



THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX III

of the Commission Implementing Decision on the financing of the multiannual action plan part III in favour of the Americas and the Caribbean for 2022 and 2023

Action Document Promoting decent work and supporting job formalisation in Mexico (EU4DecentWork)

MULTIANNUAL ACTION PLAN 2022 AND 2023

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans of Article 23 of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Promoting decent work and supporting jobs formalisation in Mexico (EU4DecentWork) OPSYS reference: ACT 61548 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes “Social cohesion and the fight against inequalities”, Team Europe Initiative in Mexico
3. Zone benefiting from the action	The action shall be carried out in Mexico
4. Programming document	Multiannual Indicative Programme (MIP) for the Americas and the Caribbean 2021-27¹ (Mexico Chapter)
5. Link with relevant MIP(s) objectives / expected results	Priority Area 2: Digital Transformation and innovation Specific Objective 1: Strengthen standardisation, regulatory and policy cooperation on issues of common interest R2: strengthened regulatory environment and e-governance / good public governance, including transparency R4: Strengthened capacities of LAC countries to provide the skills and competencies needed in the digital era, especially to those population segments most at risk of exclusion

¹ [mip-2021-c2021-9356-americas-caribbean-annex_en.pdf \(europa.eu\)](https://europa.eu/mip-2021-c2021-9356-americas-caribbean-annex_en.pdf)

	<p>Priority area 3: Sustainable and inclusive economy Specific objective 3: Support the inclusiveness of LAC's economic recovery R3) Public policies related to maximising creation of decent jobs in the process of economic recovery and to compliance with International Labour Organisation (ILO) conventions are enhanced R4) Socially responsible economic practices are promoted, in line with international principles and standards for Corporate Social Responsibility/responsible business conduct</p> <p>Priority area 4: Governance, Security and Migration Specific objective 3: Improving migration management policies and capacities, including in the areas of forced displacement, migrant protection, fight against trafficking in human beings and migrants smuggling R5) Improved and coordinated migration/forced displacement management policies and capacities at continental, regional, sub-regional and national levels – including in the areas of migrant protection, trafficking in human beings, migrant smuggling, documentation, border management, as well as temporary and durable solutions to displaced persons.</p> <p>Priority area 5: Social cohesion and addressing inequalities Specific objective 3: Strengthening systems to protect people from risks and ensure equal access to public goods and services (particularly for the most vulnerable) R1) All people have increased access to quality basic services (health, water and sanitation, education and skills development, employment, access to justice), including at territorial level R2) Social protection systems are adequate, reinforced and shock-resilient, and reach the most vulnerable.</p>
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority area 3 of Mexico Chapter : Social cohesion and addressing inequalities
7. Sustainable Development Goals (SDGs)	<p>Main SDG (1 only): SDG 8 - Promote inclusive and sustainable economic growth, employment and decent work for all.</p> <p>Other significant SDGs (up to 9) and where appropriate, targets:</p> <ul style="list-style-type: none"> ● SDG 1 – No poverty ● SDG 3 – Good Health and Well-Being ● SDG 4 – Quality Education ● SDG 5 – Gender Equality ● SDG 10 – Reduced Inequalities ● SDG 16 – Peace, Justice, and strong institutions
8 a) DAC code(s)	16011 Social protection and welfare services policy, planning and administration -100%- 15190 Facilitation of orderly, safe, regular, and responsible migration and mobility - 100%-
8 b) Main Delivery Channel @	13000 Third Country government (Delegated co-operation) 41000 UN entities
9. Targets	<input checked="" type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity

	<input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ Tags: transport people2people energy digital connectivity	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	(methodology for marker and tagging under development)			
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	<p>Budget line(s) (article, item): BGUE-B2023-14.020140-C1-INTPA</p> <p>Total estimated cost: EUR 7 750 000</p> <p>Total amount of EU budget contribution EUR 7 000 000</p> <p>This action (component 2) is co-financed by:</p> <ul style="list-style-type: none"> - UNHCR for an amount of EUR 450 000 - IOM for an amount of EUR 300 000 			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing²	Indirect management with AFD Group and FIAPP (component 1) and UNHCR (component 2).			

