relevant actors are involved.

The main lesson from Nuevo León is not that every region should copy CONL exactly. The lesson is that transformation requires durable local institutions that can adapt to the specific history, economy, and social structure of a region. In Nuevo León, CONL works because it formalizes a particular ecosystem into a long-term planning institution. In other regions, especially those with weaker productive networks or greater social fragmentation, the institutional design would need to differ.

CONL's contribution is to show that continuity and neutrality itself can be institutionalized. It demonstrates that planning can be more than a document, and coordination can be more than a meeting. When backed by law, technical capacity, public indicators, and cross-sector participation, long-term planning can become a regional governance system.

NEED TABLE Functionality

References