

**Support to climate change mitigation measures  
SEMARNAT**

**Development Engagement Document  
Annex D to  
Danish Climate and Energy Partnership Program in Mexico  
Development Engagement 3**

**FINAL**

## **Table of Contents**

1	INTRODUCTION.....	3
2	PARTIES .....	3
3	DOCUMENTATION .....	3
4	BACKGROUND.....	3
5	DEVELOPMENT ENGAGEMENT OBJECTIVE.....	5
6	THEORY OF CHANGE.....	8
7	RESULTS FRAMEWORK .....	8
8	RISK MANAGEMENT .....	10
9	INPUTS/BUDGET .....	10
10	MANAGEMENT ARRANGEMENT .....	11
11	PROCUREMENT AND FINANCIAL MANAGEMENT .....	12
12	MONITORING AND EVALUATION .....	13

## **1 INTRODUCTION**

The present Development Engagement (DE) document details the objectives and management arrangements for the development cooperation concerning the support to climate change mitigation actions by SEMARNAT for the period from July 2017 to June 2020 as agreed between the parties specified below. The Development Engagement document is annexed to the Mexican Partnership Programme document with the Implementing Partner and constitutes an integrated part hereof together with the documentation specified below. This DE with SEMARNAT is part of the support provided through the Climate and Energy Partnership Programme between Mexico and Denmark. The Partnership Programme with Mexico is embedded in the Danish Energy Agency (DEA) Energy Partnership Programme (DEPP) supported by the Danish Climate Envelope focusing on four countries including also China, South Africa and Vietnam.

## **2 PARTIES**

The Danish Energy Agency  
Amaliegade 44  
1256 København K  
Denmark

and

Ministry of Environment and Natural Resources (SEMARNAT) of Mexico  
Av. Ejército Nacional 223,  
Col. Anáhuac, Ciudad de México. C.P. 11320

## **3 DOCUMENTATION**

The partner documents that support this intervention are:

- General Law on Climate Change (LGCC in Spanish), June 6, 2012 – update from May 13, 2015.
- National Strategy on Climate Change (ENCC in Spanish), June 2013.
- Special Program on Climate Change (PECC in Spanish) 2014-2018, November 2014.
- Climate change mitigation and adaptation commitments for 2020-2030, April 2015.
- Intended Nationally Determined Contribution (INDC) to the Paris-Agreement at COP 21. 2015.
- Programa Annual de Trabajo 2016 - INECC

## **4 BACKGROUND**

Mexico is known to be an active player in international climate and energy dialogues and has a wide range of climate and energy policies, with targets and supported by plans and strategies. Since the year 2000, Mexico has published three National Strategies on Climate Change and in 2009 adopted its first Special Program on Climate Change. In addition, Mexico has presented five National Communications with their respective greenhouse gas inventories to the United Nations Framework Convention on Climate Change (UNFCCC).

In April 2012, the General Law on Climate Change (LGCC in Spanish) was approved and made Mexico the first developing country to have a comprehensive law on this subject.

Mexico ratified the Paris Agreement in September 2016, and was the first developing country to present its INDC in March 2015. In this, Mexico is committed to reduce unconditionally 22% (below business-as-usual) of its GHG and 51 % Short Lived Climate Pollutants (SLCP) emissions in 2030. This commitment implies that net emissions peak starting from 2026, thus decoupling GHG emissions from economic growth, reducing emissions intensity per unit of GDP by around 40% from 2013 to 2030. The 22% reduction commitment on GHG could increase up to a 36% in a conditional manner, subject to a global agreement addressing important topics including international carbon price, carbon border adjustments, technical cooperation, access to low-cost financial resources and technology transfer, all at a scale commensurate to the challenge of global climate change. Within the same conditions, SLCP reductions could increase up to 70% in 2030. While there are no specific targets for clean energy included in the INDC, given the large role of the energy sector in emissions, the peaking of net emissions will require a significant contribution from mitigation in the energy sector. How the commitment translates into RE and EE is still to be analysed in detail.

