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Building a Global Presence: Institutional Challenges in Strengthening Mexico's Role in International Cooperation

During the 1990s, Mexico took divergent paths in developing its role as an international presence. In the area of economic integration and market liberalization, Mexico became a pioneer of institutional development among emerging markets and an example to the developing world. At the same time, Mexico failed to institutionalize its international cooperation agenda.

This paper advocates the passage of an international cooperation law that will provide Mexico with the legal, administrative and financial tools to act more strategically. It also offers operational recommendations for how Mexico can overcome existing obstacles to its cooperation agenda.

Introduction

During the 1990s, Mexico took divergent paths in developing its role as an international presence. In the area of economic integration and market liberalization, Mexico became a pioneer of institutional development among emerging markets and an example to the developing world. At the same time, Mexico failed to institutionalize its international cooperation agenda.¹

Mexico's implementation of the North American Free Trade Agreement (NAFTA) and its accession into the Organization for Economic Cooperation and Development (OECD) in 1994 signaled a new role for Mexico not only in the global marketplace, but also in the international development agenda. NAFTA and OECD membership effectively transformed Mexico's role in world affairs. In 1994, Mexico relinquished its G-77 membership in the UN consistent with its OECD credentials.

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Major economies expected that Mexico would evolve to play a more prominent role as an international cooperation donor.² Reflecting its increasingly outward-oriented agenda, in 1993, Mexico became a member of the Asia Pacific Economic Cooperation (APEC) mechanism and in 1997, it established the Global Agreement with the European Union, its first including a free trade agreement, political dialogue and an international cooperation agreement.

While these new relationships increased Mexico's international prestige and economic opportunities, they also required institution-building in a number of areas, such as competition, intellectual property, telecommunications, trade, and regulation. These institutions would form the foundations for Mexico's economic modernization.

Just as Mexico transformed its economic institutions to respond to its deeper integration with the global marketplace, it attempted to build institutions for cooperation policy that reflected its larger presence in the international community. In 1998, during President Zedillo's Administration, Mexico created its first cooperation agency, the Mexican Institute for International Cooperation (IMEXCI), within the Ministry of Foreign Affairs (SRE), which also made a first attempt to draft an IC law. The goal was to enable Mexico to carry out cooperation in a coherent manner consistent with Mexico's foreign and domestic policies.³ However, in contrast to the institution-building process in the economic arena, Mexico's efforts to establish an international cooperation agenda were not sustained. After the Fox administration arrived

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in 2000, IMEXCI was dismantled, leaving Mexico with an institutional vacuum.

In December 2007 Mexico's Senate addressed this gap by approving the Law for International Development Cooperation, sponsored by PRI Senator Rosario Green, who had been Secretary of Foreign Affairs under President Zedillo.⁴ In order for the law to be enacted, the lower chamber of Congress must approve it, and President Calderon must sign it.

The Calderon administration has an historic opportunity to re-position Mexico in international cooperation since the legislative initiative includes an institution building process that would improve Mexico's position to further advance its national development and foreign policy agendas.

The Calderon administration is already playing a prominent role in areas of the international cooperation agenda, such as drug trafficking through the Merida Initiative and UN debates, global climate change through the proposed

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“Green Fund” and its leading voice in the Major Economies Forum on Climate Change,⁵ regional development through the Mesoamerican Development Project (MDP) and international financial architecture through Mexico’s role in the G-20. In the Heiligendamm Process, the high level dialogue between the industrialized countries gathered in the G8 and the G-5 (Brazil, China, India, Mexico and South Africa) international cooperation for development is one of four priority areas, and Mexico could position itself to act as a bridge between the North and the South.

As in most policy areas, IC in Mexico has required a structural reform for some time already.⁶ While that reform requires resources and thinking, above all it requires a political vision that recognizes the benefits of IC for Mexico. The premise of this paper is that Mexico can influence the evolution of international cooperation and obtain greater political, economic and development benefits from cooperation if it builds the appropriate institutions and organizational mechanisms. Such an institution-building process will allow Mexico to develop a long term strategy and improve its ability to respond promptly and proactively in international cooperation. In addition, advancing a substantive IC agenda would give the rest of the world an image of Mexico as a constructive problem-solver.

