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**Report of the Canadian Parliamentary Delegation  
respecting its Bilateral Visit to Mexico**

**Canadian Section of ParlAmericas**

**Mexico City, Mexico  
10–12 February 2019**

## **Report**

### **DELEGATION MEMBERS AND STAFF**

From 10–12 February 2019, the Honourable Robert Nault, P.C., M.P., President of ParlAmericas and Chair of the Canadian Section of ParlAmericas, led an all-party delegation to Mexico City, Mexico for a bilateral visit. The other members of the delegation were the Honourable Rosa Galvez, Senator, the Honourable Kellie Leitch, P.C., M.P., Mr. David Christopherson, M.P. and Mr. Marc Serré, M.P. The delegation was accompanied by David-Andrés Novoa, the Canadian Section's Executive Secretary, and Nadia Faucher, Advisor to the Canadian Section.

### **ACTIVITIES DURING THE BILATERAL VISIT**

#### *BRIEFING WITH OFFICIALS FROM THE EMBASSY OF CANADA IN MEXICO*

Officials from the Embassy of Canada in Mexico briefed delegates about the “political landscape” in Mexico and changes introduced by the country's new government, bilateral trade, Canadian foreign direct investment in Mexico and priorities for Canada–Mexico relations.

In particular, officials made comments about the outcomes of the 1 July 2018 presidential and legislative elections in Mexico, with Andrés Manuel López Obrador being inaugurated in December 2018, and Senators and Deputies taking office in September 2018. In addition to controlling the federal government and five state administrations, MORENA – President López Obrador's party – also controls the Senate through a coalition with the labour party and holds a majority of seats in the Chamber of Deputies.

As well, officials highlighted some of the changes introduced by the López Obrador administration. For instance, a few major infrastructure projects have been cancelled following public consultations for which limited notice was given. They also indicated that President López Obrador plans to move the offices of some federal departments outside of Mexico City. As well, he has sold the presidential plane, lowered his salary and those of federal legislators, and reduced high-ranking civil servants' pay by almost 50%.

Moreover, officials said that Canada's diplomats will continue to build on the relationships that they have with Mexico's new government, which they characterized as “very good.” According to them, Canada is Mexico's third most important trading partner and the largest investor in that country's mining sector. Officials indicated that the Government of Mexico is interested in exchanging views with Canada about such topics as legalizing cannabis, reducing poverty, improving relations with Indigenous peoples, addressing migration and enhancing the rule of law. They also emphasized that Canada and Mexico are strong allies that work together in multilateral fora.

#### *MEETING WITH MEXICO'S UNDERSECRETARY OF TRADE*

Delegates met with Luz María de la Mora, Mexico's Undersecretary of Trade, who spoke about the Government of Mexico's priorities. She stated that the Government plans to invest in social programming, education, employment training for youth and other measures designed to reduce poverty. According to her, the López Obrador administration is concerned about the high levels of corruption, as well as the lack of peace and security throughout Mexico, and is determined to address the country's

corruption problems through strengthening the rule of law and the judicial system. In noting that measures to improve levels of educational attainment and to reduce poverty are perceived as a way to address the high levels of insecurity and violence in Mexico, Ms. de la Mora indicated that Mexico will need support from such allies as Canada both to improve security and to reduce violence.

Ms. de la Mora and delegates exchanged views about the likely timeline for ratification of the Canada–United States–Mexico Agreement (CUSMA) by Canada and Mexico, and about the resulting impacts on the U.S. tariffs that are currently being applied on certain Canadian and Mexican steel and aluminum products.

According to Ms. de la Mora, Mexico is interested in learning about Canada’s experiences with involving Indigenous peoples in economic development efforts. Canadian Embassy officials, who were present at the meeting, mentioned that they have organized conferences in which Indigenous leaders from Canada have travelled to Mexico to explain the ways in which Indigenous communities have been involved in natural resources projects in Canada.

