

ANNEX A**Mexico****Labor Markets and Social Security Division (SCL/LMK)****SUMMARY TERMS OF REFERENCE FOR TECHNICAL COOPERATION**

Human resource support for the implementation of labor reform in Mexico

ME-T1435

Context and justification of TC Support: Most of the jobs in the Mexican labor market are low quality, making it difficult to reduce labor inequality. In the IDB's 2018 Better Jobs Index, Mexico ranks 13th out of 17 countries in Latin America, despite being the fourth richest country in terms of GDP per capita and the country with the fifth highest level of labor productivity. Mexico is in 10th place in the formality sub-indicator (measured as access to social security) and 14th place in terms of sufficient wages. Since 2017, the Government of Mexico has undertaken a series of ambitious constitutional and secondary reforms to improve labor justice and union democratization. These reforms have the potential to create the structural change necessary to significantly increase the quality of jobs in the Mexican labor market. Successful implementation of these reforms is a priority of the Government of Mexico and has been committed to as part of the recently renegotiated United States-Mexico-Canada Agreement (the former North American Free Trade Agreement, or NAFTA).

The Bank is committed to supporting these labor reform processes. This support has been codified in several ways. First, the United States' ratification of this new regional trade treaty specifically includes coordinating with the Bank's ongoing support¹. Second, the Bank is in the process of approving the Policy Based Loan *Program to Promote Better Working Conditions in Mexico* (ME-L1289) that reflects the reforms' strategic importance. Finally, the Bank is engaged in ongoing, strategic, technical support with the Ministry of Labor to support these reforms being implemented².

As part of these reforms, the Mexican labor justice system has been completely reorganized, with a diversity of operational changes. In addition to an organizational restructuring of the labor justice process itself, there are operational changes related to new processes that the reforms support. For example, in the first phase of labor dispute adjudication, there is now a mandatory process of mediation to attempt to reconcile disputes without the need of a long and costly judicial process.

These changes require retraining career civil servants within the federal Ministry of Labor, in addition to recruiting and training new personnel, for new roles that require new skill sets. Specifically, the Ministry of Labor has identified four specific groups to be trained in different ways: (1) high-level career civil servants; (2) administrative stakeholders (registrars, attorneys, and legal advisors); (3) labor mediators; and (4) all relevant Ministry of Labor staff that will need to utilize soft skills in their new responsibilities at the Federal Conciliation and Registration Centers.

¹ <https://www.congress.gov/bill/116th-congress/house-bill/5430/text>, Sec 712.1.D.

² Please see, for example, the Technical Cooperation *Support for the Implementation of Labor Reform in Mexico*, approved in mid-2019, available at <https://www.iadb.org/en/project/ME-T1393>

For the ultimate goal of proper functioning of the new labor justice system and the Federal Conciliation and Registration Centers, it is essential that any training program given through the Ministry of Labor has both content and pedagogical validation from experts in public administration training and change processes.

Given this scenario, there are two areas of strategic importance that this TC seeks to address: (i) create, validate, and support the execution of in-person training programs for government officials that will work in the Federal Conciliation and Registration Centers; and (ii) support the execution of online training options for the Federal Conciliation and Registration Centers.

Component I – Support the creation and validation of training programs for government officials that will work in the Federal Conciliation and Registration Centers

Consultancy 1: Creation and validation of a flexible online training program for Ministry of Labor staff who will be responsible for the operations of the new labor justice processes.

Activities:

- **Finalizing training syllabus, materials, and pedagogy.** The Provider will support successful impartation of the trainings, through concrete activities such as producing course material for people who will be trained and hiring instructors that will be able to successfully impart the complex activities.
- **Validating training design and methodology with experts.** The Provider's trainings will be validated by an external educational entity or authority, registered with the Ministry of Education, that currently issues well-regarded professional development certifications.

Consultancy characteristics:

- **Type of contract and modality:** Firm consultancy, PEC
- **Contract Duration:** 5 months
- **Location:** Mexico City, Mexico
- **Responsible Person:** David Kaplan, Lead Specialist (SCL/LMK), dkaplan@iadb.org
- **Requirements:** Firm or team of consultants specialized in institutional development, labor justice, capacity building and / or training services. Strong communication and drafting skills. At least one member of the team must have a doctorate in labor law or related discipline.
- **Payments** will be made against the delivery of products.

Consultancy 2: Strengthening of the technical quality and analysis of the program initiatives related to the Labor Reform.

Activities:

- **Support the LMK team in Mexico in dialogue with government agencies** for the planning, development and coordination of labor reform policies in the loan and technical cooperations.
- **Provide technical and investigative support** to help the government of Mexico to establish incentive proposals that promote improvements in the effectiveness of labor reform.
- **Support the development and supervision of knowledge products** and technical support in labor market issues, as well as in the formulation of labor justice policies and programs in Mexico.
- **Actively participate in the dissemination and social marketing of knowledge products**, operations, workshops, and seminars and other LMK activities in Mexico, as well as participate in events related to topics of interest to LMK and the IDB.

Those contractual activities are included, but are not limited to:

- **Maximize the use of the inputs generated by all the consultancies** envisaged in these technical cooperation (studies and / or analyzes), as well as the specific products of other technical cooperations aimed at supporting the labor reform, for the development of workshops, dialogues, trips and / or study visits that strengthen the labor justice in the region.
- **Identify national and international experts in systems** and strategies of labor justice and facilitate exchanges with relevant actors in the region, to promote the transfer of knowledge.
- **Conceptualize, plan and organize workshops**, dialogues, study visits and / or trips of national and international experts. Each activity should take into account the studies and / or analyzes carried out and promote its use as a policy input.
- **Coordinate and monitor the design and implementation of pilot programs** aimed at developing the labor reform and increasing the labor democracy.

Consultancy characteristics:

- **Type of contract and modality:** Individual consultant, monthly payment, new contract modality
- **Contract Duration:** 12 months
- **Location:** Mexico City, Mexico
- **Responsible Person:** David Kaplan, Lead Specialist (SCL/LMK), dkaplan@iadb.org
- **Requirements:** Master's degree in Economics, Education, Public Policy, Social Sciences, Development, or another related subject, with at least 4 years of relevant professional experience, or the equivalent combination of education and experience. Spanish and English spoken. Knowledge of program management and policy analysis in the Mexican context, experience in indicator systems and product monitoring, and experience working in Mexico and Latin America will be valued.

- **Payments** will be made against the delivery of products.

Component II – Support the execution of online training options for the Federal Conciliation and Registration Centers.

Consultancy 1: Impartation of online training options for the Federal Conciliation and Registration Centers.

Activities:

- The Provider must execute distance-training options based on the training course developed by the Bank and the Secretary of Labor, while respecting that the current deadline to open the Federal Conciliation and Registration Centers remains October 1, 2020.
- The Provider is expected to utilize online platforms for all trainings, due to public health and safety restrictions put in place by the Government of Mexico.

Consultancy characteristics:

- **Type of contract and modality:** Firm consultancy, PEC
- **Contract Duration:** 5 months
- **Location:** Mexico City, Mexico
- **Responsible Person:** David Kaplan, Lead Specialist (SCL/LMK), dkaplan@iadb.org
- **Requirements:** Firm or team of consultants specialized in institutional development, labor justice, capacity building and / or online training services. Strong communication and drafting skills. At least one member of the team must have a doctorate in labor law or related discipline.
- **Payments** will be made against the delivery of products.