This paper advocates the passage of an IC law that provides Mexico with the legal, administrative and financial tools to act more strategically. It also offers operational recommendations for how Mexico can overcome existing obstacles to its cooperation agenda.

Mexico’s role in international cooperation

International cooperation matters for technical and political considerations as a foreign policy instrument and a tool to further promote domestic development. IC offers a way to reduce tensions and opens soft venues for dialogue among countries.⁷ IC is not only an “aid-related practice;” it can lead to a win-win partnership.⁸ As a foreign policy instrument, IC is one of the few Mexico has to effectively leverage, advance and defend its national interests abroad. As an economic development instrument, IC has been directed towards achieving the Millennium Development Goals (MDGs) and enhancing technical capabilities.

For decades already, Mexico has participated in shaping an ongoing debate on international cooperation for development within the UN system, the OECD’s Development Assistance Committee (DAC), APEC’s Economic and Technical Subcommittee⁹ and more recently in the Heiligendamm Process (HP). In the OECD DAC, Mexico holds an observer role but has committed to the 2005 Paris Declaration and the 2008 Accra Agenda for Action.¹⁰

Mexico has also been a long-term advocate and practitioner of South-South (SSC) and triangular cooperation (TC).¹¹ The former involves at least two developing countries that engage in cooperation, while the latter typically combines resources and capacities of a developing and developed country to offer assistance to a third country. SSC is only beginning to come in the form of fresh resources from countries such as China or India.¹² Both modalities have become increasingly common to achieve the MDGs, but are no substitutes to cooperation from the

North.

In Heiligendamm, Mexico enjoys a unique position as it is the only developing country practicing SSC and TC while also being an OECD member. This allows Mexico to both understand the needs of the South and the concerns of the North in effectively implementing aid assistance for development.¹³ Heiligendamm acknowledges the potential that TC offers to promote development and has adopted an Africa focus to define the collaboration discussion.¹⁴ However, there is interest in enlarging to other geographic regions. Here Mexico could play a defining role given its history in Latin America to advocate and promote including the region in the HP cooperation agenda.¹⁵

Notwithstanding Mexico's great potential in promoting IC, institutional realities limit what can be achieved. In 2005, SRE commissioned a paper to CIDE, a prestigious Mexican academic institution, to evaluate Mexico's international cooperation policy.¹⁶ The study found that Mexico's IC has been characterized by serial ad hoc adjustments that have undermined institutional continuity and led to fragmented programs without strategic vision or coordination. The study concludes that Mexico has been unable to articulate an IC policy that sets priorities, coordinates actors and actions and provides resources.¹⁷ Within the DAC debates, a similar conclusion has been reached by Mexico's Delegation to the OECD.¹⁸

Stumbling blocks in IC institution building

Since the 1980s, Mexico has attempted several times to establish a cooperation policy and create the proper institutional mechanism. However, each attempt has

failed. This section explores these episodes and lessons they may hold for future efforts.

In 1985, Mexico created the Directorate in Chief for International Cooperation within the Ministry of Foreign Affairs (SRE). In 1990 Secretary Fernando Solana established the Mexican Commission for Cooperation with Central America that coordinated Mexico's foreign policy agenda in the region and helped the stabilization efforts in Central America. The Commission coordinated activities from 23 different Mexican government agencies. In 1994 Secretary José Angel Gurría expanded the Commission's scope to include the Caribbean; it was later integrated into IMEXCI.

