EN

ANNEX 16

of the Commission Implementing Decision on the 2017 Annual Action programme for the Partnership Instrument

Action Fiche for EU-Mexico Sector Dialogues Support Facility

1. **IDENTIFICATION**

<table>
<thead>
<tr>
<th>Title of the action</th>
<th>EU- Mexico Sector Dialogues Support Facility (SDSF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies)/Region</td>
<td>Mexico</td>
</tr>
<tr>
<td>Total cost</td>
<td>Total estimated cost: EUR 3 000 000</td>
</tr>
<tr>
<td></td>
<td>Total amount of the EU budget contribution: EUR 3 000 000</td>
</tr>
<tr>
<td>Total duration¹</td>
<td>36 months</td>
</tr>
<tr>
<td>Method of implementation</td>
<td>Direct management</td>
</tr>
<tr>
<td></td>
<td>Procurement – Services</td>
</tr>
<tr>
<td>Markers (from CRIS DAC form)</td>
<td></td>
</tr>
<tr>
<td>Rio convention markers</td>
<td>Not targeted</td>
</tr>
<tr>
<td>Biological diversity</td>
<td>☑</td>
</tr>
<tr>
<td>Combat desertification</td>
<td>☑</td>
</tr>
<tr>
<td>Climate change mitigation</td>
<td>☑</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>☑</td>
</tr>
</tbody>
</table>

2. **RATIONALE AND CONTEXT**

2.1. **Summary of the action and its objectives**

This action puts in place an EU-Mexico Sector Dialogues Support Facility (SDSF) whose aim is to contribute to strengthening and to further enlarging EU-Mexico bilateral relations by fostering sector dialogues on priority themes of mutual interest. In line with the overall strategic framework defined by the EU Global Strategy for Foreign and Security Policy, the project will support the implementation of the EU-Mexico Strategic Partnership and the revised EU-Mexico Global Agreement.


¹ Maximum duration of the operational implementation period of individual contracts upon their signature.
Economic Affairs, Migration, Regional Development and Transport. In addition, a Joint Steering Committee on Science and Technology was set up by the 2004 Science and Technology Cooperation Agreement. Eight of these dialogues are currently active with regular meetings (human rights, environment, climate change, education and youth, science and technology, social cohesion, security and justice and macroeconomics) and a 14th dialogue on ICTs is planned to take place in May 2017.

In 2016, the negotiations for the modernisation of the global agreement between Mexico and the EU have been launched, this process will continue during 2017 and the result will probably lead to the inclusion of additional dialogues in sectors already identified as mutually strategic.

The project will accompany the bilateral high level dialogues with concrete follow up actions agreed at political level, thus allowing enhanced cooperation and facilitation of exchanges between relevant EU and Mexican stakeholders that are involved in the specific sector dialogues.

2.2. **Context**

The EU Global Agreement with Mexico from 2000 covers three pillars: political, trade and cooperation. In 2016, HRVP Federica Mogherini visited Mexico and announced that the European Council adopted the negotiating directives for the modernization of the Agreement.

This has become necessary as there have been a lot of changes and developments in the global scene over the past 16 years, especially in the trade field. Additionally the cooperation pillar needs to be redefined as no bilateral envelopes for Mexico are available under the DCI in the MFF 2014-2020.

The changed nature of EU-Mexico relations goes hand in hand with an economic and social context that has evolved in the last decade and suggests that a clear potential exists for a substantial expansion of some of the sectoral dialogues and their scope. Additionally, these challenges required the creation of new dialogue in the field of ICTs.

Mexico is a reference country for the Central American region and for Latin America. It is a key ally for the EU in the global fora, sharing values, challenges and commitments towards inclusive and sustainable development, and its economic growth provides notable opportunities for EU companies.

While dialogues at political and administrative level have been in most of the cases useful and productive in the past, the availability of this cooperation tool to advance those dialogues on issues of mutual interest opens new interesting avenues for strengthening EU-Mexico relations, including more effective follow-up and operationalisation of conclusions reached in High Level Dialogues.