The energy sector is the second-largest source of greenhouse gas emissions, after transport, not least due to high dependency on fossil fuels, the main sources of primary energy supply (91%), and with 80% of the electricity generated from fossil fuels. According to the first Biennial Update Report submitted to the United Nations Framework Convention on Climate Change in 2015, Mexico's emissions reached 665 MtCO<sub>2</sub>e in 2013, in which the energy sector (fossil fuels combustion) contributed with 70.8% of the total. Mexico has set target for renewable energy that will help reduce GHG emissions from the energy sector. The 2016-2018 Special Energy Transition Programme (Programa Especial de la Transición Energética –PETE- 2016-2018, December 2016), is the road map that marks actions to meet the goal for clean energy; by the end of 2024, 35% electricity is to be generated with clean sources (renewable energy, efficient co-generation and nuclear), with intermediate goals of 25% for 2018, 30% for 2021 and 35% for 2024.

This DE will centre around cooperation with SEMARNAT, the Ministry of Environment and Natural Resources. SEMARNAT is the lead agency for climate change and other environmental issues including biodiversity, pollution, and water. Cooperation will be mainly with the Directorate General of Climate Change Policies (DGCCP), which, among other thing, represents SEMARNAT and Mexico in the UNFCCC climate negotiations. The cooperation will also include INECC, the National Institute of Ecology and Climate Change. INECC is a technical and scientific research institute under SEMARNAT. Among other things, INECC is responsible for providing technical and scientific support in the formulation, implementation and evaluation of public policies that lead to green growth and climate change adaptation and mitigation. INECC is also mandated to carry out research relevant for the implementation of climate change policies in Mexico.

The point of departure for the Danish cooperation on climate change (CC) is to support SEMARNAT and INECC in their effort to translate the targets into plans and concretize into actions, and to advice on how to reach GHG reductions cost efficiently. While Denmark has carried out such analyses and identification and assessment of policy measures for a long time, it is a relatively new task for Mexico, thus issues related to data collection, handling, and storage, projections, inclusion of different technologies with different development paths, set up of model(s), and understanding how results can be used in policy

and planning are important for SEMARNAT and INECC, and support for capacity building has been requested.

Cooperation between SEMARNAT/INECC and the Danish Energy Agency (DEA) in the previous programme period includes analysis of how different sectors can contribute to reaching the GHG reduction target. It is very relevant for Mexico to know which areas or sectors can contribute with how much to GHG reductions and at what cost. Denmark, through DEA, conducts analyses that assess the possibilities within sectors and technologies to support the medium and long-term Danish transition. This experience has been shared with the Mexican partners, and analyses have been carried out that were used to develop the Mexican NDC – which is now being translated into concrete policy measures and actions.

The DE on CC focuses on areas where Denmark has a unique know-how and competences and where Danish assistance will be catalytic. Most cooperation will be a continuation of activities from previous programme because it has shown effective and useful. It is well aligned with Mexico's legislation, strategies and planning documents. The cooperation takes into account the lessons learned from the previous successful cooperation, including the importance of continuous TA presence, utility of peer to peer knowledge transfer, organisation leveraging the credibility of the government to government co-operation between DEA and SEMARNAT/INECC.

Further, the importance of mobilising the private sector, with their competences and technologies will be an underlying part of the Partnership Programme, and that an improved enabling environment also paves the way for partnerships between the private sector in Mexico and Denmark.

## **5 DEVELOPMENT ENGAGEMENT OBJECTIVE**

The objective of the wider Energy Partnership Programme between Mexico and Denmark is that Mexico is in transition to decouple carbon emissions from economic growth through cost-efficient mitigation actions. This objective is in alignment with Mexico's NDC and the Energy Transition Law. The particular objective (outcome) for this DE is that Mexico has identified and initiated additional measures to reach un-conditional climate target and identified most cost efficiency partway to increase to conditional targets, in line with the NDC target, by working with SEMARNAT and INECC.

This DE targets both the policy level (SEMARNAT) that creates the enabling conditions to achieve the NDC target for GHG reduction of the government and the analytical level (INECC) by developing capacity and providing methodologies that enable solid analyses and scenarios to guide Mexico towards a cost efficient path to fulfil the targets.