In 1994, under President Zedillo the Undersecretariat for International Cooperation was created within SRE.¹⁹ The process reached a new stage in 1998 when Mexico created the Mexican Institute for International Cooperation (IMEXCI), the first Mexican agency for international cooperation. Secretary of Foreign Affairs Rosario Green conceived IMEXCI as an instrument for a coherent articulation of Mexico's domestic and foreign interests through international cooperation.²⁰ IMEXCI reflected the conviction of President Zedillo and Secretary Green of the importance of IC, especially with Central America.²¹ IMEXCI focused on reinforcing Mexico's institutional capacities by training personnel and enhancing coordination with bilateral and multilateral cooperation programs mainly in Central America.²²

IMEXCI, however, was born with an institutional weakness; it was created by presidential decree. This meant that its structure could be modified or eliminated by simply changing

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the Ministry's internal regulation. As a result, the new institution lived a short life. It was terminated in 2001 after Jorge Castañeda took office as Mexico's Secretary of Foreign Relations under the Fox administration. IMEXCI's administrative structure was used to create the new Undersecretary for Economic Relations and the different cooperation areas were spread throughout SRE.²³ This restructuring was justified by the more prominent role that SRE was supposed to play in trade negotiations and investment promotion; a project that never took off. Castañeda's rationale for eliminating IMEXCI is not clear since he provided no explanation in his inauguration speech in which he announced the decision.²⁴ For example, it is possible that the President's interest in Plan Puebla-Panama, an ambitious infrastructure program for Mesoamerica, became a higher priority than IC. IMEXCI's dismantling was also accompanied

by a shift in policy priorities from technical cooperation to education and culture. Castañeda proposed creating a network of Mexico Institutes (that lived a short life), in the same fashion as the British Council or the Cervantes Institute, focusing on promoting Mexico's image by spreading Mexico's rich cultural heritage abroad.²⁵

The discretionary power of the Secretary to make these kinds of decisions might also have played a role. Like in any other Mexican ministry, the Secretary had the legal capacity to modify or eliminate IMEXCI by changing internal regulations. IMEXCI's weak institutional foundations made it the ideal candidate to reallocate resources for new priorities. Experience shows that for an institution building process to succeed a law is necessary; an executive decree provides no political or legal basis for survival.

Mexico's role in South-South and Triangular Cooperation

Mexico's present and future role in international cooperation has been increasingly on the side of the donor but lacks the institutional capacity to respond accordingly. Countries such as Brazil, China, India, Mexico or South Korea are being identified as "emerging donors" (although they have decades of experience offering SSC). These countries have deliberately used IC as an instrument to advance both their foreign policy agendas and their national development goals.

Between 1960 and 1980, Mexico's cooperation policy was long on discourse and short in action. In the 1980s, resources from the oil boom allowed Mexico to become a more active player in IC, especially in Central America and the Caribbean. For example, Mexico and Venezuela

devised the San Jose Pact (1980) to help Central American and Caribbean countries overcome the oil price shock by offering them preferential financing conditions.²⁶ Such Pact is run by the Ministry of Finance (SHCP) while SRE has little intervention in defining how resources are allocated.

More recently, in March 2001, President Fox announced with great fanfare the Plan Puebla-Panama (PPP) as an initiative that would transform the region's infrastructure and boost growth and development in Central America and nine southern Mexican states.²⁷ The PPP suffered serious setbacks since its inception.²⁸ It lacked institutional ownership as it first belonged to the Office of the President and was later transferred to SRE. At the regional level, it was not until 2004 that the PPP was vested with an institutional structure.²⁹

The PPP was born without a budget. Resources were scarce and came late. In Mexico, each ministry responsible for each project had to allocate resources for the PPP from their own budget. This created a zero sum situation in which every peso spent on the PPP would be taken away from existing projects. Among Central American countries, the IDB was key in helping each one raise funds for their share of the projects.³⁰

At the end of the Fox Administration, the PPP had established its institutional foundation, but lacked credibility.³¹ Although President Calderon had some misgivings about the effectiveness of the PPP, he decided to restructure it and reduced the number of projects. In April 2007 during the Tuxtla Summit, the PPP became the Mesoamerica Integration and Development Project (MDP).³²

The PPP/MDP became the backbone of Mexico's regional cooperation and integration with Central America as it became the implementing arm of the summits on the Tuxtla Dialogue and Consultations Mechanism. Technical cooperation programs for the region were also approved in Tuxtla; however their design and implementation were not aligned with the PPP. As a result technical cooperation towards Central America remained fragmented, lacked a strategic vision, and its results were hard to assess from a comprehensive foreign policy perspective. Eliminating the IMEXCI made it even more difficult to integrate a strategy with the PPP in Mexico's overall cooperation policy towards its priority geographic region.