The EU-Mexico Sector Dialogues Support Facility (SDSF) builds on similar, successful experiences in Brazil and China, providing the ideal tool for moving away from the traditional "donor-recipient oriented" perception of EU-Mexico bilateral cooperation, towards a more strategic, mutually beneficial cooperation between equal partners, in line with the spirit and objectives of the PI. The EEAS and the Commission DGs, on equal footing with their Mexican counterparts, will share the responsibility to identify, propose and select activities to be implemented under the Facility.
Through the existing high level bilateral dialogues, EU and Mexico will identify areas for enhancing the strategic partnership, where there is a clear mutual interest, potential for improvement, and foreseeable benefits for the EU. A mechanism to establish a clear link between sectorial dialogues and project activities will be developed and applied during the implementation of the action. This tool will ensure that actions financed under the proposed facility are in line with the sectorial dialogues and their conclusions. As a result, actions are expected to be implemented, in principle, in the period of time between two sessions of the dialogues and in preparation of the forthcoming ones. The relevant session of the dialogue will also evaluate the action and propose follow-up activities. The Facility will provide added value to keep the momentum between dialogues and advance on key policy areas.

The Facility will guarantee a high degree of flexibility to be able to respond to new priorities or political commitments that, in addition to the dialogues, could arise from EU-Mexico summits or high level bilateral meetings.

2.3. Lessons learnt

The proposed action builds on the experience and the evaluations drawn from similar Sector Dialogues Support Facilities in China and in Brazil:

- Although the SDSF will be designed to follow a flexible approach, experience from the previous and existing SDSFs has shown that translating agreements reached in the context of political dialogues into concrete actions is often not straightforward. Therefore it is recommended that the agreements reached at political level include operational aspects. The services responsible for each dialogue should participate actively in this process.

- The financial continuity of actions is vital for sustaining sectorial dialogues and for reaching concrete results. At the same time it is to be ensured that the result of these actions feed into the high level political dialogue.

- Finally, the China/Brazil SDSFs have shown that the actions undertaken should have a comprehensive logical structure and be embedded in the wider cooperation framework between the EU and Mexico, rather than being limited to isolated events, such as missions or conferences.

2.4. Complementary actions

Complementarities will be sought with ongoing PI actions such as the Low Carbon Business Project, the International Urbanization Cooperation, the EU Policy and Outreach Partnership, the several Policy Support Facility and TAIEX initiatives in Mexico and future PI actions.

In addition, complementarities will be sought with possible EU future action in support of the implementation of the Paris Agreement in major economies, including Mexico.

Synergies will also be sought with DEVCO (bilateral, thematic and regional) and other DGs' ongoing projects (ELAN, COSME, EEN, etc.) as well as with the relevant interventions developed by other donors (especially EU Member States and International Organisations) and by the Mexican Government and institutions.

All ongoing actions relevant to the identified priority areas will be closely monitored in order to ensure complementarity and to build on good experiences while avoiding duplications.
3. **DETAILED DESCRIPTION**

3.1. **Objectives**

The overall objective of this action is to contribute to strengthening and further enlarging the strategic partnership between the EU and Mexico.

Its specific objective is to foster dialogue in specific priority areas of EU and mutual interest and to support the implementation of the EU-Mexico Global Agreement and the EU-Mexico Strategic Partnership Joint Executive Plan, as well as other relevant agreements concluded between the EU and the Mexican Government.

3.2. **Expected results and main activities**

The main expected results of the project are:

R.1: Extended and strengthened EU-Mexico relationship in the framework of the Strategic Partnership.

R.2: The external dimension of EU policies in shared priority areas is promoted and influences the dialogue with Mexican institutions.

R.3: Cooperation in shared priority areas is reinforced and concrete follow-up measures to sector dialogues are put in place and implemented.

R.4: Updated information is available and regularly disseminated on the evolution and “state of the art”, contents and results of the different dialogues.

R.5: Regulatory convergence in selected areas is promoted.

R.6: New areas of cooperation of EU and mutual interest are identified and developed.

The indicative project activities will include:

- the preparation of baseline, benchmarking and specific sector studies on issues that are relevant for the dialogues;
- the organisation of events (conferences, seminars, workshops, mutual technical visits and other exchange activities, etc.) within the scope of the dialogues;
- the provision of specialised technical assistance to the relevant stakeholders;
- the consolidation and further development of the project monitoring, communication and visibility tools;
- exchange of experiences and best practices.

A technical assistance team will be in charge of the implementation of the project. While being fully independent from the Mexican Government, the team will operate in cooperation with the relevant institutions/entities in the partner country, as well as with any other stakeholders, under the steer of the EU Delegation in Mexico and in close cooperation with the EEAS and Commission DGs.

