COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 21.10.1997
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Proposal for a

COUNCIL DECISION

concerning the conclusion of the Economic Partnership, Political Co-ordination and Co-operation Agreement between the European Community and its Member states, on the one part, and the United Mexican States, on the other part

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. By means of a decision of 25 June 1996, the Council authorised the Commission to open negotiations with Mexico with a view to concluding a new political, economic and trade agreement between the European Community and its Member States, of the one part, and the United Mexican States, of the other part,, and approved negotiating directives to that end.

2. Following exploratory discussions held on 10-11 October 1996, formal negotiations took place in Brussels on 10, 11 and 12 June 1997, resulting in the draft agreement on both an Economic Partnership, Political Co-ordination and Co-operation Agreement and an Interim Agreement on Trade and Trade-related Aspects.

3. The texts were initialled on 23 July 1997 following a detailed examination by and the approval of the Council.

4. The "Economic Partnership, Political Co-ordination and Co-operation Agreement". will replace the Framework Agreement for Co-operation between the EC and Mexico signed in 1991.

5. The Commission considers that the initialled Agreement conforms to the negotiating directives adopted by the Council.

6. The Commission considers the outcome of the negotiations to be satisfactory to both parties and proposes that the Council should approve the results of these negotiations, should initiate the procedures for the signature of the Economic Partnership, Political Co-ordination and Co-operation Agreement and should adopt the proposal for a Decision in the Annex

7. The European Parliament will be asked to give its assent to the Agreement prior to its conclusion. The Agreement must also be ratified by the Member states before it enters into force

Proposal for a

COUNCIL DECISION

concerning the conclusion of the Economic Partnership, Political Co-ordination and Co-operation Agreement between the European Community and its Member states, on the one part, and the United Mexican States, on the other part

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 54(2), 57, 66, 73C(2), 75, 84(2), 113 and 130y thereof, in conjunction with the second sentence of Article 228(2) and the second subparagraph of Article 228(3) thereof,

Having regard to the proposal from the Commission,

Having regard to the assent of the European Parliament,

Whereas the Economic Partnership, Political Co-ordination and Co-operation Agreement between the European Community and its Member states, on the one part, and the United Mexican States, on the other part, signed in.....on....., should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Economic Partnership, Political Co-ordination and Co-operation Agreement between the European Community and its Member states, on the one part, and the United Mexican States, on the other part, together with the declarations made by the Community unilaterally or jointly with other parties, is hereby approved on behalf of the European Community.

The texts are attached to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 60 of the Agreement on behalf of the European Community.

Article 3

1. The position to be taken by the Community within the Joint Council and the Joint Committee established by the Agreement, shall be laid down by the Council, on a proposal from the Commission, in accordance with the corresponding provisions of the Treaties establishing the European Community.

2. The President of the Council shall in accordance with Article 46 of the Agreement, preside over the Joint Council and present the position of the Community. In accordance with Article 48 of the Agreement, a representative of the Commission shall preside over the Joint Committee and present the position of the Community.

Article 4

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,

For the Council
The President

ECONOMIC PARTNERSHIP, POLITICAL COORDINATION AND COOPERATION AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND ITS MEMBER STATES OF THE ONE PART, AND THE UNITED MEXICAN STATES OF THE OTHER PART.

THE KINGDOM OF BELGIUM,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE GRAND DUCHY OF LUXEMBOURG,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE PORTUGUESE REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Parties to the Treaty establishing the European Community and the Treaty on European Union, hereinafter referred to as the "European Community Member States",

THE EUROPEAN COMMUNITY,

hereinafter referred to as the "Community" of the one part, and

THE UNITED MEXICAN STATES,

hereinafter referred to as "Mexico", of the other part,

CONSIDERING their common cultural heritage and the strong historical, political and economic ties which unite them;

MINDFUL of the broader aim to develop and reinforce the overall framework of international relations, in particular, between Europe and Latin America,

CONSIDERING the significant contribution made by the Framework Agreement for Cooperation between the Community and Mexico signed on 26 April 1991 in Luxembourg to strengthening these ties;

CONSIDERING their mutual interest in establishing new contractual links in order to further strengthen their bilateral relations, mainly through greater political dialogue, progressive and reciprocal liberalisation of trade, liberalisation of current payments, capital movements and invisible transactions, promotion of investment, and through broader cooperation;

CONSIDERING their full commitment to respecting democratic principles and fundamental human rights set out in the Universal Declaration of Human Rights, as well as to the principles of international law regarding friendly relations and cooperation between States in accordance with the United Nations Charter, the principles of the rule of law and good government, as set out in the Rio Group-European Union Ministerial Declaration adopted in São Paulo in 1994;

MINDFUL that in order to intensify relations in all fields of common interest, their political dialogue should be institutionalised at both the bilateral and international levels;

CONSIDERING the importance which both Parties attach to the principles and values set out in the final Declaration of the World Summit for Social Development in Copenhagen in March 1995;

MINDFUL of the importance that both Parties attach to the proper implementation of the principle of sustainable development, as agreed and set out in Agenda 21 of the 1992 Río Declaration on Environment and Development;

CONSIDERING their attachment to the principles of the market economy and mindful of the importance of their commitment to free international trade in conformity with the rules of the World Trade Organisation (WTO) and in the context of their membership of the Organisation for Economic Cooperation and Development (OECD), with particular emphasis on the importance of open regionalism;

MINDFUL of the terms of the Joint Solemn Declaration signed in Paris on 2 May 1995 in which both Parties decided to give their bilateral relationship a long term perspective in all areas;

CONCLUDE this Economic Partnership, Political Coordination and Cooperation Agreement.

TITLE I

NATURE AND SCOPE

ARTICLE 1

Basis of the Agreement

Respect for democratic principles and fundamental human rights proclaimed by the Universal Declaration of Human Rights, underpins the domestic and external policies of both Parties and constitutes an essential element of this Agreement.

ARTICLE 2

Nature and Scope

The object of this Agreement is to strengthen existing relations between the Parties on the basis of reciprocity and mutual interest. To this end, the Agreement shall institutionalise the political dialogue, strengthen commercial and economic relations by means of the liberalisation of trade in conformity with the rules of the WTO and shall reinforce and broaden cooperation.

TITLE II

POLITICAL DIALOGUE

ARTICLE 3

1. The Parties agree to institutionalise an intensified political dialogue based on the principles referred to in Article 1 covering all bilateral and international matters of mutual interest and leading to closer consultation between the Parties within the context of the international organisations to which they both belong.