When a major earthquake struck Haiti in January 2010, Mexico offered a timely response in the midst of the tragedy. Mexico pledged \$8 million to the UN to help Haiti, a record amount for its own standards. The Mexican Navy sent its hospital vessel (Huasteco) with medical staff and 50 tons of food and a second vessel (Papaloapan) with supplies for the emergency stage. Mexico also established a "Haiti airlift" to transport supplies and personnel (medical, rescue, engineers, and technicians) to help in the emergency and relief efforts. President Calderon personally became involved in Mexico's aid to Haiti and called upon Mexican civil society to donate goods and money. While Mexico's timely and sizeable response was commendable, it is worth noting that the President's personal involvement was necessary to make it happen. Nevertheless, Mexico will not be able to gain a coherent or accurate sense of how much aid it offered Haiti. Different agencies, levels of government and civil society found it difficult to

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coordinate efforts to offer assistance. In short, Mexico's timely response to the Haiti quake reflected both the magnitude of the disaster and the President's personal involvement, neither of which are typical for international cooperation efforts. Mexico's relief efforts in Haiti underscore once again the need for Mexico to acquire an IC institutional framework.

Mexico has a record of practicing TC in Central America and other countries in Latin America. This has given it great potential to become a bridge in larger cooperation projects and an attractive cooperation partner. When Mexico has participated in TC, it has been in response to cooperation demands from agencies and/or developing countries (Japan,

France, Germany) rather than as a result of a proactive agenda. Mexico has become an attractive cooperation partner because it has developed technical expertise from cooperation programs it has received from these countries.

Major donors such as Japan, Spain, Germany or UN agencies and programs expect that Mexico will play a more prominent role in international cooperation and can act as a "partner" in developing projects, especially in Latin America and the Caribbean, given its role as emerging donor.³³ This is consistent with Heiligendamm. But before Mexico can become a substantive partner in triangular cooperation, Mexico has to define the role it wants to play in IC and has to create the proper institutional setting that will effectively allow it to act as donor.

Mexico as Aid Recipient

Historically, Mexico has been a marginal ODA recipient. According to the OECD DAC statistics, in 2007 Mexico received US\$121 million in ODA. Mexico's highly unequal income distribution has made it the recipient of technical cooperation from major donors. Nonetheless, Mexico has had major difficulties in receiving technical cooperation because its institutional, legal, administrative and financial mechanisms are not IC-friendly.

Many examples can be cited to illustrate how much Mexico has been losing, and will continue to lose, under the current institutional vacuum. One that exemplifies almost every dimension of the problem is the implementation of the Capacity Building Project for Trade Facilitation (TFP) under the Mexico-EU Cooperation Agreement.³⁴

The implementation of the cooperation agenda was extremely difficult as a result of administrative, legal, financial and institutional constraints. First, the lack of a cooperation agency made the implementation of the whole Program and each project very awkward. SRE lacked the technical and administrative resources for an efficient and effective management of the EU's Mexico Program 2002-2006.

Second, Mexico lacks clear financing rules for Mexico to participate in horizontal cooperation with matching funds, so it took almost three years to define the financial mechanism for the TFP.³⁵ This delay put the project at risk since the EU has a rule which stipulates that its cooperation funds need to be allocated three years after the project has been approved; otherwise the money goes back to the European Commission.