² Art. 27 NDICI

1.2 Summary of the Action

Despite the fact that Mexico is the world's 15th largest economy, the country is characterised by high inequality levels, with almost half of its population living below the poverty line, and one fourth in extreme poverty. The COVID-19 pandemic put 1.6 million more people into extreme poverty and the sanitary crisis revealed the fragility and fragmentation of the national healthcare sector, the deficiency of protection schemes and the general systemic weaknesses of a country suffering from persistent inequality. The negative effects of the pandemic in countries of the region, especially in Central America, has also led to an increase in migration.

Widespread informality remains a key structural challenge with important implications in terms of productivity, economic growth, inequality of income, lack of contribution to the fiscal effort and structural poverty. With more than half of the Mexican population left behind, and nearly 60% of workers in informal jobs, major challenges remain vis-à-vis the achievement of the SDGs. In that respect, the formalisation and integration of the people most at risk and people on the move through decent work is an opportunity for Mexico to revert fragmentation and growing inequalities and to promote sustainable and inclusive growth.

Despite a favourable legal framework for the inclusion of people on the move, progress on labour reforms paving the way to formalising the most vulnerable workers and a pro-poor political narrative, institutional weakness is a key factor behind the main challenges affecting Mexico and its population. Federal and state administrations suffer from a crucial lack of data, knowledge, regulatory frameworks and operational mechanisms for structural changes.

The Action proposed intends to support relevant administrations in designing and implementing efficient mechanisms and digital solutions aiming at formalising and integrating the most vulnerable workers, such as women, youth and 'people on the move'. The proposed Action will contribute to strengthen social protection systems, services and tools, to exercise basic rights, to enhance the functioning of the labour market and to build a healthier and more cohesive society. The Action implies an active collaboration and engagement with the private sector and responds to the labour market and workforce demands.

The main stakeholders are the Mexican Institute of Social Security (IMSS), the Secretary of Labour and Welfare (STPS), the Tax Administration Service (SAT), the National Institute of Migration (INM), the Mexican Commission for Refugees (COMAR), the National Employment Service (SNE) and the private sector.

The Action aims at contributing to the Team Europe Initiative on Social Cohesion coordinated with EU Member States, with an active engagement of DE, FR, NL and ES and with the support of European expertise, considered a reference in the sector of employment and social protection.

2 RATIONALE

2.1 Context

Mexico is the second economy and most populated country (129 million inhabitants) in Latin America. Mexico's unique place in LAC makes the country a strategic EU partner for advancing EU interests and values in the region. Traditionally a like-minded player in the multilateral arena, with strong political, cooperation, trade and investment links and a G20 country, Mexico is a member of the OECD since 2011 and also one of the "big five", "countries in transition" and global players.

The EU engagement during 2021-2027 in Mexico concentrates on policy first, using international partnerships to leverage the EU action and leave a sustainable EU footprint in the country. It responds to Mexico's main challenges: the overall institutional weakness, increasing insecurity and growing inequalities impacting sustainable and responsible growth and stability.

The EU response, as elaborated under the Mexico chapter under the Pan-American window of the Regional Multiannual Indicative Programme 2021-2027 for Americas and the Caribbean and in the 2022 AAP fiche adopted in SSC, is built around 3 priority areas:

- Supporting to the modernisation and implementation of the EU-Mexico new Global Agreement
- Addressing green global challenges
- Promoting social cohesion and reducing inequalities

The proposed Action responds to social cohesion challenges (priority 3) by supporting Mexico in designing efficient, fair and sustainable social and labour policies to reduce inequalities, promote sustainable and inclusive

growth and leave no-one behind (SDG 8 and 10). Tackling informality also helps increase public revenue by supporting jobs formalisation. Priority is given to the most vulnerable groups acting in the informal economy such as women, youth and people on the move whose final destination is Mexico.

The intervention is fully in line with the overarching objective of the National Development Plan (NDP) 2018-2024, since it aims at guaranteeing universal access to welfare, meaning to set up necessary conditions for people to exercise their rights. To that purpose, the government has launched a series of social programmes tending to support – through cash transfers -the most vulnerable and “historically discriminated” households and individual. While addressing real needs - sometimes qualified as an “historic debt” towards the less favoured population, the current government’s political narrative is not supported by sustainable outcomes. Indeed, the social programmes under implementation do not consider any structural reform of the system but create a dependency to government subventions.