### **NDC actions defined and updated ENCC developed**

Mexico has the ambition to raise the level of its commitments for GHG reduction from 22 to 36% below baseline by 2030 in the context of moving towards the mid-century goal of reducing its emissions by 50% below the emissions in 2000. To assess how this can be possible, a number of projections and analyses will have to be carried out, followed by translation of these into policy and actions. This work will look at most sectors of the Mexican economy and require many different types of analyses, and a lot of different data that might not be easily available. For the generalized policy plan to be turned into actions

that can be carried out also require specific assessments of (socio-)economic, environmental, and emission reduction potential, derived effects etc. as well as some pilot testing.

The cooperation will support SEMARNAT in the development of an Implementation Plan for the Mexican NDC, which will show possible ways to fulfil the ambitions. Such a plan is very important in order to commit other sectors and stakeholders to initiate actions that reduce GHG emissions. To engage other sectors with different goals and foreseen development paths, it is necessary to have proper and thorough analyses, which not only explain why (reduce GHG) or how specific climate actions should be carried out but also provide solid analysis of the costs and benefits, in order for Mexico to be able to make decisions on an informed basis, and with a clear perception of the consequences for the specific sector as well as for the economy as a whole. The Implementation Plan will provide an overview of where mitigation potentials exist and include a portfolio of actions, measures or projects to reduce emissions. Some areas will have to be analysed further, and these will be identified on the bases of consultation with relevant stakeholders including public and private sector, civil society organisations and academia, and finally agreed to by SEMARNAT. The focus is not only on climate targets and actions but also includes analyses of cost effective measures to reach RE and EE targets, by building in the ongoing work with scenarios. This will require close collaboration with other institutions, e.g. SENER, CONUEE. The Implementation Plan will also consider how to monitor and evaluate measures and actions.

Based on this, a list of priority actions for investment and implementation will be identified, and will feed into the national planning process towards the NDC targets. Also, on the basis of the identification of relevant and prioritized measures and actions, selected, proposed actions will be tested in selected state(s) to assess and evaluate how measures and actions are translated into actual mitigation and low carbon development planning at sub-national level. SEMARNAT also intends to develop an NDC investment plan, which is expected to take place with support from the UK as regards advice for how to attract investment finance.

The analyses, and the portfolio the prioritized actions will also serve as inputs to an updated version of the Mexican Climate Change Strategy, the ENCC, which is the instrument that guides Mexico's actions against climate change, aiming at a climate friendly path of green growth. The current strategy also includes a long term route to improve the health and quality of life of the population, while also turning Mexico into a more resilient society. The current ENCC is from 2013, and therefore neither NDC targets nor GHG emissions reductions from the clean energy goals is included. The Partnership programme will support the finalization of an updated ENCC based on new targets and improved knowledge of technologies and costs.

### **Modelling of NDC measures established and data quality improved**

Analysis by SEMARNAT and INECC has defined thirty different non-conditional measures which, to date, represent the main mitigation actions that will reduce the amount of GHG emissions by 22% by 2030, with respect to a baseline established in 2013. These measures are defined as non-conditional in the NDC, since they will be implemented with nationally available financial and technological resources. Once the calculations are performed, different scenarios and optimal economic routes should be defined.

INECC is required to evaluate the costs and benefits of achieving the NDC targets, and aims to calculate the costs and benefits to 2030 of measures for each of the eight economic sectors that account for the major part of GHG emissions. This work was initiated during the previous programme period, where 80 % was finalised, and this DE will support with TA for the remaining sectors. As each sector is unique and has to be treated differently, INECC cannot rely on experience from the other sectors.

Along with the cost calculation of measures, the cooperation will continue to provide support for the definition of different scenarios, e.g. through more detailed sub-national and sub-sectoral analyses, including aspects from the Energy Reform, and to identify different options for enhancing the ambition level. This will make results more accurate.