Third, Mexico's Procurement Law does not provide for any kind of IC regulation. A waiver from the Ministry of Public Management (SFP) was required to apply EU procurement rules in all bidding processes in Mexico that involved both Mexican and EU financial resources.

Fourth, unlike the EU case, Mexico has no

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line item in the federal budget to allocate monies for technical cooperation so the Ministry of Economy (SE), responsible for the project, had to make specific requests to SHCP for its funding.³⁶

Fifth, Mexico-EU cooperation projects last several years, which posed an additional challenge since Mexico's Budget Law requires that SHCP approves multi-annual budgets. Sixth, EU regulations forbid any tax payment on EU resources in the beneficiary country.³⁷ Thus, SHCP and SFP had to approve government agencies paying the VAT from purchases made in Mexico with EU moneys.

The absence of rules and laws on how Mexico can implement IC resulted in a slow and convoluted implementation of this cooperation program.³⁸ Mexico contrasts with Chile, which has in place an institutional framework for international cooperation and an Agency. Chile allocated 65% of resources for its Cooperation Program with the EU in the first year.³⁹

Mexico's Policy Options

The previous sections have addressed Mexico's weaknesses and challenges to effectively practice cooperation. They have also underscored the opportunities that lie ahead for Mexico if the proper institutional setting and resources were in place. The remainder of this paper examines legal and administrative reforms that would need to take place to allow Mexico to play a more active role in IC, and specifically in SSC and TC. It also points to the actors that will need to align in order for these reforms to take place.

1. An IC Law

A law regulating Mexico's IC would be a first step towards and institution building process. This law, already in the works, is essential to define the legal and political foundations for development co-operation and to provide policy sustainability.

A first attempt to draft an IC law took place under the Zedillo Administration. A second attempt may have a better end with the initiative presented by PRI Senator Rosario Green on March 8, 2007. Mexico's Senate approved it in December 2007 with the consensus of the three major parties (PAN-PRD-PRI), after discussions within the Senate's Foreign Relations Commission, and a seminar co-sponsored by Sen. Green, Sen. Adriana González (PAN) and Sen. Rosalinda López (PRD). The seminar, which gathered international organizations and cooperation agencies, addressed the value of IC and offered a forum to discuss different perspectives on alternative institutional designs to manage IC.

On February 1, 2008, the approved legislation was turned to the Lower Chamber. In August 2008, the PRD invited congressional representatives, academia, NGOs and public officials to a roundtable discussion on the legislative proposal. From these debates it was clear a consensus among stakeholders exists on the necessity of this law since IC remains a key development instrument for Mexico, and will increase transparency in this area.⁴⁰ On September 30, 2008, Dep. César Duarte, the Chair of the Lower Chamber (Mesa Directiva) turned the IC proposal to the Foreign Affairs Commission chaired by Congressman Gerardo Buganza (PAN-Veracruz). He indicated his intention of revis-

MEXICO IS THE ONLY COUNTRY IN THE OECD DAC THAT CANNOT REPORT ITS COOPERATION STATISTICS.

ing the initiative to guarantee consistency with Mexico's fiscal regime before he called for a vote. Notwithstanding this initiative's wide support, Dep. Buganza never submitted it for discussion in the Foreign Relations Commission or called for a vote.⁴¹ While the initiative seemed non-controversial, it got trapped in the gridlock of the legislative process where initiatives related to remittances, poverty alleviation, migrants, social programs, fuel prices, etc. were also stuck. The major political forces in Congress were unable to build the required consensus.

With the inauguration of the new legislature in September 2009 and with the PRI majority in the Lower Chamber, this legislation may yet be approved. The Foreign Relations Commission started the review process in February 2010. If the bill receives the Commission's approval, it may be sent to the Chamber during the second session (February – April 2010) of the 61st Congress. If approved in Congress and President Calderon signs it, SRE will be the major winner since it will be better endowed to respond to the law's mandate of planning, coordinating and implementing IC. Moreover, all ministries and federal agencies involved in IC will benefit since this law will make their job easier. President Calderon will have the opportunity of having this IC Law as his legacy in an area where his Administration has vested political capital:

the Green Fund, the Mesoamerica Project, the Heiligendamm Process, etc.