The Action is an essential contribution to the Team Europe Initiative (TEI) on Social cohesion in Mexico. The implementation of this TEI will be coordinated with Member States, notably France, Germany, Netherlands and Spain and its development agencies. Actions programmed and/or implemented by Member States will complement the EU engagement. GIZ is elaborating the “Piso-igual” project on social inclusion for equality and post-COVID19 recovery with EUR 3.4 million. The French Development Agency (AFD) is engaged operationally with the Labour and Welfare Ministry in formalising domestic workers in Mexico. The AFD also signed in June 2022 with the Ministry of Finance a cooperation agreement promoting financial inclusion with gender perspective and inclusive economic growth aiming at strengthening people resilience to social and environmental shocks. More generally, collaboration with European private sector companies will be reinforced, with a view to facilitating labour integration, in particular for ‘people on the move’.

The Action is built around the two following components:

A. Component 1 - Promoting decent work and job formalisation for vulnerable and most at risk workers and, in particular, women and youth

B. Component 2 - Promoting sustainable integration solutions for ‘people on the move’ (refugees, migrants, returnees and internally displaced people) in Mexico, contributing to social cohesion and economic development

Inclusive and secure digital mechanisms and tools will be encouraged and supported.

2.2 Problem Analysis

Despite the fact that Mexico is the world’s 15th largest economy, it is characterised by high inequality levels, with almost half of its population living below the poverty line, and one fourth in extreme poverty. According to the Economic Commission for Latin America and the Caribbean (ECLAC), poverty and extreme poverty in Mexico are far above the Latin American average: 43.9% of the population is living in poverty and 8.5% in extreme poverty in 2022³. Inequality has increased in multiple dimensions since 2018, including a decline in access to healthcare and food and an increase in informality and under-employment along with a decrease in women's participation in the labour market. From 2005 onwards, Mexico has had a Gini coefficient of 0.5, while economic growth has been positive but not inclusive.

The COVID-19 pandemic added 1.6 million more people to extreme poverty and the sanitary crisis revealed the fragility and fragmentation of the national healthcare sector, the deficiency of protection schemes and the general systemic weaknesses of a country suffering from persistent inequality. Indicators of rule of law and quality of institutions in Mexico are weak and have declined, with considerable harm to the poorest population. Despite significant progress in promoting integrity, corruption remains widespread. High crime rates are a drag on economic activity and welfare and have a particularly strong impact on the poorest, women and migrants.

According to the ‘2022 OECD Economic Survey of Mexico: Achieving Mexico’s Large Economic Potential’⁴, the Mexican economy is already recovering from the COVID-19 pandemic, and it is expected to expand by 1.9% in 2022 and 2.1% in 2023. However, informality remains significant (the highest among OECD countries), as 55.7%

³ 2020 figures, National Council for the Evaluation of Social Development Policy

⁴ Consulted at: <https://www.oecd.org/economy/mexico-economic-snapshot/>

of workers continue to perform activities under this status⁵. This has not only significant impacts in terms access to social welfare, but it also hampers Mexico's tax revenue. Importantly, informal employment does not affect all population groups equally - women and young people, as well as refugees, migrants, returnees and internally displaced people tend to be more exposed. Widespread informality (both for employed and self-employed) remains a key structural challenge with important implications in terms of productivity, economic growth, inequality of income, lack of contribution to the fiscal effort and structural poverty.

Women are more heavily engaged in the informal economy and unpaid work. Indeed, 58.8% of women are working in the informal sector, compared to 50.2% of men⁶. Women working in the informal economy are also more vulnerable to living in poverty and to a lower level of education. According to the National Institute of Statistics and Geography (INEGI), there are more than 2.2 million domestic workers, 89% of them are women, out of which only 46.000 result formally employed.

Young people remain particularly left behind, as a large share of the Mexican youth is not in employment, education or training (NEETs): 25% of the 20-24 year-old and 14% of 15-19 year-old population are NEETs, with close to 60% of them in the bottom 40 percent of the income distribution. The NEETs phenomenon is associated with other inequality dimensions, including in gender (the majority of youth NEETs are urban women, and Mexico has the highest adolescent pregnancy rate in the OECD), security (the young male NEET homicide rate is significantly higher than the one assessed in the general population), education, etc.