2. The dialogue shall be conducted in accordance with the "Joint Declaration on Political Dialogue between the European Union and Mexico", which shall form an integral part of the Agreement and which is contained in the Final Act..

3. The ministerial dialogue provided for in the Joint Declaration shall take place mainly within the Joint Council established by Article 45.

TITLE III

TRADE

ARTICLE 4

Objective

The objective of this Title is to establish a framework to encourage the development of trade in goods and services, including a bilateral and preferential, progressive and reciprocal liberalisation of trade in goods and services, taking into account the sensitive nature of certain products and service sectors and in accordance with the relevant WTO rules.

ARTICLE 5

Trade in goods

In order to achieve the objective laid down in Article 4, the Joint Council established by Article 45 of the Agreement shall decide on the arrangements and timetable for a bilateral, progressive and reciprocal liberalisation of tariff and non-tariff barriers to trade in goods, in accordance with the relevant WTO rules, in particular Article XXIV of the GATT, and taking account of the sensitive nature of certain products. This decision shall address, in particular, the following matters:

(a) coverage and transitional periods;

(b) customs duties on imports and exports and charges having an equivalent effect;

(c) quantitative restrictions on imports and exports and measures having equivalent effect;

(d) national treatment including the prohibition of fiscal discrimination in respect of taxes imposed on goods;

(e) anti-dumping and countervailing measures;

(f) safeguard and surveillance measures;

(g) rules of origin and administrative cooperation;

(h) customs cooperation;

(i) customs valuation;

(j) technical regulations and standards, sanitary and phyto sanitary legislation, mutual recognition of conformity assessment, certifications, marks systems, etc;

(k) general exceptions justified on grounds of public morality, public policy or public security; the protection of human, animal or plant life or health; the protection of industrial, intellectual and commercial property, etc.

(l) restrictions in case of balance of payments difficulties.

ARTICLE 6

Trade in services

In order to achieve the objective laid down in Article 4 , the Joint Council established by Article 45 of the Agreement, shall decide on the appropriate arrangements for a progressive and reciprocal liberalisation of trade in services, in accordance with the relevant WTO rules, in particular, Article V of the General Agreement on Trade in Services (GATS), and taking due account of the commitments already undertaken by the Parties within the framework of that agreement.

ARTICLE 7

The decisions of the Joint Council referred to in Articles 5 and 6 of the Agreement in respect of trade in goods and services, shall adequately cover all these issues within a comprehensive framework and shall enter into force as soon as they have been adopted.

TITLE IV

CAPITAL MOVEMENTS AND PAYMENTS

ARTICLE 8

Capital movements and payments

The objective of this Title is to establish a framework to encourage the progressive and reciprocal liberalisation of capital movements and payments between Mexico and the Community, without prejudice to other provisions in this Agreement and further obligations under other international agreements that are applicable between the Parties.

ARTICLE 9

In order to achieve the objective laid down in Article 8, the Joint Council shall adopt the measures and timetable for a progressive and reciprocal elimination of restrictions on capital movements and payments between the Parties, without prejudice to other provisions in this Agreement and further obligations under other international agreements that are applicable between the Parties. This decision shall address, in particular, the following matters:

(a) the definition, content, extension and substance of the concepts included explicitly or implicitly in this Title;

(b) capital transactions and payments, including national treatment, to be covered by the liberalisation;

(c) scope of the liberalisation and transitional periods;

(d) the inclusion of a clause allowing the Parties to maintain restrictions in this area justified on grounds of public policy, public security, public health and defence;

(e) the inclusion of clauses allowing the Parties to introduce restrictions in this area in case of difficulties in the operation of exchange rate or monetary policy of one of the Parties, balance of payments difficulties or, in conformity with International Law, the imposition of financial restrictions on third Countries.

TITLE V

PUBLIC PROCUREMENT, COMPETITION, INTELLECTUAL PROPERTY AND OTHER TRADE-RELATED PROVISIONS

ARTICLE 10

Public procurement

1. The Parties shall agree to the gradual and mutual opening of agreed government procurement markets on a reciprocal basis.

2. In order to achieve this objective, the Joint Council shall decide on the appropriate arrangements and timetable. The decision shall address, in particular, the following matters:

   a) coverage of the agreed liberalisation;

   b) non-discriminatory access to the agreed markets;

   c) threshold values;

   d) fair and transparent procedures;

   e) clear challenge procedures;

   f) use of information technology.

ARTICLE 11

Competition

1. The Parties shall agree on the appropriate measures in order to prevent distortions or restrictions of competition that may significantly affect trade between Mexico and the Community. To this end, the Joint Council shall establish mechanisms of cooperation and coordination among their authorities with responsibility for the implementation of competition rules. Cooperation shall include mutual legal assistance, notification, consultation and exchange of information in order to ensure transparency relating to the enforcement of competition laws and policies.

2. In order to achieve this objective, the Joint Council shall decide in particular; on the following matters:

   (a) agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings;

   (b) the abuse by one or more undertakings of a dominant position;

   (c) mergers between undertakings;

   (d) state monopolies of a commercial character;

   (e) public undertakings and undertakings to which special or exclusive rights have been granted.

ARTICLE 12

Intellectual property

1. Reaffirming the great importance they attach to the protection of intellectual property rights (copyright, -including the copyright in computer programmes and databases- and neighbouring rights, the rights related to patents, industrial designs, geographical indications including designation of origins, trademarks, topographies of integrated circuits, as well as protection against unfair competition as referred to in Article 10 bis of the Paris Convention for the Protection of Industrial Property and protection of undisclosed information), the Parties undertake to establish the appropriate measures with a view to ensuring an adequate and effective protection in accordance with the highest international standards, including effective means to enforce such rights.

2. To this effect, the Joint Council shall decide on:

   (a) a consultation mechanism with a view to reaching mutually satisfactory solutions in the event of difficulties in the protection of intellectual property;

   (b) the detailed measures to be adopted in pursuance of the objective set out in paragraph 1, taking into account in particular the relevant multilateral conventions on intellectual property.

TITLE VI

COOPERATION

ARTICLE 13

Dialogue on cooperation and economic matters

1. The Joint Council shall institute a regular dialogue in order to intensify and improve the cooperation provided for in this Title which will include, in particular:

a) information exchange and the periodic revision of the development of cooperation

b) coordination and supervision of the implementation of sectoral agreements provided for in this Agreement, as well as the examination of the possibility of new agreements of this type.