The law is straightforward and mandates the creation of a sectoral IC program to strategically develop IC by prioritizing geographic regions, sectors and partners. It could make Mexico's IC policy more proactive and would ensure more coherence.⁴² The current legislative initiative underscores Central America and other countries in Latin America and the Caribbean as the privileged regions for Mexico's cooperation. Consistent with Mexico's role in the HP, Mexico could develop programs to reach Africa through TC partnerships. Mexico could also choose to work in areas where cooperation can go hand in hand with industry or research centers.⁴³

a) A Mexican International Cooperation Agency.

The legislative initiative goes back to the origins of IMEXCI and mandates the creation a Mexican Cooperation Agency within SRE to guarantee alignment and coordination between cooperation activities and Mexico's foreign policy in line with international best practices: the Brazilian, Chilean, or Spanish Cooperation Agencies are part of the Ministries of Foreign Affairs.⁴⁴

In the current economic downturn, in which Mexico faces drastic spending cuts, it might seem improbable to allocate fresh resources to create such an Agency. However, the new institution can be created at a very low cost. First, the structure could come from putting back together those areas that were previously part of IMEXCI and now are scattered throughout the SRE. Second, fresh resources could come from administering cooperation projects at home and abroad. Third, Mexico currently has resour-

es in the San Jose Pact common fund of around US\$150 million that could be used to create a fund for the Agency to operate.

An IC Agency does not require a big bureaucracy. For example the 1990 Law that created the Chilean Agency provides for 30 positions,⁴⁵ while the US Millennium Challenge Corporation has a small staff of US based development specialists that focus on aid applications and fund transfers.⁴⁶

It is the opinion of several international organizations and international cooperation agencies in Mexico that a Cooperation Agency would provide credibility, certainty and predictability to Mexico's cooperation policy and help coordinate and facilitate Mexico's IC at home and abroad.⁴⁷ A Cooperation Agency would also enhance visibility.

b) An information system on IC.

The initiative addresses the question of transparency by providing the creation of Mexico's IC information system. Today Mexico does not have a clear picture of how much assistance it has offered.⁴⁸ Mexico is the only country in the OECD DAC that cannot report its cooperation statistics. Information from Mexico's Ministry of Foreign Affairs reveals that in 2008 bilateral, regional and triangular technical cooperation offered by Mexico amounted to 178 projects worth US\$2,578,448.⁴⁹

These numbers only reflect the resources coming from the SRE budget (see Table 1). On the receiving end, the only information available comes from the OECD/DAC where donors report how much cooperation they offer to Mexico; that includes financial, technical and

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humanitarian. The legislative initiative mandates that Mexico has an information system on cooperation as a basic policy instrument to provide feedback and inputs.

An information system is currently being developed by the General Direction on Technical and Scientific Cooperation (DGCTC) within SRE and includes data from federal agencies, local governments, academia and NGO's practicing IC in Mexico.⁵⁰ It will be the first national and public IC database in Mexico and is expected to be released in 2010.⁵¹ This IC information system will provide a powerful policy tool as it will enable to assess past actions and monitoring of in-process activities. It will allow not only policy makers but also the general public to have a better picture of where Mexico is in terms of receiving and offering cooperation. However, without a Law the system's existence would be at risk when a new administration comes in.

II. Legislative Package

While Mexico needs an IC Law, a proper IC-friendly regime would require adaptation of other laws, such as budget, fiscal, or procurement laws and their regulations, since they directly affect the operation of Mexico's IC.

a) The Budget Law.

