

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	MEXICO/CID - Isthmus & DR
▪ TC Name:	Human Resource Support for the Implementation of Labor Reform in Mexico
▪ TC Number:	ME-T1435
▪ Team Leader/Members:	KAPLAN, DAVID SCOTT (SCL/LMK) Team Leader; AZUARA HERRERA, OLIVER (SCL/LMK) Alternate Team Leader; BARRIOS NUNEZ, URIEL (CID/CME); DE GYVES SANDOVAL, ALEJANDRO (CID/CME); HERNANDEZ-CARTAGENA, CAROLINA L. (SCL/LMK); GARCIA VALERO, ANDREA CAROLINA (SCL/LMK); BARRAGAN CRESPO, ENRIQUE IGNACIO (LEG/SGO); HAND, ANNE ELIZABETH (SCL/LMK); GARZA CORTINA, MIRIAM (VPC/FMP); GONZALEZ HERRERA, BEATRIZ MARIA (SCL/LMK); PENAHERRERA PROANO, SEBASTIAN (SCL/LMK); DELORD, PIERRE-ALEXIS MICHEL JACQUES (SCL/LMK); HERNANDEZ RAMIREZ, JOSE PABLO (SCL/LMK); CASTANEDA LEON, MAURICIO (VPC/FMP)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Program to Improve the Quality of Employment in Mexico - ME-L1289 Support for the Implementation of Labor Reform in Mexico - ME-T1393
▪ Date of TC Abstract:	30 Apr 2020
▪ Beneficiary:	Ministry of Labor
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$300,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	SCL/LMK - Labor Markets
▪ Unit of Disbursement Responsibility:	CID/CME - Country Office Mexico
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Productivity and innovation ; Institutional capacity and rule of law; Gender equality; Diversity

II. Objective and Justification

- 2.1 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.
- 2.2 In this context, this TC will address two strategic areas: (i) it will create and validate a flexible in-person and/or distance training program for Ministry of Labor staff who will be responsible for the operations of the new labor justice processes; and (ii) it will support the execution of this training program for all government officials identified by the Ministry of Labor.

- 2.3 The training / retraining of Ministry of Labor staff and other stakeholders has been identified in loan ME-L1289 as an immediate need for the proper execution and implementation of the Labor Reform process in Mexico whose implementation the loan supports.
- 2.4 It is also essential that the new Federal Conciliation and Registration Centers have the appropriately trained personnel to fulfill their functions as defined in the Labor Reform.

III. Description of Activities and Outputs

- 3.1 **Component 1. Training Program (US\$140,000).** This component will support the execution of the training program for Government Officials that Work in the Federal Conciliation and Registration Centers. It includes: the design of four training courses: (i) overarching training in the new labor justice system, which includes soft skills; (ii) training for senior public management; (iii) training for mediators; and (iv) training for labor litigators.
- 3.2 **Component 2. Execuio of online training options (US\$160,000).** This component will support the execution of online training for the Federal Conciliation and Registration Centers. The current health contingencies and social distancing need the execution of distance-training options. Thus, it is important to expect that some training will transition to online platforms and be done virtually, while the deadline to open the Centers remains October 1, 2020 .

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Training Program (US\$140,000)	US\$140,000.00	US\$0.00	US\$140,000.00
Component 2. Execuio of online training options (US\$160,000)	US\$160,000.00	US\$0.00	US\$160,000.00
Total	US\$300,000.00	US\$0.00	US\$300,000.00

V. Executing Agency and Execution Structure

- 5.1 The Mexican federal government, through the Ministry of Finance (SHCP) is in the process of requesting that the Bank execute this Technical Cooperation in its request letter.
- 5.2 SCL/LMK will be responsible for the leadership, supervision, and coordination of the TC. SCL/LMK will submit annual report and a final report to the donor.
- 5.3 The Labor Markets (SCL/LMK) has the relevant background, skills, and technical experience to carry out this technical cooperation; therefore, the Mexican federal government has requested the IDB's support to directly execute the TC. Furthermore, the execution of TCs by the Bank is common practice in Mexico due to the national budgeting mechanism, which subtracts the financing of the TC from the beneficiary's budget when the beneficiary executes them.

VI. Project Risks and Issues

- 6.1 1. The Ministry of Labor staff need to have the proper training as a key element necessary for the successful implementation of the labor reform. Thus, this Technical Cooperation seeks to explicitly mitigate that risk by providing the best materials and training possible for people who will be directly working in the Federal Conciliation and Registration Centers.

- 6.2 2. The current Global Coronavirus Pandemic has introduced a generalized risk of uncertainty to the success of this Technical Cooperation, as well as all activities planned by the Government in the short- and potentially medium-term. To mitigate this risk, the Bank is in constant communication with counterparts at the Ministry of Labor. As of now, the Bank understands that the deadline of opening the Federal Conciliation and Registration Centers by October 1, 2020, remains a high-level priority and has not been extended.
- 6.3 3. Online training has grown significantly in the past decade, but its successful execution is dependent on users having access to information technology hardware (broadband access, computers) and software (Zoom or other conferencing products), as well as instructors being properly trained in best practices for remote trainings, which can be different from in-person training best practices. This TC will work with the Ministry of Labor to ensure that online training processes take potential barriers into consideration to deliver the best training possible with this methodology, that will mitigate these risks.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".