2. It shall also establish a regular dialogue on economic matters that shall include the analysis and exchange of information, in particular on the macroeconomic aspects, in order to stimulate trade and investments.

ARTICLE 14

Industrial cooperation

1. The Parties shall support and promote measures to develop and strengthen efforts to set in motion a dynamic, integrated and decentralised management of industrial cooperation in order to create a climate conducive to economic development, taking account of their mutual interests.

2. Such cooperation shall focus in particular on:

(a) strengthening contacts between both Parties' economic operators, by means of conferences, seminars, missions to seek out industrial and technical opportunities, round tables and general and sector-specific fairs, with a view to identifying and exploiting areas of mutual business interest and to boosting trade, investment and industrial cooperation and technology-transfer projects;

(b) strengthening and extending the existing dialogue between both Parties' economic operators through the promotion of further consultation and coordination activities in order to identify and eliminate obstacles to industrial cooperation, to encourage respect for competition rules, to ensure the consistency of overall measures and to help industry adapt to market requirements;

(c) promoting industrial cooperation initiatives in the context of the process of privatisation and liberalisation of both Parties in order to encourage investments by means of industrial cooperation between undertakings.

(d) supporting modernisation, diversification, innovation, training, research and development and quality initiatives.

(e) promoting the participation of both Parties in pilot projects and in special programmes according to their specific terms.

ARTICLE 15

Investment promotion

The Parties shall help to create an attractive and stable environment for reciprocal investment.

Such cooperation shall take the form *inter alia* of:

(a) arrangements for information, identification and dissemination relating to legislation and investment opportunities;

(b) support for the development of a legal environment conducive to investment between the Parties, where appropriate, by the conclusion between the Member States and Mexico, of agreements to promote and protect investment and agreements to prevent double taxation;

(c) the development of harmonised and simplified administrative procedures;

(d) the development of mechanisms for joint investments, in particular, with the SMEs of both Parties.

ARTICLE 16

Financial Services

1. The Parties undertake to establish cooperation in the financial services sector, in conformity with their laws, regulations and policies and in accordance with the rules and disciplines of the General Agreement on Trade in Services (GATS), in light of their mutual interest and long and medium-term economic objectives.

2. The Parties agree to work together both bilaterally and at the multilateral level to increase mutual understanding and awareness of their respective business environments and to bring about exchanges of information on financial regulations, financial supervision and control and other aspects of common interest.

3. Such cooperation shall have the particular objective of encouraging improved and diversified productivity and competitiveness in the financial services sector.

ARTICLE 17

Cooperation on small and medium-sized enterprises

1. The Parties shall promote a favourable environment for the development of small and medium-sized enterprises.

2. Such cooperation shall consist in:

   (a) promoting contacts between economic operators, encouraging joint investments and establishing joint ventures and information networks through existing horizontal programmes such as ECIP, AL-INVEST, BRE and BC-NET;

   (b) facilitating access to finance, providing information and stimulating innovation.

ARTICLE 18

Technical regulations and conformity assessment

The Parties undertake to cooperate on technical regulations and conformity assessment.

ARTICLE 19

Customs

1. The purpose of customs cooperation shall be to ensure fair trade.
   The Parties undertake to promote customs cooperation with a view to improving and consolidating the legal framework for their trade relations.

2. Such cooperation shall deal, in particular, with the following:

   (a) exchanges of information;

   (b) the development of new training techniques and coordination of activities which should be undertaken within the international organisations specialising in this field;

   (c) exchanges of officials and senior personnel from the customs and tax administrations;

   (d) the simplification of customs procedures for the clearance of goods;

   (e) technical assistance, whenever necessary.

3. Without prejudice to other forms of cooperation provided for under this Agreement, the Parties state their interest in considering, in the future, the conclusion of a protocol on mutual administrative assistance in the field of customs, within the institutional framework of this Agreement.

ARTICLE 20

The information society

1. The Parties recognise that information and communication technologies are key elements of modern life and vital to economic and social development.

2. Cooperation in this area shall focus in particular on:

   (a) a dialogue on all aspects of the information society;

   (b) exchanges of information and any technical assistance required in connection with regulations and standardisation, conformity testing and certification for information and telecommunication technologies;

(c) the dissemination of new telecommunications and information technologies and the refining of new services in advanced communication, services and information technology facilities;

(d) promoting and undertaking joint research and technological and industrial development projects in the field of new information, communication, telematics and information society technologies;

(e) promoting the participation of both Parties in pilot projects and special programmes in accordance with the terms of the latter;

(f) the interconnection and interoperability of telematic networks and services;

(g) a dialogue on regulatory cooperation concerning international on-line services, including aspects related to the protection of privacy and personal data;

(h) the reciprocal access to data bases according to terms to be agreed upon.

ARTICLE 21

Cooperation in agriculture and the rural sector

1. The Parties undertake to promote development and cooperation in the agricultural, agroindustrial and rural sectors.

2. To this end they shall examine, inter alia, the following:

(a) measures to harmonise health, plant-health and environmental standards and rules, with a view to facilitating trade, taking account of the legislation in force for both Parties and in conformity with the rules of the WTO, in addition to the terms of Article 5.

(b) the potential for exchanging information and setting up projects and activities, with that aim in mind, notably in the fields of information, scientific and technical research and the development of human resources.

ARTICLE 22

Cooperation on Mining

The Parties agree to promote cooperation in mining, chiefly through operations aimed at the following:

(a) promoting exploration, exploitation and profitable use of minerals in accordance with each Party's legislation in this field;

(b) promoting exchanges of information, experience and technology relating to mining exploration and exploitation;

(c) promoting exchanges of experts and performing joint research to increase opportunities for technological development.

(d) developing measures to promote investment in this field.

ARTICLE 23

Cooperation on energy

1. Cooperation between the Parties shall aim to develop their respective energy sectors, concentrating on the promotion of transfer of technology and exchanges of information about their respective legislation.

2. Cooperation in this sector shall mainly be carried out through: exchanges of information; training of human resources, transfer of technology and joint technological development and infrastructure projects; designing more efficient energy generation processes, promoting the rational use of energy, supporting the use of alternative renewable sources of energy which protect the environment, and the promotion of recycling and processing residues for use in generating energy.

ARTICLE 24

Cooperation on transport

1. Cooperation between the Parties regarding transport shall seek to:

   (a) support the restructuring and modernisation of transport systems;

   (b) promote operating standards.