Delegates asked questions about Mexico’s current social safety net and social services. Ms. de la Mora stated that the Government of Mexico is investigating the feasibility of making direct payments to low-income families that have children. As well, delegates were interested in learning about the ways in which peace and security can be addressed in the short term given that it will take several years for improved educational outcomes and lower levels of poverty to be realized. They noted the role of ParlAmericas’ Open Parliament Network in supporting anti-corruption initiatives in the Americas and the Caribbean. The meeting ended with participants agreeing that Canada and Mexico share common values and can cooperate in many areas.

#### *MEETING WITH MEXICO’S CHAMBER OF DEPUTIES*

Delegates were hosted by Alfredo Femat Bañuelos, Chair of the Chamber of Deputies’ Foreign Affairs Committee. Along with eight Deputies representing various parties, he noted ParlAmericas’ role in supporting parliamentary diplomacy in the Americas and the Caribbean, and in fostering strong and enduring parliamentary connections between Canada and Mexico.

During his remarks, Mr. Nault encouraged Mexico’s Congress to become involved with ParlAmericas and identified ParlAmericas’ three areas of focus: gender equality; climate change; and open parliaments. He explained the role of the Open Parliament Network in addressing corruption issues, which is an important focus for President López Obrador’s administration, and said that ParlAmericas helps legislators to develop tools that support their work on various issues, such as enacting anti-corruption legislation. Delegates commended Mexico’s voters for electing women to almost 50% of the seats of the Chamber of Deputies.

During a discussion, Canadian and Mexican legislators exchanged views about such areas of common interest as bilateral trade, natural resources, energy and climate change, gender issues, rural economic development, Canada’s Seasonal Agricultural Worker Program, the rule of law and anti-corruption measures.

#### *MEETING WITH THE CANADIAN CHAMBER OF COMMERCE IN MEXICO*

During a meeting with Armando Ortega, President of the Canadian Chamber of Commerce in Mexico, delegates were informed about the private sector's perspectives on Mexico's newly elected government. He explained that President López Obrador uses daily press conferences to communicate some of his intended measures. According to Mr. Ortega, neither cabinet members nor other stakeholders are properly consulted prior to these press conferences, which generates uncertainty within the private sector. He noted that President López Obrador's cabinet is composed of highly skilled and competent individuals whose knowledge should be taken into account in designing public policy.

Mr. Ortega voiced concerns about recent government contracts that had been awarded after an accelerated procurement process, which was an approach that seemed to be inconsistent with President López Obrador's commitment to addressing corruption issues in Mexico. He also spoke to delegates about President Mr. López Obrador's labour reforms, which could have consequences for Canadian firms doing business in Mexico.

In concluding the meeting, Mr. Ortega encouraged Canada to focus on the rule of law in Mexico as a measure that can enhance predictability for firms and support private-sector investment and noted the important role of civil servants and cabinet members in planning and implementing sound public policies.

#### *ROUNDTABLE DISCUSSION WITH CIVIL SOCIETY ORGANIZATIONS*

Delegates participated in a roundtable discussion with the following representatives of security- and corruption-related civil society organizations: María Elena Morera, from Causa en Común; David Ramírez de Garay, from México Evalúa; and Ricardo Corona, from the Instituto Mexicano para la Competitividad.

The representatives highlighted some of the ways in which the Government of Mexico could improve security in the country, and suggested that mechanisms to facilitate communication among police services, the justice system and correctional services agencies could both be created and lead to improved security outcomes. They questioned President López Obrador's sole focus on strengthening the federal police service as a way to address insecurity in Mexico, believing that this approach does not consider the role of municipal police services or of the justice system in addressing this insecurity. They commented that hundreds of civil society organizations in Mexico have signed a document advocating the creation of a national umbrella organization to oversee the transformation of national and municipal police services in the country.

Delegates were told that, because the Office of the Attorney General – which is responsible for investigations in the country – does not undertake an investigation, most homicides in Mexico are not solved. Consequently, the representatives supported greater investment in the capacity of the justice system to investigate crimes.