In 2016-17 INECC has compared two different approaches to assessing the costs of the INDC measures: top-down (the POLES model) and so-called bottom-up in ad-hoc spreadsheets models. However the POLES model has not been found suitable in looking forward and the Partnership Programme will assist in identifying the most suitable top-down model in Mexican context, this could for instance be LEAP, based also on economic constraints and whether the same models can be used across ministries SENER/SEMARNAT.

On the basis of improved knowledge, better data and technical studies, the Partnership Programme will also support in communication on actions and measurement to selected states and public/private stakeholders. This will increase awareness of costs and benefits for each sector and the most cost-efficient possibilities to reduce GHG emissions, and to enhance technical capacities for mitigation actions, all based on the improved knowledge and different level of ambition of GHG mitigation reductions in selected states/municipalities and other stakeholders.

To support the provision of valid inputs on renewable energy into the scenarios, projections and design of robust mitigation policies, technology catalogues for defined technologies will be developed. During the previous cooperation, technology catalogues for biomass and transport technologies were developed. It is proposed to continue this activity with inclusion of solar technologies, both at utility-scale and distributed generation. Given the results of the last bidding process for renewable energy, solar technologies showed to be a competitive option in Mexico. Developing the catalogue will provide technical information on the current state of this technology in Mexico for use in energy planning.

Technology catalogues assess technological possibilities as well as economic and environmental issues for a given technology. As each technology and the prerequisite for its deployment is unique, a technology catalogue is not simply a document which can be copied across technologies. However, when a catalogue is to be updated, it can be done based on the experience from developing the previous catalogue for the same technology.

The DEA will base the actual support on progress attained in the implementation of the engagement as described in the documentation. Progress will be measured through the Mexican monitoring framework, the Climate Change Envelope (CCE) indicators, and some specific indicators developed for this DE.

## 6 THEORY OF CHANGE

The theory of change behind this DE with SEMARNAT/INECC is that (i) by supporting SEMARNAT to identify options to increase Mexico's ambition level concerning GHG emissions reduction and having an updated National Strategy on Climate Change (ENCC), (ii) by developing a NDC implementation plan and an portfolio of measures, actions and projects reducing GHG emissions in different sectors and by different actors, and (iii) by ensuring that NDC measures are identified and analysed using quality data and modelling, then DE can contribute to Mexico achieving the reduction of GHG emissions as stated in the NDC.

If support from DEA is successful, SEMARNAT/INECC will have better knowledge of how to reach the GHG emissions reduction targets cost-effectively, through assessing costs of measures and potentials in different sectors, a portfolio of actions that will constitute a cost-effective pathway to reducing GHG emissions, and real experience from pilot implementation and dialogue with states and private stakeholders. SEMARNAT/INECC will have better and more consolidated data, increased capacity to manage data and models and to conduct analysis and develop policy papers based on scenarios. This will lead to continuously updated model results resting on solid data, and analyses of how these results translate into concrete actions, thus serving to inform recurrent policy development.

While the DE can make an important contribution, ambitious climate change mitigation policies and increased public and private investments in GHG mitigation will ultimately depend on policy and investment decisions as well as other factors beyond this DE.

Successful achievement of the outcome rest on the assumption that (i) the government of Mexico retains its commitment to reduce GHG emissions and include more clean energy in the power mix, (ii) other sectors and stakeholders are willing to or can be obliged to implement actions identified (iii) SEMARNAT and INECC make available adequate staff resources, and that staff trained remains in posts long enough to take up results from the cooperation, (iv) DEA is able to provide relevant experts and technical assistance in a timely manner as per agreed work plans.

## 7 RESULTS FRAMEWORK

For Danida's reporting purposes the following key outcome and output indicators have been selected to document progress. Detailed indicators for each output will be revisited and potentially refined as part of the inception, where the baselines and targets, will be adjusted with reference to prevailing knowledge and the Climate Envelope guidelines for monitoring:

Outcome		<b>Mexico has identified and initiated additional national and sub-national measures to reach un-conditional climate target and identified most cost efficient pathway to achieve conditional targets, in line with the NDC targets</b>	
Outcome indicator		Measures supporting NDC identified and initiated	
Baseline	Year	2017	No additional measures in place
Target	Year	2020	Additional measures identified and actions agreed
Output 1		<b>NDC actions defined and updated ENCC are developed in order to reach the ambition of 36% GHG emission reduction.</b>	