2. In this context, priority shall be given to:

   (a) exchanges of information between experts on the Parties' transport policies and other subjects of common interest;

   (b) economic, legal and technical training programmes aimed at economic operators and senior public officials;

   (c) exchanges of information on the Global Navigation Satellite System (GNSS);

   (d) technical assistance to help in the restructuring and modernisation of the transport system in all its forms.

3. The Parties shall look at all aspects relating to international maritime transport services to ensure that they do not hamper the mutual expansion of trade. In this context, the liberalisation of international maritime transport services shall be negotiated, in accordance with the terms of Article 6 of this Agreement.

ARTICLE 25

Cooperation on tourism

1. Cooperation between the Parties shall primarily aim to improve the exchange of information and establish best practices in order to ensure a balanced and sustainable development of tourism.

2. In this context, the Parties shall focus in particular on:

   (a) safeguarding and maximising the potential of natural and cultural heritage;

   (b) respecting the integrity and interests of local communities;

   (c) promoting cooperation between regions and towns in neighbouring countries;

   (d) improving training in the hotel industry, with particular emphasis on hotel-management and administration.

ARTICLE 26

Cooperation on statistics

The Parties agree to promote the harmonisation of statistical methods and practice with a view to using, on a mutually acceptable basis, statistics on trade in goods and services and, more generally, on any area covered by this Agreement which lends itself to statistical processing.

ARTICLE 27

Government

The Contracting Parties shall cooperate in matters relating to government and institutions at national, regional and local levels, with a view to promoting the training of human resources and administrative modernisation.

ARTICLE 28

Cooperation on combating drug trafficking, money-laundering and chemical precursors

1. The Parties shall take the appropriate measures for cooperation and liaison, that they consider appropriate, to intensify their actions for the prevention and reduction of production, distribution and illegal consumption of drugs, in conformity with their respective internal legal regulations.

2. Relying on the competent bodies in this field, such cooperation will involve in particular:

a) developing coordinated programmes and measures regarding the prevention of drug abuse and the treatment and rehabilitation of drug addicts, including technical assistance programmes. These efforts may also include research and measures designed to reduce drug production by means of regional development of areas inclined to be used to produced illegal crops;

b) developing coordinated research programmes and projects on drug control;

c) exchange of information regarding legislative and administrative treatment and the adoption of appropriate measures on the control of drugs and on combatting money laundering, including measures adopted by the Community and International Bodies active in this field;

d) preventing the diversion of chemical precursors and other substances used in the illegal production of drugs and psychotropic substances, in accordance with the "Agreement on the Control of Drugs Precursors and Chemical Substances" signed by the Parties on 13th December 1996, and in the United Nations Vienna Convention of 1988.

ARTICLE 29

Scientific and technological cooperation

1. The Parties agree to cooperate in the field of science and technology in areas of mutual interest, taking account of their respective policies.

2. The aims of such cooperation shall be:

   (a) to encourage exchanges of information and know-how on science and technology, especially on the implementation of policies and programmes;

   (b) to promote enduring relations between the two Parties scientific communities;

   (c) to promote human resources training.

3. Cooperation shall take the form of joint research projects and exchanges, meetings and training of scientists, providing for the maximum dissemination of the results of research.

4. In this cooperation, the Parties shall favour the participation of their respective higher education institutions, research centres and productive sectors, in particular small and medium sized enterprises.

5. Cooperation between the Parties may result in a sectoral Agreement on research and technological development, if deemed appropriate.

ARTICLE 30

Cooperation on training and education

1. The Parties shall identify ways of markedly improving the situation in the education and vocational training sector. Special attention shall be paid to the education and training of the most disadvantaged social groups.

2. The Parties shall step up cooperation on education, including higher education, vocational training and exchanges between universities and businesses, in order to improve the level of expertise of senior staff in the private and public sectors.

3. The Parties shall place emphasis on measures designed to create permanent links between their respective specialist agencies and to encourage exchanges of information, know-how, experts, technical resources and in the field of youth, taking advantage of the facilities offered by the ALFA programme and the experience that both Parties have acquired in this field.

4. Cooperation between the Parties may lead, by mutual consent, to a sectoral agreement in the field of education, including higher education, vocational training and youth related affairs.

ARTICLE 31

Cultural cooperation

1. The Parties agree to promote cultural cooperation, that duly respects their diversity, in order to increase mutual understanding and the spreading of their respective cultures.

2. The Parties shall take appropriate measures to promote cultural exchanges and carry out joint initiatives in various cultural spheres. In this regard, the Parties shall define, in due time, the relevant cooperation activities and arrangements.

ARTICLE 32

Cooperation in the audiovisual sector

The Parties agree to promote cooperation in this sector, mainly through training programmes in the audiovisual sector and the media, including coproduction, training, development and distribution activities.

ARTICLE 33

Cooperation on information and communication

The Parties agree to encourage the exchange and dissemination of information and to undertake and support activities of mutual interest in the field of information and communication.

ARTICLE 34

Cooperation on the environment and natural resources

1. The need to preserve the environmental and ecological balances shall be taken into account in all cooperation measures undertaken by the Parties under this Agreement.

2. The Parties undertake to develop cooperation to prevent degradation of the environment; to promote the conservation and sustainable management of natural resources; to develop, spread and exchange information and experience on environmental legislation, to stimulate the use of economic incentives to promote compliance; to strengthen environmental management at all levels of government; to promote the training of human resources, education in environmental topics and the execution of joint research projects; to develop channels for social participation.

3. The Parties shall encourage mutual access to programmes in this field, in accordance with the specific terms of such programmes.

4. Cooperation between the Parties may lead to the conclusion of a sectoral agreement in the field of environment and natural resources if deemed appropriate.

ARTICLE 35

Cooperation on fisheries

In view of the socio-economic importance of their respective fisheries sectors, the Parties undertake to develop closer cooperation in this field notably through the conclusion of a sectorial fisheries agreement, in conformity with their respective legislation, if deemed appropriate.

ARTICLE 36

Cooperation on social affairs and poverty

1. The Parties shall conduct a dialogue on all aspects of the social agenda of interest to one or other Party. This should include topics related to vulnerable groups and regions such as: indigenous population, the rural poor, women on low incomes and other population groups living in poverty.

2. The Parties recognise the importance of harmonising economic and social development taking into account the need to respect the basic rights of the groups mentioned in the previous paragraph. The new basis for growth should create employment and ensure a better standard of living for the least favoured sections of the population.

3. The Parties shall hold periodic consultations regarding cooperation activities involving civil society and destined to offer opportunities for the creation of jobs, vocational training and income generation.

