

Joint Declaration of Intent on the Energy Partnership

between

the Government of the United Mexican States

and

the Government of the Federal Republic of Germany

1. INTRODUCTION

The Government of the United Mexican States and the Government of the Federal Republic of Germany (hereinafter jointly referred to as the “Participants” and individually as the Participant) welcome the Paris Agreement, agreed by all Parties to the United Nations Framework Convention on Climate Change in Paris in December 2015, committing to holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius.

Acknowledging that deep reductions in global emissions will be required and acknowledging that the energy sector is the largest source of greenhouse gas emissions, both Participants call for a decarbonisation of the global economy in the course of the century to reach the ambitious objectives of the Paris Agreement.

The Participants share the opinion that the more efficient use of energy and the enhanced use of renewable energy are the most effective approaches to mitigate greenhouse gas emissions. In this regard, both Participants acknowledge the in-depth and far reaching energy transitions and energy reforms both countries are undergoing.

The Participants share the opinion that energy security is to be enhanced by measures that should, whenever possible, be both economically and environmentally sustainable. They furthermore concur that resilient and safe energy systems are necessary to underpin economic prosperity and development and acknowledge modern energy technologies as a driver for innovation.

In this regard, both Participants are determined to enhance their bilateral dialogue and foster investments for the transformation of the energy sector.

The main objective of the Energy Partnership is fostering and advancing the far reaching and profound energy transitions that are ongoing in both countries by exchanging views, best practices and knowledge on the development of a sustainable energy system, which is in particular characterised by more efficient use of energy and enhanced use of renewable energy.

The energy sector provides broad and various investment opportunities. In this regard, the Energy Partnership will moreover focus on enhancing, intensifying and improving the engagement of private

sector companies of the energy sector with a view to exploring further investment opportunities while unlocking energy efficiency potentials.

Both Participants acknowledge activities under various existing bilateral and multilateral dialogues regarding climate protection, renewable energy, energy efficiency and the reduction of inefficient fossil fuel subsidies.

As set out in the Joint Declaration between the Government of the Federal Republic of Germany and the Government of the United Mexican States on Climate Action and the Energy Transition and Biodiversity, the Energy Partnership is a high-level political and strategic exchange of information and best practices between the competent authorities, regulatory bodies, energy system operators and other relevant actors, with a special focus on the involvement of actors from the private sector. Both Participants aim to search synergies with existing bilateral dialogues on energy of other German and Mexican authorities with the aim to support the ongoing energy transitions in both countries.

The activities of the Energy Partnership will be closely linked to the energy-related work of the Working Group on Economic Affairs and Energy; and closely coordinated with the work of the Working Group on Sustainable Development, Environment and Climate Change under the Binational Commission for the German-Mexican Alliance for the Future.

To establish the Energy Partnership, both Participants have come to the following understanding:

2. OBJECTIVE

The Participants underline their shared objective to fundamentally transform their energy system with a view to improve energy efficiency, increase the deployment of renewable energy technologies, and to meet the ambitious efforts agreed by all States under the United Nations Framework Convention on Climate Change in Paris in December 2015, while guaranteeing the affordable, secure and sustainable supply and utilization of energy.

The Participants further recognize the importance of science and technology as well as secure and attractive long term investments in promoting renewable energy and energy efficiency and underline the importance of and aim to strengthen international cooperation on energy research and development. Therefore both Participants intend to intensify their cooperation and dialogue on the promotion of sustainable and efficient services, especially renewable energy technologies, their integration into the energy system and energy efficiency.

Both participants acknowledge the relevance of cooperation to foster energy security, as well as transparency and accountability in the energy sector.

3. SCOPE AND AREAS OF COOPERATION

The Participants intend to engage in a dialogue and exchange on the progress and substance of the respective transformations of their energy systems, underlying energy policies, suitable framework and investment conditions and they intend to monitor the results of cooperation efforts under this Joint Declaration of Intent.

The Participants intend to focus their cooperation and political dialogue on the transformation of energy systems, in particular in the following areas:

- a) deployment and development of renewable energy technologies, such as support mechanisms, regulatory questions, as well as evaluation of existing renewable energy support strategies and new business models, all being mechanisms which contribute to mitigating climate change;
- b) development of electricity and gas markets (regulatory aspects, integration of renewable energy into the system, expansion of smart grids);
- c) improvement and promotion of energy efficiency (instruments and financing of energy efficiency policies);
- d) Energy Management Systems;
- e) energy security;
- f) intelligent mobility in urban centres;
- g) sector coupling;
- h) cooperation on transparency and accountability in the oil and gas extracting industries in the framework of the Extractive Industries Transparency Initiative (EITI);
- i) exploration and production of hydrocarbons, regulatory frameworks in the oil and gas sector, as well as in the framework of the “Zero Burning Routine Gas by 2030” initiative, endorsed by both Participants;
- j) production of cleaner fuels, as well as reducing its demand, through the increased efficiency of the vehicle fleet;
- k) infrastructure development and operation of natural gas storage and analysis and lessons learned from the liberalization processes of the natural gas market;
- l) reduction of inefficient fossil fuel subsidies;
- m) research and development in the above areas, where appropriate, within existing international cooperation instruments.