As well, the representatives suggested that corruption has penetrated every level of government and every security institution in Mexico. They explained that the labour conditions of police services, which include 24-hour shifts and low pay, may provide police officers with an incentive to accept bribes. In this context, they noted that increasing the number of police officers is unlikely to reduce corruption, violence or impunity.

In concluding the meeting, delegates highlighted Canada's experience in helping to train police forces in other countries, such as Ukraine, and suggested that Canada could use its expertise to support Mexico's effort to improve security.

#### *MEETING WITH INTEGRALIA CONSULTANTS*

Delegates met with Alejandro Aurrecoechea, Director of Analysis and Political Risk at Integralia Consultants, who shared his analysis about the direction that Mexico's new administration is taking. In his view, with the most recent presidential election, Mexico is at an historical juncture.

Mr. Aurrecoechea noted that some initiatives implemented by President López Obrador could have a positive impact on Mexico, while other measures could lead to negative outcomes. He said that, on one hand, President López Obrador presented a balanced budget, favours government austerity, named competent individuals to his cabinet, and has demonstrated an interest in addressing insecurity and corruption in Mexico. He also stated that, on the other hand, President López Obrador has been using expedited procurement processes to assign government contracts, which can be perceived as contrary to his anti-corruption efforts, and has been making statements that undermine the legitimacy of some of Mexico's regulatory institutions.

As well, Mr. Aurrecoechea commented that Mexico's business community is worried about the uncertainties generated by President López Obrador's daily press conferences. In his opinion, there is a risk of arbitrary decision-making by the executive branch. Moreover, he expressed concern about the risk of financial volatility due to President López Obrador's statements about Mexico's energy sector.

Delegates also learned that President López Obrador is applying the "Estrada Doctrine" concerning matters of foreign affairs. Mr. Aurrecoechea explained that, pursuant to this doctrine, Mexico will not intervene in other countries' affairs. According to him, to date, the only exception has been Mexico's collaboration with Central America to develop a common strategy on migration and security.

Mr. Aurrecoechea believed that there are many areas in which Canada and Mexico can collaborate and identified Mexico's interest in improving consultation processes with Indigenous communities as one area of potential collaboration.

#### *MEETING WITH MEXICO'S MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES*

Delegates met with the following civil servants from Mexico's Ministry of Environment and Natural Resources: Fernando Gutierrez Champion, Assistant Director General for International Cooperation; Elsa Becerril, Director for Indigenous Peoples and Social Participation; and Cintia Amezcua, Commercial Director, International Affairs Unit.

According to Mr. Gutierrez Champion, Mexico's Ministry of Environment and Natural Resources will work primarily on climate change adaptation. He explained that the impacts of climate change are being felt in the country with, for example, some hotels in tourist areas being unable to secure insurance coverage because they are located in areas affected by rising sea levels. He indicated that the Ministry will implement a strategy aimed at transitioning to a low-carbon economy, and is considering participation in the carbon market established by California and Quebec. Mr. Gutierrez Champion also said

that the Ministry plans to focus some of its initiatives on women, who are the most affected by climate change and environmental pollution, particularly contaminated water.

Delegates asked questions about water treatment regulations in Mexico. Mr. Gutierrez Champion stated that about 97% of the country's territory is served by water treatment plants, but that these plants are not always maintained or functioning because of corruption and/or a lack of funding or technical knowledge.

#### *MEETINGS WITH MEXICO'S SENATE*

Delegates were hosted by Martí Batres Guadarrama, Speaker of the Senate of Mexico's Congress. Mr. Batres made comments about some of the common areas of interest for Mexico and Canada, such as trade, anti-corruption practices and good governance. He underscored that Mexico is inspired by Canada's social policies, and its political and social diversity. As well, he identified the main items on Mexico's legislative agenda, which include the creation of a new federal police service to address insecurity in the country.