The cooperation Mexico receives normally takes the form of multi-annual matching funds. However, Mexico's Revenue Law only considers financial cooperation through international loans and donations but says nothing about matching or joint cooperation funds that operate on a multi-year basis.⁵² The lack of clarity in the way Mexico can oper-

ate cooperation funds has delayed project operation undermining Mexico's capacity to attract more projects as has been the case with the Mexico-Chile Strategic Association Agreement.⁵³

Currently, financial resources for IC come from each agency or ministry's regular budgets and through two line items in the federal budget: 3826 (fees to international organizations) and 7502 (transportation and per diem expenses of personnel). Such line items are general and not exclusively for international cooperation programs or activities making it extremely difficult to identify how much money goes to technical cooperation, missing the actual cooperation picture.⁵⁴

A specific line item for international technical cooperation programs and activities in the Federal Budget, which could be used on a multiannual basis, would not necessarily mean more resources: it would mean more transparency and predictability. Such a line item would allow Mexico to plan for medium or long term projects, which is the nature of cooperation, and have a more precise estimate of how much Mexico allocates to IC. SRE and SHCP could jointly work this amendment to the Budget Law.

b) Fiscal regulations.

Mexico has entered into IC agreements under which the donor (e.g. the EU, Japan, Germany) is forbidden from paying taxes on the purchases or contracting made in Mexico. However, Mexico's fiscal law does not consider offering tax free status to financial resources coming from abroad and

intended to support technical cooperation projects or programs in Mexico. Mexico's fiscal code (Article 39) allows for some exceptions.⁵⁵ Mexico could use this same provision to extend this treatment to IC projects in Mexico to be consistent with international obligations. This is another area in which SRE and SHCP would need to work together.

c) Public Procurement.

Since financial resources for IC are public, purchases made in Mexico for the implementation of cooperation programs need to abide by its public procurement rules when Mexican money is involved. For the same reason, donors also need to observe their own procurement laws, which make the bidding processes lengthy and convoluted. Given the nature of horizontal cooperation in Mexico, this has become the norm. When Mexico has offered help to address emergencies derived from natural disasters Mexico's procurement law has operated against offering an efficient and timely supply, thus undermining Mexico's political and humanitarian role. While observance of procurement laws is not into question, having a friendly IC regulation would facilitate purchases and acquisitions for IC projects in Mexico and abroad.

Conclusion

In 2000, Mexico's IC institution building process got trapped in policy decisions that departed from Mexico's record in IC at home and abroad. This derailing has put Mexico at a disadvantage vis-à-vis other countries in Latin America (Brazil, Chile or Venezuela) and in other geographic regions (China, India,

South Africa) because of a weak institutional setting.

Mexico has yet to find its proper role in IC and to establish firm institutions with which to operate and reap the benefits from its IC investments both at home and abroad. In Latin America countries like Brazil or Chile have successfully used IC to advance their own domestic and foreign policy agendas, successfully positioning themselves as key players in the global arena. IC has acquired a more prominent role on the foreign policy agenda of countries like Spain that has integrated international cooperation policy with its foreign policy agenda. IC offers a powerful political tool that Mexico still has to take advantage of.

The process has already started with the Senate's legislative initiative. If this law is approved by Congress, President Calderon will be in a unique position to enhance Mexico's positive role and contributions in South-South and Triangular Cooperation, and ratify Mexico's commitment to the UN Millennium Development Goals. A more prominent role of Mexico in IC also has the potential to help transform Mexico's image as violent and insecure to one that underscores Mexico's contributions to the world.

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Table 1.

Mexico's Technical Cooperation in Latin America and the Caribbean, 2008

Country	Number of Projects	US Dollars
Argentina	1	1374
Belize	3	14040
Bolivia	4	17907
Brazil	1	1235
Chile	9	1614948
Colombia	10	19202
Costa Rica	1	1355
Ecuador	11	31117
El Salvador	21	61089
Granada	1	6146
Guatemala	13	24132
Honduras	12	22964
Nicaragua	8	22364
Panama	9	15,711
Peru	7	31782
Uruguay	3	2,472
Regional	3	25002
Caribbean		
Cuba	2	4401
Jamaica	8	36572
Dominican Rep.	5	15839
Haiti	5	59528
St. Lucia	1	13097
St. Kitts and Nevis	1	13794
Trinidad & Tobago	1	6278
Regional	2	84417
Trilateral		
with Germany	3	31682
with Japan	7	0
International Organizations	26	400,000
Total	178	2,578,448

End Notes

1. For the purpose of this paper, the term international cooperation refers to technical development and disaster-related assistance.