		SEMARNAT submitted ENCC and plan for actions developed with and approved by relevant international, national and local stakeholders based on implementation plan and subsequent list of actions and costs	
Output indicator 1.1		Identified and selected actors or areas committed to reduce GHG emissions	
Baseline	Year	2017	NDC exists and approved but no plan for increased ambition to 36% GHG emissions reductions
Target	Year 1.5	2018	Implementation plan finalized and shortlist of areas that are selected for further analyses developed
Target	Year 3	2020	Plan for actions developed including assessment of costs
Output indicator 1.2		ENCC approved and published	
Baseline	Year	2017	ENCC from 2013 and needs to be updated to reflect eg. NDC
Target	Year 1.5	2018	ENCC under way and reflecting priorities of new government
Target	Year 3	2020	ENCC finalized and approved
Output indicator 1.3		Actual actions at state level supported and completed	
Baseline	Year	2017	Some actions at state level, but could be improved through more systematic approach with focus on most cost efficient actions to support the local, low carbon transition
Target	Year 1.5	2018	1 state engaged in planning for implementation of selected actions
Target	Year 3	2020	At least two actions agreed and implemented

Output 2		<b>Modelling of NDC measures established and data quality improved.</b> INECC models NDC and other measures with improved data	
Output indicator 2.1		INECC uses technology catalogues in planning and projections	
Baseline	Year	2017	Technology catalogue for biomass and transport only
Target	Year 1.5	2018	The two technology catalogue on renewable energy for distributed generation under development
Target	Year 3	2020	Technology catalogues developed and in use
Output indicator 2.2		INECC models NDC measures with improved data	
Baseline	Year	2017	<ul style="list-style-type: none"> <li>Cost analyses not finalized</li> <li>Model runs with less reliable data, and with no specific technology paths included</li> </ul>
Target	Year 1.5	2018	<ul style="list-style-type: none"> <li>Implementation plan finalized with INECC input</li> </ul>
Target	Year 3	2020	<ul style="list-style-type: none"> <li>INECC models measures</li> <li>INECC has procedures for handling and maintaining the improved data</li> </ul>
Output indicator 2.3		Identified and selected states, municipalities and other stakeholders committed to reduce GHG emissions, and their technical capacities for mitigation actions has improved	
Baseline	Year	2017	Three states have been selected to enhance their technical capacities in climate policies and actions
Target	Year 1.5	2018	<ul style="list-style-type: none"> <li>At least six states are engaged in improving</li> <li>Private stakeholders approached and engaged in dialogue</li> </ul>
Target	Year 3	2020	<ul style="list-style-type: none"> <li>Six states now have better knowledge and technical capacities for mitigation actions</li> <li>Private stakeholders involved in mitigation actions, with better knowledge of possibilities and implications</li> </ul>

## 8 RISK MANAGEMENT

The major risk related to successful implementation of the DE is that:

*Following the election in 2018 a government will not retain its commitment to low carbon development and clean energy development.* The mid 2018 election the government may change to a government that will put other priorities on the agenda. This could lead to priorities that will not include renewable energy. This risk is minor since almost all large parties in the current parliament supports the climate change policies and the energy transition laws.

*High staff turnovers as a consequence of the next election will constrain resource with the partner institution.* Following any election in Mexico will cause major shift in top management of the institutions that the Partnership Programme will cooperate with and it will take time to fully take ownership and understand the modality of the cooperation including the type of assistance offered. This risk is minor because the support is largely aimed at technical staff that does not change and these people are well acquainted with the modus operandi of the Partnership Programme and supports it. This risk will be mitigated by the programme management and DEA taking steps to ensure timely completion of activities exposed to the risk of delays.

*Lack of ownership to the cooperation from key partner institutions.* If there is a shift in government priorities the programme partner institution may change priorities and loose ownerships of the programmes support. This risk is minor because the support provided by the existing programme has proved to be in high demand and most partner institutions have demonstrated a genuine ownership and buy-in to the cooperation, including from management.