Mr. Nault stated that the Canadian Section of ParlAmericas' visit to Mexico is a first step in building a relationship between the Parliament of Canada and Mexico's newly elected Congress. He explained the role that ParlAmericas plays throughout the Americas and the Caribbean in supporting legislators as they introduce legislation designed to promote climate action, gender equality and open parliaments. As well, he noted that attendance at meetings of ParlAmericas' Open Parliament Network would enable Mexico's legislators to discuss their efforts to address corruption. He also congratulated Mexican voters for having elected many women to the country's Congress.

Following the meeting with Speaker Batres, delegates exchanged views with the Senate's Foreign Affairs Committee and its North American Affairs Committee. Héctor Vasconcelos, who chairs the former, and Gina Cruz Blackledge, who chairs the latter, led the meeting that was also attended by eight Senators from various parties who are members of one of these committees. Participants agreed that Canada and Mexico have a strong relationship, and should continue to cooperate in such areas as trade, climate actions, security, migration and consultations with Indigenous peoples. They exchanged views about the timeline for ratification of CUSMA in Canada and Mexico, and about challenges that each country might encounter in that process.

As well, delegates met with Senator Antares Vázquez, who is ParlAmericas' main contact in Mexico's Senate. As President of ParlAmericas, Mr. Nault explained the three areas of focus for ParlAmericas, and encouraged Mexico's newly elected Senators to participate regularly in ParlAmericas' meetings. He also asked about the ways in which changes in the Senate, including budgetary reductions, could affect Senators' ability to travel to international events. In expressing an interest in attending ParlAmericas' upcoming events, Senator Vázquez noted that Senators will be able to travel, but delegations will be smaller and fewer events will be attended. She highlighted her forthcoming trip to Ottawa for the Canada–Mexico Interparliamentary Meeting.

Delegates were interested in identifying ways in which they could provide support to the Mexican Section of ParlAmericas. Mr. Nault offered to facilitate a meeting with the Parliament of Canada's International and Interparliamentary Affairs Directorate to obtain

information about Parliament's support for parliamentary associations. He also invited Mexico's Senators to attend ParlAmericas' upcoming meetings in Ecuador in March and in Ottawa in May.

#### *MEETING WITH MEXICO'S SECRETARY OF FOREIGN AFFAIRS*

In meeting with delegates, Marcelo Ebrard Casaubon, Mexico's Secretary of Foreign Affairs, spoke about a number of President López Obrador's priorities: ending corruption; addressing poverty; and increasing educational opportunities for youth. He indicated that the Government of Mexico intends to enforce corruption-related laws, which has not occurred systematically in the past, and to support an equitable approach to taxation, whereby Mexicans will pay their fair share of taxes to fund government initiatives designed to address poverty. Mr. Ebrard also explained that the Government would like to increase access to higher education as a way to foster innovation and the creation of knowledge.

#### *MEETING WITH PARAMETRIA AND MOODY'S INVESTORS SERVICES*

Delegates met with Francisco Abundis, a pollster and Associate Director of Parametría, and Alberto Jones, Director General of Moody's Investors Services in Mexico.

According to Mr. Abundis, recent polls in Mexico suggest that President López Obrador's approval rating is about 80%. He speculated that, because President López Obrador's decisions – to date – have affected only a small percentage of the population, the approval rating has been consistent. Mr. Abundis noted that President López Obrador's decision to cancel the new airport and his handling of the fuel shortage crisis affected between 20% and 30% of the country's population, and predicted that President López Obrador's approval rating will likely remain high for a few years.

Mr. Jones provided an overview of Mexico's economic situation in recent years, and pointed out that the country's macroeconomic stability – which has existed for many years – is expected to continue in the short to medium term. In his view, the stability can be partially attributed to the arms-length management of such organizations as the Central Bank of Mexico and the consistent application of measures designed to maintain macroeconomic stability in the country. He commented that Mexico's economic situation has improved in recent years, but suggested that the country's economic growth has not been inclusive. In particular, Mexico's south has not benefited as much from Mexico's economic growth, and inequalities have risen.

