

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

Supporting the implementation of the labor reform in Mexico

ME-T1393

**Context and justification of TC Support:** This TC builds on the Bank's previous experience and expertise in the subject matter. This labor reform represents an importance advance for Mexican labor justice, which was not the case for a previous 2012 labor reform. Given previous lessons of the Bank in the topic of labor justice in Mexico, in which technical inputs, such as research reports, show that upwards of 50% of labor judgments in favor of workers were not enforced or collected, and upwards of 40% of businesses that lose labor lawsuits restructure so judgments cannot be collected, this TC aims to support the construction of a strong, reliable, and trustworthy labor justice system that serves both Mexican businesses and workers.

The TC is consistent with the Institutional Strategy Update (UIS) 2010-2020 (AB-3008) and aligns with the development challenges of: (i) institutional capacity and rule of law; (ii) social inclusion and equality, by promoting equitable access to systems designed to support fair resolution of labor disputes for all workers, and (iii) low productivity and innovation, by strengthening the rule of law and efficient processes related to adjudication of labor-related disputes.

**Component I – Design of labor mediation institutions.****Consultancy 1:** Roadmap study for the implementation of labor reform**Activities:**

- **General action plan:** The provider will generate inputs for the identification of the central axes of the roadmap, its components and subcomponents.
- **Institutional-organizational map:** The provider will produce a normative, institutional and organizational analysis of the current actors in charge of the labor reform. He/she will identify the changes required by the Law and draw the future institutional-organizational map that should be established.
- **Regional experience in labor reforms:** The provider will identify comparable experiences that allow learning good and bad practices to inform the design of the roadmap for the Implementation of the labor reform.
- **Professionalization of the civil services of the institutional actors involved in the labor reform:** The provider will delineate the action plan for one and four years to accompany the labor reform.

**Expected products:**

1. **A general action plan**, including inputs for the identification of the central axes of the roadmap, its components and subcomponents.
2. **An institutional-organizational map**, as a result of a normative, institutional and organizational analysis of the current actors in charge of the labor reform.
3. **A SWOT analysis** of comparable experiences that allow learning good and bad practices to inform the design of the roadmap for the implementation of the labor reform.
4. **An action plan** for one and four years to accompany the professionalization of the civil services of the institutional actors involved in the labor reform.

**Payment:**

Payment plan	
<i><b>Deliverables</b></i>	<b>%</b>
1. A general action plan	25 %
2. An institutional-organizational map	25 %
3. A SWOT analysis	25 %
4. An action plan for one and four years	25 %
<b>TOTAL</b>	<b>100 %</b>

**Consultancy characteristics:**

- **Type of contract and modality:** Consulting firm/Lump Sum
- **Contract Duration:** 12 months
- **Location:** Mexico City, Mexico
- **Responsible Person:** David Kaplan, Senior Specialist (SCL/LMK), [dkaplan@iadb.org](mailto:dkaplan@iadb.org)
- **Requirements:** Firm or team of consultants specialized in institutional development, labor justice, project design and management, analysis of the public sector, organizational analysis, design of training for professionalization. Strong communication and drafting skills. At least one member of the team must have a doctorate in economics or related discipline.

**Consultancy 2:** Human resource plan**Activities:**

- **Mapping of positions at the new labor justice system:** The provider will generate a map of all positions in the new labor justice system, identifying functions, and interconnections between positions.
- **Define profiles:** Based on this map, the provider will define required education, experience, and skills for each position.
- **Design a training strategy for the employees of the new labor justice system:** The Provider is expected to design, based on the map and positions' profiles, a training strategy to professionalize the employees of the new labor justice system according to their responsibilities.

- **Pilot the strategy in one or few Mexican States:** The provider will be responsible of piloting the strategy with the employees of the new labor justice system in one or few Mexican States.
- **Scale the strategy:** The provider will implement the training strategy in other Mexican States.

#### Expected products:

- 1. **A map of all positions in the new labor justice system**, identifying functions, and interconnections between positions.
- 2. **A list of profiles expected for each position**, according to the required education, experience and skills.
- 3. **A training strategy for the employees of the new labor system**, according to their responsibilities.
- 4. **A pilot of the strategy designed** in one or few Mexican States.
- 5. **A scaled implementation of the training strategy** in other Mexican States.

#### Payment:

Payment plan	
<i>Deliverables</i>	<i>%</i>
1. A map of all positions in the new labor justice system	20 %
2. A list of profiles expected for each position	20 %
3. A training strategy for the employees of the new labor system	20 %
4. A pilot of the strategy designed	20 %
5. A scaled implementation of the training strategy	20 %
<b>TOTAL</b>	<b>100 %</b>

#### Consultancy characteristics:

- **Type of contract and modality:** Consulting firm/Lump Sum
- **Contract Duration:** 6 months
- **Location:** Mexico City, Mexico
- **Responsible Person:** David Kaplan, Senior Specialist (SCL/LMK), [dkaplan@iadb.org](mailto:dkaplan@iadb.org)

**Requirements:** Firm or team of consultants specialized in institutional development, labor justice, capacity building, and training services.

### Component II – Technological upgrade design to improve efficiency

**Consultancy 1:** Recommendation document written for the design and the implementation of the technological platform

#### Activities:

- Present a recommendation document to contribute in designing a technological platform that guarantees quality and access to labor justice for everyone along the labor

adjudication process, from the first notification of parties, to the execution of judgements, in an efficient way.

- Define the hypothesis, conditions, and methodology used for the implementation of the technological platform.
- Propose solutions for improving notifications of the parties, which represents one of the most important areas of opportunity of the labor justice reform. Solutions to help in the assignation of files to people in charge of notification and, more generally, reduce risks of corruption along the notification process are expected.
- Estimate the net benefits and costs of the technological platform.

#### Expected products:

1. **A recommendation document to contribute in the definition of the platform** that best suits the resolution of disputes.
2. **A definition of the hypothesis, conditions, and methodology** used for the implementation of the technological platform, including the identification of the restrictions to requirements for scalability and sustainability.
3. **A proposal of solutions for improving notifications of the parties** and so on, reduce risks of corruption along the notification process are expected.
4. **An estimation of the net benefits and costs of the technological platform.**

#### Payment:

Payment plan	
<i>Deliverables</i>	%
1. A recommendation document to contribute in the definition of the platform	25 %
2. A definition of the hypothesis, conditions, and methodology used	25 %
3. A proposal of solutions for improving notifications of the parties	25 %
4. An estimation of the net benefits and costs of the technological platform	25 %
<b>TOTAL</b>	100 %

#### Consultancy Characteristics:

- **Type of contract and modality:** Consulting firm/Lump Sum
- **Contract Duration:** 12 months
- **Location:** Mexico City, Mexico
- **Responsible Person:** David Kaplan, Senior Specialist (SCL/LMK), [dkaplan@iadb.org](mailto:dkaplan@iadb.org)
- **Requirements:** Consultants specialized in technology of the information for public sector with a doctorate in economics or related discipline.