There are no other major risks identified that have not been mitigated as part of the design, but risks will be monitored closely throughout implementation and measures will be carried out accordingly.

## 9 INPUTS/BUDGET

Outputs	Contribution with Danish funds (DKK and hours)	Partner Contribution in-kind
<b>1. SEMARNAT</b>	2.765	
TA travel costs etc. in DKK '000	200	
Delegations to Denmark in DKK '000	50	
Other costs in DKK '000	150	
TA from DEA, in hours	2200	2200
TA from other international experts, in hours	800	800
TA from local consultants, in hours	1000	1000
<b>2. INECC</b>	4.621	

TA travel costs etc. in DKK '000	200	
Delegations to Denmark ,in DKK '000	100	
Other costs, in DKK '000	100	
TA from DEA, in hours	2500	2500
TA from other international experts, in hours	1500	1500
TA from local consultants, in hours	6000	6000
International Long-Term Adviser (DKK)	3.900	
GRAND TOTAL DKK '000	11.285	

## 10 MANAGEMENT ARRANGEMENT

The parties have agreed to the following management arrangement with the aim to ensure adequate dialogue and timely decisions regarding this Development Engagement.

The Development Engagement is anchored in SEMARNAT that has the overall responsibility for implementation of the engagement. The daily implementation is the responsibility of SEMARNAT's Director of the Coordinating Unit for International Affairs.

A Development Engagement Implementation Group, hereafter called the Implementation Group, managing daily implementation of the Development Engagement will be headed by a director from SEMARNAT and consist of directors from SEMARNAT and INECC (to be decided) the Long Term Adviser, the DEA focal point/DEA expert and partner specialists as required. The Implementation Group will guide daily implementation and meet on a needs basis, and will: i) develop annual and detailed half-yearly work plans for the DE, matching priorities in the partners work plans; ii) associated with the detailed half-yearly work plan determine need for Technical Assistance (TA) inputs from DEA experts and from national and international TA through development of a TA provision plan; iii) develop half-yearly progress reports; iv) endorse inputs based on TOR prepared at output level; v) monitor day-to-day progress of DE implementation. The head of the Implementation Group reports on DE outputs to the Management Group.

A Management Group will be established to coordinate and manage the entire partnership programme in Mexico. The Management Group will be led by the heads of departments for the Development Engagement partner institutions and will have participation of the DEA focal point, the LTA and partner specialists as relevant. The Management Group will meet at least twice per year and have the responsibility to: i) consolidate and check annual and detailed half-yearly work-plans and budgets against DE partners work-plans and TA provision plan; ii) monitor programme progress at output level, using the "traffic light" system; iii) ensure cross fertilisation between engagements. The Management Group reports on programme development to the Steering Committee and acts as Secretary to the Steering Committee.

The Steering Committee is established and co-chaired by a Vice Minister of SENER, Vice Minister of SEMARNAT and DEA Director General/Deputy Director General. The Danish Ambassador participates at in the Steering Committee as representative of Danish Ministry of Foreign Affairs.

DE partners are all represented in the Steering Committee at senior management level. The Steering Committee should meet one to two times per year to approve annual work plans and progress reports; discuss and resolve issues related to programme progress, and; decide on any reallocation of resources between DEs, e.g. based on recommendations from the Management Group and from the mid-term review.

### **Implementation arrangements**

At implementation level the DE partners are responsible for implementation of the DE with DEA being responsible for providing the necessary and timely resources to deliver the outputs, according to the output-based budget and the requests for TA from the DEs. Each DE partner has, at output level, dedicated partner specialists, assisted by DEA that provide inputs to the annual and half-yearly work-plans, and proposed needs for provision of TA. This includes formulating detailed Terms of Reference and specific TA profiles and time-input required to deliver the outputs. Provision of TA should be based on the principles of a) DEA experts where peer advice is required; b) national TA where relevant; and; c) international specialists where dedicated specialist tasks will be needed.

DEA is also responsible for coordination of inputs from Denmark and for advising on implementation, and approving deliverables from external service providers.

