

# PMR Public Report

<b>Operation Number</b>	ME-L1289	<b>Chief of Operations Validation Date</b>	04/23/21
<b>Year- PMR Cycle</b>	Second period Jan-Dec 2020	<b>Division Chief Validation Date</b>	04/30/21
<b>Last Update</b>	03/29/21	<b>Country Representative Validation Date</b>	05/12/21
<b>PMR Validation Stage</b>	Validated by Representative		

## Basic Data

### Operation Profile

<b>Operation Name</b>	Program to Improve the Quality of Employment in Mexico	<b>Loan Number</b>	5026/OC-ME
<b>Executing Agency</b>	SECRETARIA DEL TRABAJO Y PREVISION SOCIAL	<b>Sector/Subsector</b>	SOCIAL INVESTMENT-LABOR POLICY
<b>Team Leader</b>	KAPLAN, DAVID SCOTT	<b>Overall Stage</b>	Disbursing (From eligibility until all the Operations are closed)
<b>Operation Type</b>	Loan Operation	<b>Country</b>	Mexico
<b>Lending Instrument</b>	Policy-Based Loan	<b>Convergence related Operation(s)</b>	
<b>Borrower</b>	ESTADOS UNIDOS MEXICANOS		

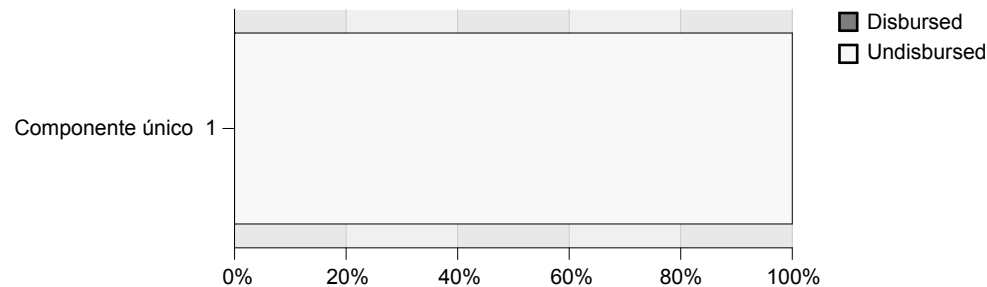
## Environmental and Social Safeguards

<b>Impacts Category</b>	B13	<b>Was/Were the objective(s) of this operation reformulated?</b>	NO
<b>Safeguard Performance Rating</b>		<b>Date of approval</b>	
<b>Safeguard Performance Rating - Rationale</b>			

## Financial Data

Item	Total Cost and Source					Available Funds (US\$)			
	Original IDB	Current IDB	Local Counterpart	Co-Financing / Country	Total Original Cost	Current IDB	Disb. Amount to Date	% Disb	Undisbursed Amount
ME-L1289	800,000,000	800,000,000	0	0	800,000,000	800,000,000	0	0.00%	800,000,000
Aggregated	800,000,000	800,000,000	0	0	800,000,000	800,000,000	0	0.00%	800,000,000

## Expense Categories by Loan Contract (cumulative values)



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### RESULTS MATRIX

#### General Development Objectives

**General Development Objectives Nbr. 1:** Improve the quality of employment in Mexico

**Observation:**

	Indicator	Unit of Measure	Baseline	Baseline Year	Expected Year of Achievement		Target
1.0	Better Jobs Index value for Mexico	Index	53.90	2017	2024	P	35.00
						A	

#### Details

**Means of verification:** Inter-American Development Bank Better Jobs Index

**Observations:** Measures jobs in countries based on two dimensions: quantity and quality. The quantity dimension is composed of two indicators: the labor participation rate and the employment rate. Quality, on the other hand, consists of the formality rate and living wage sufficient to overcome poverty. Thus, the index is the weighted average of these four indicators, and their scores range from 0 to 100. Index published by the IDB.

<b>Pro-Gender</b>	No	<b>Pro-Ethnicity</b>	No
<b>The General Development objective indicator target is expected to be observed by the operation's "Fully Justified" date in Convergence (CO)</b>			
	No		

**General Development Objectives Nbr. 2:** Improve the income of employed workers

**Observation:**

	Indicator	Unit of Measure	Baseline	Baseline Year	Expected Year of Achievement		Target
2.0	Percentage of the population with employment income below the cost of the food basket	percentage	38.50	2019	2024	P	55.00
						A	

#### Details

**Means of verification:** National Council for the Evaluation of Social Development Policy (CONEVAL)

**Observations:** Measures the percentage of households that fail to generate sufficient employment income to rise above the food poverty line. It is published by CONEVAL, using data from the National Occupation and Employment Survey (ENOE) conducted by the National Statistics and Geography Institute (INEGI).

<b>Pro-Gender</b>	No	<b>Pro-Ethnicity</b>	No
<b>The General Development objective indicator target is expected to be observed by the operation's "Fully Justified" date in Convergence (CO)</b>			
	No		

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### RESULTS MATRIX

#### Specific Development Objectives

**Specific Development Objectives Nbr. 1:** Improve the defense of labor rights

**Observation:**

Indicator		Unit of Measure	Baseline	Baseline Year		2024	EOP 2021
1.0	International Trade Union Confederation's Global Rights Index	Index	56.70	2018	P	70.00	70.00
					A		

#### Details

**Means of verification:** World Economic Forum

**Observations:** Indicates the degree of protection of collective labor rights that must be recognized by governments and employers. Measures the degree of respect for workers' rights. The results of this index are reported annually in the World Economic Forum's Global Competitiveness Report.