The Participants will encourage private sector companies to cooperate closely and to explore further business opportunities within this dialogue.

The Participants are committed to the adequate and effective protection of intellectual property rights, in accordance with the World Trade Organization regulations and national and international laws while undertaking activities in implementation of this Joint Declaration of Intent.

4. COMPETENT AUTHORITIES

The competent authorities responsible for coordinating the dialogue and joint activities under this Joint Declaration of Intent are:

- a) in the case of the United Mexican States, the Ministry of Energy;
- b) in the case of the Federal Republic of Germany, the Federal Ministry for Economic Affairs and Energy.

The responsible competent authorities of the Participants will cooperate closely and could include in their activities other relevant ministries and authorities.

On the German side this will be the Ministry for Foreign Affairs, the Ministry for Economic Cooperation and Development and the Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.

Programmes and projects of the German competent authorities, Federal Ministry of Economic Cooperation and Development (BMZ) and Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) will continue to be coordinated within the framework of the Working Group on Sustainable Development, Environment and Climate Change under the Binational Commission. The Working Group on Economic Affairs and Energy and the Working Group on Sustainable Development, Environment and Climate Change under the Binational Commission –including all involved ministries and other authorities of both Participants– will work closely together as far as energy-related issues are concerned.

5. ESTABLISHMENT OF A HIGH LEVEL STEERING GROUP

With the purpose of conducting the Energy Partnership and its activities:

- a) The Participants intend to establish a High Level Steering Group with high level representatives of relevant authorities from each country. Each Participant may bring additional stakeholders, also from the private sector, as it deems necessary to any meeting. The agenda, time and place of the meetings of the High Level Steering Group is to be decided upon by both Participants.
- b) The High Level Steering Group will work in close cooperation and coordination with the Working Group on Economic Affairs and Energy under the Binational Commission for the German-Mexican Alliance for the Future. In those years in which the Binational Commission is holding sessions, the meetings of the Working Group on Economic Affairs and Energy under the Binational Commission on energy related issues and the meetings of the High Level Steering Group will be held jointly. In the meantime, the High Level Steering Group should keep the Working Group on Economic Affairs and Energy informed. The High Level Steering Group will closely coordinate with the Working Group on Sustainable Development, Environment and Climate Change under the Binational Commission.
- c) The High Level Steering Group may establish working groups as required and with a time-bound mandate, to develop cooperation in specific areas, inter alia those listed under item (3).
- d) The High Level Steering Group should meet once every year or within such intervals as may be required, for purposes of discussing, investigating and evaluating opportunities presented by either Participant or follow up of actions decided upon at previous meetings. The meetings should be held

alternately in Mexico and Germany. Synergies between the meetings of the Energy Partnership, the meetings of the Binational Commission and other coordinating bodies of national policy such as the Consultative Council for the Energy Transition of Mexico and the Working Groups should be used to the extent possible.

- e) The High Level Steering Group should be responsible for the:
 - 1. general strategic focus and direction of the Energy Partnership;
 - 2. identification and approval of joint activities;
 - 3. review of progress on the implementation of joint activities, under this Joint Declaration of Intent and report back to the Participants;
 - 4. consideration of any other aspects relevant to the promotion of bilateral cooperation in the field of energy resources; and
 - 5. decision on the establishment of working groups and their areas of work.
- f) The host Participant should chair the meeting and the minutes of the meeting should be approved and signed by both Participants.
- g) Each Participant should act in good faith and actively seek opportunities in which both Participants can work together for their mutual benefit. Such opportunities as identified by a Participant should be proposed to the Working Groups.
- h) The agenda, time and place of the meetings should be decided upon by the Participants.
- i) The Participants should decide to use possible opportunities for meetings and exchange on ministerial level.

6. FINANCING

The Participants understand that the subsistence and travel expenses of participants attending the High Level Steering Group and the Working Group meetings and meetings of joint activities, programmes or projects under this Joint Declaration of Intent should be borne by each Participant or their designated authorities.

7. CONSULTATIONS

The Participants may hold the consultations they deem necessary, in order to attend to any aspect related to the implementation or interpretation of this Joint Declaration of Intent.

8. CONFIDENTIALITY

Both Participants understand that they should not publish any proceedings of meetings under this Joint Declaration of Intent without the written consent of the other Participant.

9. FINAL PROVISIONS

This Joint Declaration of Intent may be amended any time by mutual written consent of both Participants.

This Joint Declaration of Intent will come into effect on the date of signature. It is intended to remain in effect until either Participant informs the other in writing, six (6) months in advance, of its intention to terminate the cooperation under this Joint Declaration of Intent.

Notwithstanding the termination of the cooperation under this Joint Declaration of Intent, its provisions and the provisions of any other arrangement entered into by the Participants should continue to govern any existing or unexpired commitments assumed or commenced under this Joint Declaration of Intent. These commitments or programmes should be carried out to completion as if this Joint Declaration of Intent is still in effect.

This Joint Declaration of Intent was signed in duplicate in Berlin, Germany, on 12 April, 2016, in the English, German and Spanish languages.

For the Government of
the United Mexican States

For the Government of
the Federal Republic of Germany

Pedro Joaquín Coldwell
Secretary of Energy

Sigmar Gabriel
Federal Minister for Economic Affairs And Energy