ARTICLE 37

Regional cooperation

1. The Parties shall promote activities aimed at developing joint actions by means of cooperation, mainly in Central America and the Caribbean.

2. Priority shall be given to initiatives that: promote intraregional trade in Central America and the Caribbean; stimulate regional cooperation on the environment and on technological and scientific research; promote the development of the communications infrastructure needed for the economic development of the region; stimulate initiatives to improve the standards of living of those living in poverty.

3. Special attention shall be given to developing the role of women, particularly in the productive process.

4. The Parties shall study appropriate means for the promotion and monitoring of joint cooperation with other countries.

ARTICLE 38

Cooperation on refugees

The Parties shall endeavour to preserve the benefits of the aid already granted to Central American refugees in Mexico and shall cooperate in the search for lasting solutions.

ARTICLE 39

Cooperation on Human Rights and Democracy

1. The Parties agree that cooperation in this field should promote the principles referred to in Article 1 of this Agreement.

2. Cooperation shall focus mainly on:

   (a) The developments of civil society by means of education, training and public awareness programmes;

   (b) Training and information measures designed to help institutions function more effectively and to strengthen the rule of law;

   (c) The promotion of human rights and democratic principles.

3. The Parties may carry out joint projects in order to strengthen cooperation between their respective electoral bodies as well as between other bodies responsible for monitoring and encouraging the respect of human rights.

ARTICLE 40

Cooperation on consumer protection

1. The Parties agree that cooperation in this area should be aimed at refining their consumer protection systems and seeking, within their respective legislations, to make their systems compatible.

2. Cooperation shall focus mainly on the:

   (a) exchange of information and experts and encouraging cooperation between consumer bodies of both Parties;

   (b) organization of training schemes and provision of technical assistance.

ARTICLE 41

Cooperation on data protection

1. In respect of Article 51 of this Agreement, the Parties agree to cooperate on the protection of personal data in order to improve the level of protection and avoid obstacles to trade that requires transfers of personal data.

2. Cooperation on personal data protection may include technical assistance in the form of exchanges of information and experts and the establishment of joint programmes and projects.

ARTICLE 42

Health

1. The objectives of health cooperation shall be to strengthen activities in the fields of research, pharmacology, preventive medicine and contagious diseases such as AIDS.

2. Cooperation shall take place mainly through:

   (a) projects on epidemiology, decentralisation and administration of health services;

   (b) development of vocational training programmes;

   (c) programmes and projects to improve health conditions and social welfare in rural and urban areas.

ARTICLE 43

Future Developments

1. The Parties may by neutral consent expand this Title with a view to enhancing the levels of cooperation and supplementing them by means of agreements on specific sectors or activities.

2. With regard to the implementation of this Title, the Parties may put forward suggestions for widening the scope of cooperation, taking into account the experience gained in its application.

ARTICLE 44

Resources for cooperation

1. The Parties shall make available the appropriate resources, including financial means, in so far as their respective resources and regulations allow, in order to fulfil the cooperation objectives set out in this Agreement.

2. The Parties shall encourage the European Investment Bank to continue its operations in Mexico, in accordance with its procedures and financing criteria.

TITLE VII

INSTITUTIONAL FRAMEWORK

ARTICLE 45

Joint Council

A Joint Council is hereby established which shall supervise the implementation of this Agreement. It shall meet at ministerial level, at regular intervals, and when circumstances require. It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.

ARTICLE 46

1. The Joint Council shall consist of the Members of the Council of the European Union and Members of the European Commission on the one hand, and Members of the Government of Mexico, on the other.

2. Members of the Joint Council may arrange to be represented, in accordance with the conditions to be laid down in its rules of procedure.

3. The Joint Council shall establish its own rules of procedure.

4. The Joint Council shall be presided in turn by a Member of the Council of the European Union and a Member of the Government of Mexico, in accordance with the provisions to be laid down in its rules of procedure.

ARTICLE 47

The Joint Council shall, for the purpose of attaining the objectives of this Agreement, have the power to take decisions in the cases provided for herein. The decisions taken shall be binding on the Parties which shall take the measures necessary to implement them. The Joint Council may also make appropriate recommendations.
It shall draw up the decisions and recommendations by agreement between the two Parties.

ARTICLE 48

Joint Committee

1. The Joint Council shall be assisted in the performance of its duties by a Joint Committee composed of representatives of the members of the Council of the European Union and of the European Commission on the one hand, and of representatives of the Government of Mexico on the other, normally at senior civil servant level.

   In its rules of procedure the Joint Council shall determine the duties of the Joint Committee, which shall include the preparation of meetings of the Joint Council and how the Committee shall function.

2. The Joint Council may delegate to the Joint Committee any of its powers. In this event the Joint Committee shall take its decisions in accordance with the conditions laid down in Article 47.

3. The Joint Committee shall generally meet once a year, on a date and with an agenda agreed in advance by the Parties, in Brussels one year and Mexico the next. Special meetings may be convened by mutual agreement. The office of chairman of the Joint Committee shall be held alternately by a representative of each of the Parties.

ARTICLE 49

Other special committees

The Joint Council may decide to set up any other special committee or body to assist it in the performance of its duties.
In its rules of procedure, the Joint Council shall determine the composition and duties of such committees or bodies and how they shall function.

ARTICLE 50

Dispute settlement

The Joint Council shall decide on the establishment of a specific trade or trade related dispute settlement procedure compatible with the relevant WTO provisions in this field.

TITLE VIII

FINAL PROVISIONS

ARTICLE 51

Data protection

1. The Parties agree to accord a high level of protection to the processing of personal and other data, in accordance with the standards adopted by the relevant international organisations and the Community.

2. To this end they shall take account of the standards referred to in the annex which shall form an integral part of this Agreement.

ARTICLE 52

National security clause

No provision of this Agreement shall preclude a Party taking measures:

(a) which it considers necessary to prevent disclosures of information which are contrary to the essential interests of its security;

(b) relating to the production of, or trade in, arms, munitions or war material or to research, development or production connected with defence needs, provided these measures do not adversely affect the conditions of competition regarding products which are not intended for specifically military purposes;

(c) which it considers essential to its security in the event of serious domestic disturbances liable to disrupt public order, war or serious international tensions that might erupt into armed conflict or to fulfil obligations it has entered into for the maintenance of peace and international security.

ARTICLE 53

The Final Act contains the joint and unilateral Declarations made at the signature of this Agreement.