**Pro-Gender** No **Pro-Ethnicity** No

Indicator		Unit of Measure	Baseline	Baseline Year		2024	EOP 2021
1.2	Real contractual wage increase within the federal jurisdiction (average over the last six years)	Percentage	0.26	2018	P	0.35	0.35
					A		

#### Details

**Means of verification:** National Occupation and Employment Survey

**Observations:** The contractual wage increase is an average weighted by the number of workers involved in wage negotiations. Monthly figures are deflated by the relevant year-on-year monthly inflation and annual figures are deflated by the average inflation in the respective year. The STPS publishes this indicator monthly.

**Pro-Gender** No **Pro-Ethnicity** No

**Specific Development Objectives Nbr. 2:** Improve labor justice

**Observation:**

Indicator		Unit of Measure	Baseline	Baseline Year		2024	EOP 2021
2.0	Percentage of individual labor disputes resolved through conciliation	Percentage	0.78	2019	P	0.83	0.83
					A		

#### Details

**Means of verification:** STPS reports

**Observations:** Indicates the number of labor disputes that are resolved before leading to a labor lawsuit. It is published annually by the STPS.

**Pro-Gender** No **Pro-Ethnicity** No

Indicator		Unit of Measure	Baseline	Baseline Year		2024	EOP 2021
2.2	Percentage of collective bargaining agreements (CBAs) registered at the Federal Center for Labor	Percentage	0.00	2019	P	0.30	0.30

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### RESULTS MATRIX

#### Specific Development Objectives

2.2	Conciliation and Registration	Percentage	0.00	2019	A		
Details							
<b>Means of verification:</b> 4 Administrative records at the Federal Center for Labor Conciliation and Registration							
<b>Observations:</b> Indicates the percentage of CBAs that will be registered using the new institutional structure. As CBAs are reviewed, the information on all existing CBAs is expected to be gradually systematized.							
<b>Pro-Gender</b>		No			<b>Pro-Ethnicity</b>		No

#### Specific Development Objectives Nbr. 3: Improve the functioning of social security

##### Observation:

Indicator		Unit of Measure	Baseline	Baseline Year		2024	EOP 2021
3.0	Number of household workers enrolled in the IMSS	Number	17,213.00	2019	P	50,000.00	50,000.00
					A		
Details							
Means of verification: Annual IMSS reports							
Observations: Indicates the total number of household workers enrolled at the end of the period.							
Pro-Gender		Yes		Pro-Ethnicity		No	

Indicator		Unit of Measure	Baseline	Baseline Year		2024	EOP 2021
3.2	Average management fee on pension fund balance charged by the AFORES	Percentage	0.97	2019	P	0.85	0.85
					A		
Details							
Means of verification: Annual CONSAR reports							
Observations: Indicates the weighted average fee collected from workers' individual accounts in which their retirement funds are managed.							
Pro-Gender		No		Pro-Ethnicity		No	

## RESULTS MATRIX

## OUTPUTS: ANNUAL PHYSICAL AND FINANCIAL PROGRESS

## Component Nbr. 1 2. Regulatory framework to improve job quality

				PHYSICAL PROGRESS	
	Output	Unit of Measure		2020	EOP 2021
1.1	2.1 Reform of the Federal Labor Law to entrust the resolution of disputes between workers and employers to labor courts that are part of the federal judicial branch.	Reform approved	P	1	1
			P(a)	1	1
			A	1	1
1.2	2.2 Reform of the Federal Labor Law and presentation of the new Law on the Federal Center for Labor Conciliation and Registration, introducing a pretrial conciliation process for labor disputes.	Reform approved	P	1	1
			P(a)	1	1
			A	1	1
1.3	2.3 Reform of the Federal Labor Law to establish gender parity in the composition of union boards of directors as a requirement.	Reform approved	P	1	1
			P(a)	1	1
			A	1	1

## Component Nbr. 2 3. Regulatory framework and use of technology to improve the resolution of individual labor disputes

				PHYSICAL PROGRESS	
	Output	Unit of Measure		2020	EOP 2021
2.1	3.1 Reform of the Federal Labor Law to introduce democratic processes evidencing the representation of labor unions and approval and registration of CBAs.	Reform approved	P	1	1
			P(a)	1	1
			A	1	1

## Component Nbr. 3 4. Regulatory framework to improve the functioning of social security

				PHYSICAL PROGRESS	
	Output	Unit of Measure		2020	EOP 2021
3.1	4.1 Reform of the Federal Labor Law, including provisions that disregard the legal effect of stipulations that prevent or limit the enjoyment and exercise of labor rights, including social security and lower wages.	Reform approved	P	1	1
			P(a)	1	1
			A	1	1
3.2	4.2 Reform of the Federal Labor Law regulating household work.	Reform approved	P	1	1
			P(a)	1	1
			A	1	1
3.3	4.3 Agreement defining the mechanism to reduce the fees of the retirement fund managers (AFOREs) to internationally competitive levels in the 2020-2024 period.	Agreement	P	1	1
			P(a)	1	1
			A	1	1

**CHANGES TO THE MATRIX**

No information available for this section

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## IMPLEMENTATION STATUS AND LEARNING

### Lesson Learned - Categories

Intra/Inter Coordination