2. Jorge Alberto Lozoya. México y la Cooperación Internacional. *Revista Mexicana de Política Exterior*, No 44. Autumn 1994. p. 138. Gerardo Bracho. México: hacia una nueva política de cooperación internacional. Mexico. OECD Delegation. May 2007. Interview. Magdy Martínez Soliman. UN Permanent Representative in Mexico. Mexico City, Mexico. September 14, 2009.

3. Jorge Alberto Lozoya. La Nueva Política Mexicana de Cooperación Internacional y su Entorno Mundial. <http://molinamiguel.files.wordpress.com/2008/02/la-nueva-politica-mexicana-de-cooperacion-internacional-y-su-entorno-mundial.pdf>.

4. Senado de la República. Proyecto de Decreto, que Expide la Ley de Cooperación Internacional para el Desarrollo. México, DF, a 13 de diciembre de 2007.

5. In the 2008 G5-G8 Summit Calderon first introduced the idea of a \$10 billion "Green Fund" to fight climate change using a scheme of shared responsibility or horizontal cooperation. The fund would be administered by an international organization such as the World Bank or some other multilateral agency. It would be funded by contributions from all nations and open to finance projects worldwide as opposed to largely private-sector carbon credit markets. Mexico. Presidencia de la República. "Mexico Inserts Green Fund Proposal into G-8 and G-5 Meeting" Wednesday, July 9, 2008. Mark Stevenson "Mexico: 'Green fund' better than carbon credits". AP foreign, Tuesday June 23,

2009. <http://abcnews.go.com/International/wireStory?id=7903715> (Accessed on August 21, 2009)
6. Jorge Alberto Lozoya. México y la Cooperación Internacional. *Revista Mexicana de Política Exterior*, No 44. Autumn 1994. p. 139.
 7. *Ibid.* p. 133.
 8. Rosalba Ojeda. Mexico's experience in the area of TCDC and International Cooperation. SP/XV.RDCIALC/Di N° 7-02 XV Meeting of Directors of International Cooperation of Latin America and the Caribbean Montevideo, Uruguay. March 11-13, 2002) SELA/MRE Uruguay. http://www.sela.org/public_html/AA2K2/eng/docs/coop/spxvrdcialcdi7-02/spxvrdcialcdi7-2.htm (Accessed August 17, 2009).
 9. Since 1994, Mexico has participated in 156 ECOTECH projects. Mexico has proposed 23 projects and cosponsored 133. Mexico's Ministry of Economy. General Direction Multilateral and Regional Negotiations.
 10. The Paris Declaration establishes five major principles (ownership, alignment, harmonization, managing for results and mutual accountability) that donors should follow when offering ODA so as to guarantee the attainment of the MDGs. OECD. Paris Declaration on Aid Effectiveness. 2005.
 11. The PPP/MP was presented as a case of good practices in SSC during the OECD Third High Level Meeting on Aid Effectiveness. World Bank, CIDA. Construyendo una nueva relación de cooperación. La Declaración de París sobre la Eficacia de la Ayuda Accra, Ghana. September 2009. p. 3.
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35. The European Union offered Mexico assistance to facilitate the implementation of the Free Trade Area by providing technical assistance and promoting economic alliances between EU and Mexico focusing on small and medium enterprises (technology transfer, entrepreneurial cooperation) to enable them to effectively take advantage of the opportunities created by the FTA.

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39. The money was allocated to an SME Project (Innovating firms) worth 17.2 million euros and a trade facilitation project (Implementing Fund of the Association Agreement) worth 5 million euros. Together

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