ARTICLE 54

1. Should Most Favoured Nation treatment be granted in accordance with the provisions of this Agreement, or any arrangements adopted under this Agreement, it will not apply to tax advantages which the Member States or Mexico are providing or may provide in the future on the basis of agreements to avoid double taxation or other tax arrangements, or domestic fiscal legislation.

2. Nothing in this Agreement, or in any arrangements adopted under this Agreement, may be construed to prevent the adoption or enforcement by the Member States or Mexico of any measure aimed at preventing the avoidance or evasion of taxes pursuant to the tax provisions of agreements to avoid double taxation or other tax arrangements, or domestic fiscal legislation.

3. Nothing in this Agreement, or in any arrangements adopted under this Agreement, shall be construed to prevent Member States or Mexico from distinguishing, in the application of the relevant provisions of their fiscal legislation, between taxpayers who are not in the same situation, in particular with regard to their place of residence, or with regard to the place where their capital is invested.

ARTICLE 55

Definition of the Parties

For the purposes of this Agreement, "the Parties" shall mean, on the one hand, the Community or its Member States or the Community and its Member States, in accordance with their respective areas of competence, as derived from the Treaty establishing the European Community and, on the other hand, Mexico.

ARTICLE 56

Territorial application

This Agreement shall apply to the territory in which the Treaty establishing the European Community is applied under the conditions laid down in that Treaty, on the one hand, and to the territory of the United Mexican States, on the other.

ARTICLE 57

Duration

1. This Agreement shall be valid indefinitely.

2. Either Party may denounce this Agreement by notifying the other Party. This Agreement shall cease to apply six months after the date of such notification.

ARTICLE 58

Fulfillment of obligations

1. The Parties shall adopt any general or specific measure required for them to fulfil their obligations under this Agreement and shall ensure that they comply with the objectives laid down in the Agreement.

   If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate measures. Before doing so, except in cases of special urgency, it must supply the Joint Council with all the relevant information required for a thorough examination of the situation, within 30 days, with a view to seeking a solution acceptable to the Parties.

In this selection of measures, priority must be given to those measures which least disturb the functioning of this Agreement. These measures shall be notified immediately to the Joint Council and shall be the subject of consultations in that Council, if the other Party so requests.

2. The Parties agree that the term "cases of special urgency" in paragraph 1 of this Article means a case of material breach of the Agreement by one of the Parties. A material breach of the Agreement consists of:

   (a) repudiation of the Agreement not sanctioned by the general rules of international law;

   (b) violation of the essential elements of the Agreement referred to in Article 1.

3. The Parties agree that the "appropriate measures" referred to in this Article are measures taken in accordance with international law. If a Party takes a measure in a case of special urgency as provided for under this Article, the other Party may ask that an urgent meeting be called to bring the Parties together within 15 days.

ARTICLE 59

Authentic text

This Agreement is drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish and Swedish languages, each of these texts being equally authentic.

ARTICLE 60

Entry into Force

1. This Agreement shall be approved by the Parties in accordance with their own procedures.

2. This Agreement shall enter into force on the first day of the month following the date on which the Parties notify each other of the completion of the procedures necessary for this purpose. The application of Titles II and VI shall be suspended until the adoption by the Joint Council of the decisions provided in Articles 5, 6, 9, 10, 11 and 12 of this Agreement.

3. Notification shall be sent to the Secretary-General of the Council of the European Union who shall be the depositary for the Agreement.

4. This Agreement shall replace the Framework Agreement for Cooperation between the European Community and Mexico signed on 26 April 1991 upon the date on which Titles II and VI become applicable, as provided for in paragraph 2.

5. Upon entry into force of the Agreement, any decisions adopted by the Joint Council established by the Interim Agreement on trade and trade related matters between the European Community and Mexico signed on ....[initialled on...] shall be deemed to have been adopted by the Joint Council established by Article 45.

ANNEX

PROTECTION OF PERSONAL DATA REFERRED TO IN ARTICLE 51

- Guidelines for the regulation of computerised personal data files, modified by the General Assembly of the United Nations on 20 November 1990.

- Recommendation of the OECD Council concerning guidelines governing the protection of privacy and trans-border flows of personal data of 23 September 1980;

- Council of Europe Convention for the protection of individuals with regard to automatic processing of personal data of 28 January 1981;

- Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

FINAL ACT

JOINT DECLARATION ON POLITICAL DIALOGUE BETWEEN THE EUROPEAN UNION AND MEXICO (ARTICLE 3)

1. Preamble

The European Union of the one part, and Mexico, of the other part,

- conscious of their historical, political, economic and cultural ties, and of the bonds of friendship between their peoples,

- mindful of their desire to strengthen the political and economic freedoms which are fundamental to society in the Member states of the European Union and Mexico,

- reaffirming human dignity and the promotion and protection of human rights as cornerstones of a democratic society, as well as the essential role of democratic institutions based on the rule of law,

- desiring to strengthen international peace and security in accordance with the principles of the United Nations Charter.

- sharing an interest in regional integration as a means of enabling their citizens to achieve sustainable and harmonious development predicated upon social progress and solidarity,

- building upon the preferential relations established by the Framework Cooperation Agreement signed between the Community and Mexico in 1991,

- recalling the principles set out in the Solemn Joint Declaration signed in Paris on 2 May 1995 by the Commission and the Council, of the one part, and Mexico, of the other part,

have decided to develop relations on a long-term basis.

2. Objectives

The European Union and Mexico consider that the establishment of greater political dialogue represents a fundamental aspect of their envisaged economic and political rapprochement and constitutes a decisive factor in promoting the principles set out in the preamble to this declaration.

That dialogue shall be based on the Parties' shared attachment to democracy and respect for human rights as well as the desire to maintain peace and establish a just and stable international order, in accordance with the United Nations Charter.

Its aims shall be to forge lasting links of solidarity between the European Union and Mexico, contributing to the stability and prosperity of their respective regions, to strive to implement the process of regional integration and to promote a climate of understanding and tolerance between their peoples and cultures.

It shall cover all subjects of shared interest and shall aim to open up paths towards new forms of cooperation with shared objectives, including by means of joint international initiatives, particularly in the areas of peace, security and regional development.

3. **Dialogue mechanisms**

The Parties shall conduct such political dialogue by means of contacts, information exchanges and consultations between the various Mexican and European Union bodies, including the European Commission.

It shall be held, in particular:

- at presidential level;
- at ministerial level;
- at senior official level;
- and by using diplomatic channels to maximum advantage.

Presidential meetings, the detailed arrangements for which shall be decided on by the Parties, shall take place regularly between the highest authorities of the Parties.