Discussions will be held with the Mexican Ministry of Foreign Affairs (or delegated entity) for the establishment of a consultative mechanism, the 'Consultative Committee' – hereafter the CC which shall provide strategic guidance to the project, according to the agreements made at political levels. The CC will also ensure a
regular monitoring and follow-up of the projects proposed and implemented, suggesting corrective measures when needed.

The structure of the CC shall reflect the fact that both the EU and the Mexican counterparts will have the right of initiative to submit proposals for actions. Selection of projects will be done jointly, involving representatives from the relevant EU and Mexican institutions. The priorities and the criteria for the identification and selection of projects shall be established jointly.

The composition of this Consultative Committee can vary according to the sectorial dialogue concerned. The CC will meet at least twice a year.

As this is a new facility with regards to the EU relations with Mexico, an internal decision making mechanism, (the 'Steering Committee') among the EEAS, the EU Delegation and the relevant Commission services shall be set up to define the EU's priorities and objectives prior to each one of the Consultative Committee meetings. Additionally, a reflection exercise will take place during the implementation of the action to evaluate if prioritisation should be given to a limited number of dialogues in order to avoid scattered activities that might dilute the impact of the facility.

3.3. **Risks and assumptions**

The main assumption is that Mexico and the EU are committed to further strengthening the EU-Mexico Strategic Partnership, including through the ongoing revision of the EU-Mexico Global Agreement.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk level (H/M/L)</th>
<th>Mitigating measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor or decreasing commitment from Mexican and European authorities to further strengthen the EU-Mexico Strategic Partnership and engage in concrete actions to foster sector dialogues.</td>
<td>L</td>
<td>Ensure involvement at the highest level from the EU and Mexican side and use high-level commitment to press for lower level implementation and mobilise counterparts.</td>
</tr>
<tr>
<td>The political and economic landscape in Mexico ahead and following the federal elections in 2018 could negatively impact on project implementation.</td>
<td>L</td>
<td>Permanent monitoring by the EU Delegation on political developments and continuous engagement with Mexican counterparts at political and technical level with a view to adapting the project to evolving circumstances.</td>
</tr>
<tr>
<td>The level of commitment of the EU services towards the project might be discontinued.</td>
<td>L</td>
<td>Careful selection of the areas of intervention, in line with EU's interests and policy priorities.</td>
</tr>
<tr>
<td>Frustration rises in Mexican Ministries and/or EU services when good proposals are rejected.</td>
<td>L</td>
<td>Good preparatory work and continuous dialogue between both parties in the Consultative Committee. Ensure that the selection is made in a collegial manner.</td>
</tr>
</tbody>
</table>
3.4. **Stakeholders**

The key stakeholders are:

- EU institutions and services;
- EU Member States and their relevant Institutions;
- Mexican Ministries, Agencies and other relevant governmental bodies;
- European and Mexican Academia and Civil Society;
- The private sector and local governments will be associated to the actions when appropriate and relevant.

4. **IMPLEMENTATION ISSUES**

4.1. **Method of implementation**

4.1.1. *Procurement (direct management)*

(a) The project will be implemented through the procurement of services. Indicatively, one service contract will be signed.

(b) Indicative timing to launch the call for tenders: 2nd quarter 2017

4.2. **Indicative budget**

<table>
<thead>
<tr>
<th>Method of Implementation</th>
<th>Amount in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.1 – Procurement (direct management)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

4.3. **Performance monitoring**

The day-to-day technical and financial monitoring of the implementation of the project will be a continuous process and part of the implementing partner’s responsibility. To this end, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate progress and final reports.

The progress and final reports shall provide quantified and qualitative data in relation to the logical framework indicators which will include relevant indicators from the list of common Partnership Instrument indicators.

The action will be supervised by the Steering Committee, whose indicative composition comprises the EU Delegation in Mexico, involved line DGs and other EU services (i.e. EEAS/FPI), as relevant.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews.
4.4. **Evaluation and audit**

For this project, the Commission may carry out interim and/or final/ex-post evaluation(s) via independent consultants contracted by the Commission based on specific terms of reference.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments.

As the “N+1” applies for contracting under this decision, external evaluations and audits, as well as additional external monitoring referred to under section 4.3 above, will be funded from sources other than those allocated to this specific action.

4.5. **Communication and visibility**

Communication and visibility will be an integral part of the project. The implementing partners will establish a communication plan in line with relevant guidelines that, inter alia, will define the key messages and specific communication/EU visibility actions to be taken.

All documentation and promotional material produced in the framework of the project shall bear the EU flag and mention that it is financed by the EU.