As well, Mr. Jones mentioned the impacts of some of President López Obrador's decisions and ways of working on Mexico's business community, and suggested that the President's comments during the daily press conferences might have contributed to reduced private-sector investment in the country's natural resources sector. Moreover, in his opinion, President López Obrador's decision to restrict banks' ability to charge commissions has contributed to a decrease in the share value of several of Mexico's banks. That said, he also noted that some sectors, such as for manufactured goods that are exported, continue to thrive in Mexico. Mr. Jones emphasized that Mexico remains a stable market for investment given its macroeconomic stability, its regulated banking system and the size of its consumer market.

#### *MEETING WITH THE NATIONAL INSTITUTE OF INDIGENOUS PEOPLES*

Delegates met with Adelfo Regino, Director of Mexico's newly created National Institute of Indigenous People (INPI). Mr. Regino underscored that Indigenous peoples in Canada and Indigenous peoples in Mexico have been collaborating for several years in international fora. He explained that improving the well-being of Indigenous peoples in Mexico is a core element of President López Obrador's agenda.

Mr. Regino provided an overview of the main objectives that the INPI hopes to achieve before 2024, which include: strengthening Indigenous peoples' revenue-generating activities with the goal of reducing poverty; promoting Indigenous peoples' rights in Mexico; expanding road infrastructure between Indigenous communities located in Mexico's south; and developing initiatives designed to promote Indigenous culture and languages.

Delegates and Mr. Regino shared their views about areas in which Canada and Mexico could collaborate. Mr. Regino suggested efforts to facilitate economic exchanges between Indigenous peoples in the two countries, and to collaborate with the goal of strengthening the integration of Indigenous peoples in economic development projects.

Moreover, delegates congratulated the INPI on the speed with which it became established, and started to implement activities and programs. They also highlighted the frequency with which Indigenous issues was mentioned in their meetings in Mexico.

Mr. Nault noted his experience in negotiating agreements between Indigenous nations and private-sector firms, and explained that Indigenous peoples should be an integral part of any development project, rather than only being offered employment.

Delegates spoke about some of the challenges faced by Indigenous peoples in Canada, such as high rates of poverty and ill health, discrimination and overrepresentation in the justice system. They also mentioned that Canada's Parliament now has more Indigenous legislators than at any other time in its history, and that these parliamentarians can speak their Indigenous language in Parliament and have their words be translated into French and English. Mr. Regino confirmed that Indigenous peoples in Mexico similarly face discrimination and high poverty rates. As well, he stated that the INPI is interested in strengthening the "Indigenous voice" in Mexico's government and in its Congress. He concluded by reiterating his interest in collaborating with Canada to foster Indigenous well-being in Mexico.

Respectfully submitted,

Hon. Robert Nault, P.C., MP  
Chair  
Canadian Section of ParlAmericas



**Travel Costs**

<b>ASSOCIATION</b>	Canadian Section of ParlAmericas
<b>ACTIVITY</b>	Bilateral Visit to Mexico
<b>DESTINATION</b>	Mexico City, Mexico
<b>DATES</b>	February 10-12, 2019
<b>DELEGATION</b>	
<b>SENATE</b>	Hon. Rosa Galvez, Senator
<b>HOUSE OF COMMONS</b>	Hon. Robert D. Nault, P.C., M.P. Hon. Kellie Leitch, P.C., M.P. Mr. David Christopherson, M.P. Mr. Marc Serré, M.P.
<b>STAFF</b>	Mr. David-Andrés Novoa, Association Secretary Ms. Nadia Faucher, Advisor
<b>TRANSPORTATION</b>	\$ 7,663.00
<b>ACCOMMODATION</b>	\$ 8,573.00
<b>HOSPITALITY</b>	\$ 2,255.00
<b>PER DIEMS</b>	\$ 2,706.00
<b>OFFICIAL GIFTS</b>	\$ 360.00
<b>MISCELLANEOUS</b>	\$ 1,857.00
<b>TOTAL</b>	<b>\$ 23,414.00</b>