Meetings at ministerial level, the detailed arrangements for which shall be decided on by the Parties, shall take place regularly between the Ministers for Foreign Affairs.

OTHER JOINT DECLARATIONS

JOINT DECLARATION ON THE DIALOGUE AT PARLIAMENTARY LEVEL

The Parties underline the advisability of institutionalising a political dialogue at Parliamentary level by means of contacts between the European Parliament and the Mexican Congress (Chamber of Deputies and Senate).

JOINT INTERPRETATIVE DECLARATION ON ARTICLE 4

The commitments that result from Article 4 of this Agreement shall not take effect until the decision referred to in Article 5 is adopted, in conformity with Article 7 of this Agreement.

JOINT DECLARATION ON ARTICLE 24 (3)

The Parties confirm their multilateral obligations on maritime transport services undertaken as members of the WTO, taking also into account their respective obligations under the OECD Code of Liberalisation of Current Invisible Operations.

JOINT DECLARATION WITH RESPECT TO ARTICLE 35

Both Parties agree to give their institutional support, in the multilateral field, to the adoption, entry into force and enforcement of the International Code of Conduct for Responsible Fishing.

DECLARATIONS BY THE EUROPEAN COMMUNITY AND/OR ITS MEMBER STATES

DECLARATION BY THE EUROPEAN COMMUNITY ON ARTICLE 11

The Community declares that, until the adoption by the Joint Council of the implementing rules on fair competition referred to in Art.11 paragraph 2, it shall assess any practice contrary to that Article on the basis of the criteria resulting from the rules contained in Articles 85, 86 and 92 of the Treaty establishing the European Community, and, for products covered by the Treaty establishing the European Coal and Steel Community, by those contained in Articles 65 and 66 of that Treaty and the Community rules on State aids, including secondary legislation.

UNILATERAL DECLARATION BY THE COMMUNITY AND ITS MEMBER STATES ON THE INTELLECTUAL PROPERTY CONVENTIONS REFERRED TO IN ARTICLE 12

The Community and its Member States understand that the relevant multilateral conventions on intellectual property referred to in Article 12 paragraph. 2 b) include at least the following:

- Paris Convention for the protection of industrial property (Stockholm Act 1967 and amended in 1979);
- Bern Convention for the Protection of Literary and Artistic Works (Paris Act, 1971, amended in 1979);
- International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (Rome 1961);
- Patent Co-operation Treaty (Washington 1970, amended in 1979 and modified in 1984);
- Madrid Agreement concerning the International Registration of Marks (Stockholm Act 1967 and amended in 1979);
- Nice Agreement concerning the International Classification of Goods and Services for the purposes of the Registration of Marks (Geneva 1977, amended in 1979);
- Protocol to the Madrid Agreement concerning the international registration of marks (Madrid 1989);
- Budapest Treaty on the International Recognition of the deposit of Micro-organisms for the Purposes of Patent Procedure (1977, modified in 1980);
- International Convention for the protection of new varieties of plants (UPOV) (Geneva Act 1991);
- Trademark Law treaty (Geneva, 1994).

DECLARATION BY THE UNITED MEXICAN STATES

UNILATERAL DECLARATION BY MEXICO ON ARTICLE I

Mexico's foreign policy is founded on the principles enshrined in its Constitution:

Self determination of Nations
Non-intervention
Peaceful settlement of disputes
Prohibition of the threat or use of force in international relations
Juridical equality of States
International cooperation for development
The struggle for international peace and international security

Given its historical experience and the supreme mandate of its Political Constitution, Mexico expresses its full conviction that only the full observance of International Law is the foundation of peace and development. Mexico declares, likewise, that the principles of coexistence of the international community, as expressed in the United Nations Charter, the principles enunciated in the Universal Declaration of Human Rights and democratic principles, are the permanent guide of its constructive participation in international affairs and are the framework for its relationship with the Community and its Member States, governed by this Agreement, and for its relationship with any other country or group of countries.

FINANCIAL STATEMENT

The following financial statement concerning the evaluation of the budgetary expenditures and revenues linked to the implementation of this agreement was approved by the Commission in the context of the transmission to the Council of the draft directives for a New Agreement, on 23 October 1995.

1 **TITLE OF OPERATION**

Economic partnership and political consultation agreement between the European Community and Mexico.

2 **BUDGET HEADINGS INVOLVED**

(a) Implementation of the agreement will directly involve the following items:

B7-3010:	Financial and technical cooperation with Latin American developing countries
B7-3011:	Economic cooperation with Latin American developing countries
B7-5000:	Promotion of Community investment in developing countries of Asia, Latin America, the Mediterranean and in South Africa by economic cooperation and trade agreements
B7-5010:	Community contribution towards schemes concerning developing countries carried out by non-governmental organizations
B7-5020:	Commercial and economic cooperation agreements with third countries
B7-5040:	Environment in the developing countries
B7-5041:	Tropical forests
B7-5046:	Health programmes and the fight against HIV/AIDS in developing countries
B7-5050:	Aid for population policies and programmes in developing countries
B7-5051:	Women in development
B7-5077:	Decentralized cooperation in the developing countries
B7-5080:	North-South cooperation schemes in the context of the campaign against drug abuse
B7-5091:	Coordination of development policy, evaluation of the results of Community aid and practical follow-up measures
B7-5096:	Development cooperation inspectorate
B7-5230:	Democratization process in Latin America
B7-5300:	Measures to combat fraud in the cooperation sector

(b) Other items that may be used:

B4-1000:	Thermie II (Community programme of financial support for the promotion of energy technology in Europe)

B4-1041: European Energy Charter and cooperation with third countries in the energy field

B6-5211: Completion of the third framework programme (1990 to 1994) - projects concerned by Agreement on the European Economic Area

B6-5311: Completion of projects not covered by the framework programme and not concerned by Agreement on the European Economic Area

3 LEGAL BASIS

Economic partnership and political consultation agreement between the EU and Mexico

4 DESCRIPTION OF OPERATION

4.1 General objective

Conclusion of economic partnership and political consultation agreement between the EU and Mexico

4.2 Period covered and arrangements for renewal or extension:

The agreement will have no time limit.

5 CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Non-compulsory expenditure

5.2 Differentiated appropriations

5.3 Type of revenue involved: not applicable

6 TYPE OF EXPENDITURE OR REVENUE

Expenditure will usually take the form of a 100% grant, though operations may sometimes be co-financed with other donors (Member States).