In addition to national and international short term TA the partnership programme in Mexico will finance two Long Term Advisers (LTA), one with focus on RE and EE, the other with focus on climate. This is to ensure proper advice and specific TA for the two partners SENER and SEMARNAT. The climate LTA in SEMARNAT will primarily focus on DE3. As program advisor, the LTA would use any opportunity to encourage partners (as duty bearers) to ensure consultation of relevant DE outputs with right holders – CSO's, private sector investors and other relevant stakeholders, and to coordinate with other international donors and development partners. The LTA will also support integrated policy dialogues. The LTA will be able to draw on local TA from the programme, when required.

## **11 PROCUREMENT AND FINANCIAL MANAGEMENT**

This Development Engagement will have no cash transferred or disbursed directly to the Development Engagement partner. Hence, there are no requirements for accounting of funds and financial reporting at Development Engagement level. However, based on the agreed annual work plan the international and national adviser inputs will be budgeted and agreed in terms of days delivered, including in country. The bi-annual progress reports will include the actual time spent for each TA input to monitor the use against agreed TA budget.

Procurement of agreed TA (in any form) will be carried out by DEA and follow Danish procurement rules or drawn from a pool of experts. Final selection of procured TA will be done in close cooperation with partners based on no objection from the Implementation Groups.

Recruitment of the Long Term Adviser follows procedures of the Danish Ministry of Foreign Affairs (MFA). Representatives from SEMARNAT will be part of the recruitment panel together with representatives from DEA and MFA.

Study tours by DE partners will be paid for by the partnership program with Mexico. This includes airfares, accommodation and daily allowances. Daily allowances for the entire trip will be paid out in cash upon departure following MFA procedures for appropriate documentation. Workshops and seminars in country will be paid for by the partnership program, based on appropriate quotations approved by DEA and documented expenses. Sitting allowance for any workshop or meetings will be paid for out of partners own budgets.

## **12 MONITORING AND EVALUATION**

Daily progress will be followed by the Implementation Groups who will report progress towards outputs and outcomes of this engagement through bi-annual progress reporting to the Management Group that consolidate reports across the programme and report this to the Steering Committee at annual or bi-annual Steering Committee meetings. The Management Group will also provide an Annual Progress Report to be approved by the Steering Committee. All reporting should, to the extent possible and when relevant, be disaggregated by gender, area, sector, etc. forwarded to the DEPP Advisory Group in Copenhagen.

Detailed indicators for each specific Development Engagement output will be revisited and potentially refined as part of the inception, where annual targets, in line with already defined targets will be adjusted with reference to the Danish Climate Envelope guidelines for monitoring. Monitoring towards these targets will be reported through the bi-annual progress reporting using a “traffic-light” system, where:

- “green” is on-track – implementation progresses as scheduled;
- “yellow” is partly on-track which needs an explanation by the Implementation Group to the Management Group, including actions taken to get back on-track and closer monitoring of progress by the Management Group;
- “red” is off-track, which needs a detailed explanation by the Management Group to the Steering Committee with recommendations of changes to the implementation to get the engagement back on-track. If “red” in two consecutive reporting periods, the Steering Committee may consider reallocation between outputs within or between the Development Engagements as deemed relevant.

Monitoring of actual time spent by international and national advisers will be reported in the bi-annual progress reports, which will include an updated work plan and a projection of TA input for the following six months. Similar reporting will be done for workshops and study-tours.

The Danish Ministry of Foreign Affairs shall have the right to carry out any technical mission that is considered necessary to monitor the implementation of the programme, which may include a mid-term review.

After the termination of the programme support the Danish Ministry of Foreign Affairs reserves the right to carry out evaluation in accordance with this article..

**Anti-corruption**

No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, incl. tendering, award, or execution of contracts. Any such practice will be grounds for the immediate cancellation of this agreement or parts of it, and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Danish Government, a further consequence of any such practice can be the definite exclusion from any projects funded by the Government of Denmark.

**Prerequisites**

This Development Engagement is in accord with the Specific Cooperation Agreement. There are no additional prerequisites.

**Signatures**

Partner/DEA