The recipients will systematically be required to contribute according to their means.

7 FINANCIAL IMPACT

7.1 Method of calculating total cost of operation (definition of unit costs)

This Agreement establishes a framework for new measures to reflect the changing content and methods of Community cooperation/relations with Mexico in the light both of recent social and economic developments in that country and the developing political dialogue between it and the Union.

The objective is to bring about a qualitative improvement in relations by enhancing the Community's capacity to respond to specific new requests from Mexico on the basis of a new dialogue aimed at establishing a true partnership; it is not to create a specific budget for a new operation.

7.2 Itemised breakdown of cost

EC in ECU million (current prices)

Breakdown	Budget year n	n + 1	n + 2	n + 3	n + 4	n + 5 and subs. yrs	TOTAL
Total							

7.3 Schedule of commitment/payment appropriations

EC in ECU million

	n	n + 1	n + 2	n + 3	n + 4	n + 5 and subs. yrs	TOTAL
Commitment appropriations							
Payment appropriations							
n n + 1 n + 2 n + 3 n + 4 n + 5 and subs. yrs							
TOTAL							

8. Fraud prevention measures; results of measures taken

In order to ensure maximum accountability in the management of budget resources, projects are subject to the following procedures:

- committee for the assessment of restricted invitations to tender (technical assistance);
- system of codirectors (one local and one Community);
- project administration involving cost accounting;

- supervisory missions by desk officers and/or technical and/or financial units;
- ad hoc audits in conjunction with the relevant units of DG VIII;
- inspections by the Court of Auditors and Financial Control.

For projects of above-average duration involving large budgets, there will be annual financial and accounts audits, to be conducted by an internationally recognized firm.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantified objectives; target population

The objectives specific to each project are defined in the financing proposal, which includes an economic and financial analysis of the project and, where certain budget headings (e.g. B7-3010 and B7-3011) are concerned, is approved by the ALA Committee in the case of projects costing more than ECU 1 million. For other projects, the specific objectives are defined in the detailed commitment form accompanying each project.

Target population: indirectly, the whole population of Mexico, but especially:

- the private sector, business circles in Mexico and in Europe, taking due account of the principle of mutual interest;
- the most disadvantaged groups.

9.2 Grounds for the operation

The projects launched will be financed under existing budget items and are therefore underpinned by the financial statements accompanying those items in the PDB.

9.3 Monitoring and evaluation of the operation

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

10.1 Increase in the number of staff

The actual mobilization of the administrative resources required will depend on the annual Commission decision on the allocation of resources, taking into account any amounts or staff allowed by the budgetary authority.

The following comments on the need for additional resources shall be without prejudice to any decision on this subject by the Commission.

The allocation of any additional resource may be assessed only in the overall context of the priorities which the Commission may be required to decide in the framework and within the limits of the 1996 PDB.

I. Impact on the number of posts

(a) Relations with Mexico have so far been handled by an A official, who is also in charge of the Cuba desk, assisted by a non-regular A and a non-regular C official. They are unable to cope with the steady increase in political contacts, cooperation programmes and the day-to-day workload of the desk office generated by the stepping-up of relations over the past year.

The objective of the economic partnership and political consultation agreement is to strengthen relations between Mexico and the Union in all areas. The agreement will therefore bring with it qualitative requirements quite distinct from the volume of aid granted.

This agreement has to reflect the Union's will to maintain closer relations not only in the context of cooperation but in the form of deeper political dialogue and trade cooperation geared to the future liberalization of trade.

There must therefore be an increase in staffing, with one new temporary A official, one B official and one C official. Their responsibilities will be as follows:

A official and temporary A official

* Overall direction, overall consistency of policy, coordination of activities, in-house coordination, dealings with Mexico, information and dissemination, overall administration;

* technical monitoring of trade relations, supervision of the working parties that will be set up, coordination of trade-related issues with other departments, day-to-day handling of trade questions, preparations for meetings of the joint trade subcommittee, drawing-up of reports, studies and analyses on trade aspects of the future bilateral relations;

* cooperation: identification, implementation, management, monitoring etc.

B official

* Support to A officials, particularly data searches, processing of statistics, data processing, administration and accounting.

C official

* Secretarial back-up.

(b) This shall be without prejudice to any requirements which may arise in other Directorates-General as a result of strengthening relations with Mexico.

Type of post	Staff to be assigned to the project		of which		duration
	permanent posts	temporary posts	by using existing staff in the DG or service concerned	by recourse to additional staff	
Officials or temporary officials	A1 B1 C1	A1	A1	A1 B1 C1	(3 years)
Other staff		2	2		
Total	3	3	3	3	

10.2 Overall financial impact of the additional staff

	Total	Method of calculation
B3 officials	78 794	Gross salary. List of average annual
C5 officials	54 028	cost of existing posts.
Temporary A7 officials	88 436	
Other staff (indicate budget heading)		
Total	221 258	

The figures give the total cost of the additional posts for the entire duration of the project if it is of a fixed duration or for 12 months if it of unlimited duration.

II. Increase in other operational expenditure resulting from the operation: Mission expenses

From the outset of its dealings with the Community, Mexico has expressed its wish to receive technical assistance from the EC in several fields drawing on the Community institutions' technical experience. It has expressly asked to work directly with officials of those institutions.

The Commission has attempted to satisfy their requests by involving various DGs and departments in specific efforts to transfer integration know-how.

Even though the various DGs have expressed their readiness to take part in such activities, the financing of missions has proved very difficult. The Commission has had to refuse a considerable number of requests from Mexico owing to the lack of a specific budget.

These handicaps will be exacerbated if no suitable arrangements are adopted to facilitate these specific activities, especially since the economic partnership and political consultation agreement would extend the scope of this technical assistance.

Since it is impossible to forecast by how much each DG's reserve should be increased, leaving aside the agreements between DGs on the authorization of missions, a further ECU 50 000/year should be budgeted from 1996 just to cover operations in this field, to be initiated and coordinated by departments of the DG handling relations with Mexico.

An estimate of additional funds are therefore estimated for projects to transfer the particular expertise of the Community institutions to Mexico.

The estimated funding is intended for the organization of missions averaging one week for ten officials.

Budget heading (No)	Amount	Method of calculation
A 1300	50 000	See table below
Total	50 000	

Number of missions	Average cost of ticket	Average daily allowance	Total (ECU)	Round total (ECU)
10	3 500	207	49 490	50 000

The figures give the total cost of the project if it is of a fixed duration or the cost for 12 months if it is of unlimited duration.

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