After the apparent stagnation of migration movements in 2020 due to the COVID-19 pandemic and the closure of international borders, mixed migration flows have reached a record high and surpassed the last ten years combined in 2021, Mexico turning more and more into a host country. Asylum seekers, Mexican returnees from the United States, internally displaced people are particularly at risk of exclusion due to violence and organised crime in Mexico. Furthermore, a growing number of refugees and migrants perceive Mexico as the final destination and this trend is likely to continue given the complex political, economic and insecurity context in the region and restricted possibilities of entry to the United States. These so-called 'people on the move' continue to have fewer possibilities to access stable and decent jobs in Mexico, although the legal framework of the country is quite favourable (the Constitution, the Law General Law on Refugees and the Migration Law), providing legal right to refugees and migrants with regularized status to access formal economy and social services. Gaps persists in the practical application of the legal framework, as they are not always translated into administrative procedures or not known by civil servants and private sector at local level. The decentralisation of the Mexican administration also means that processes and policies on accessing rights and documentation are not standardized.

Economic recovery and growth perspectives are essential for the generation of more and better jobs, but this does not automatically lead to reducing informality and strengthening social cohesion. This requires the implementation of deliberate inclusive policies and actions that complement economic growth. Promoting decent work and greater labour market inclusivity for vulnerable workers not only represents a social benefit for Mexico, but also contributes to improve employment systems, benefitting the public administration and the private sector and boosting economic outcomes. Women, youth and people on the move are indeed important enablers of sustained, sustainable and inclusive development. Integrating them into formal employment has significant potential for contributing to Mexico National Development Plan and the achievement of SDG targets.

The country has an important opportunity to consider how to leverage labour migration for its future economic development.⁷ Lengthy migratory documentation represents missed opportunities for efficient and effective integration of both migrants and refugees in Mexico, leading to losses in public budget and the un-ability to match the elevated workforce demand from the private sector.

The Action will support key public and private stakeholders in charge of employment, migration and social protection with a view of promoting the social agenda by increasing substantially the number of targeted people formalised and having access to social protection and public services.

⁵ According to figures from the ENOE (National Occupation and Employment Survey) as of March 2022

⁶ ILO, 2018

⁷ Available at: <https://reliefweb.int/report/canada/temporary-worker-programs-canada-mexico-and-costa-rica-promising-pathways-managing-central-american-migration>

Key stakeholders

A. Component 1 - Promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth

This component targets a wide range of stakeholders. Policy-dialogue and coordination as well as technical support activities will imply actively the following duty bearers:

- The Mexican Institute of Social Security (IMSS), which operates under the Secretariat of Health. It is a governmental institution in charge of assisting public health, pensions and social security in Mexico.
- The Secretary of Labour and Welfare (STPS), which is the Federal government agency that oversees compliance with the labour rights of workers and their families, in order to guarantee a sustained increase in their quality of life.
- The Tax Administration Service (SAT), which is part of the Ministry of Finance and Public Credit as a decentralised body. It collects the tax and customs resources required by law. It provides taxpayers with the necessary tools to comply with their tax obligations.

The federal level will be privileged, without excluding activities at state level when relevant and transformational.

Coordination will be ensured with the following stakeholders:

- The National Institute of Statistics and Geography (INEGI), an autonomous public body responsible for regulating and coordinating the National System of Statistical and Geographical Information, as well as for collecting and disseminating information on Mexico in terms of territory, resources, population and economy. This public body is essential as it contribute to data-driven decision-making.
- The National Council for the Evaluation of Social Development Policy (CONEVAL), a decentralised public body of the Federal Public Administration, with autonomy and technical capacity to generate objective information and analysis on the situation of social policy and the measurement of poverty in Mexico. Evaluation is instrumental to improve decision-making process on social policies.

Organisations representing employers or employees and civil society organisation supporting final beneficiaries towards their formalisation will be also targeted and associated.

The final beneficiaries of the component 1 of the project will be the bottom (poorest) 40% or other socio-economically disadvantaged individuals, households or groups such as agricultural day-labourers, domestic workers, migrants and returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms.

B. Component 2 - Integration of people on the move through formal employment

This component targets a wide range of stakeholders. Among relevant duty bearers to facilitate refugees' and migrant economic and social integration in Mexico are:

- Federal authorities, such as COMAR, INM, SRE, STPS, SNE, RENAPO, SAT, IMSS, Ministry of Welfare (Bienestar, *Secretaría de Bienestar*), and SEP (*Secretaria de Educacion Publica*)
- State governments and municipalities
- Private sector companies, in particular European, employers' organisations, such as the Mexican Employers' Confederation (COPARMEX, *Confederación Patronal de la República Mexicana*), Chambers of Commerce and registered private employment agencies
- Financial Institutions (national and international) and Bank Associations

Given the project's objective to facilitate migratory documentation for people on the move who intend to stay in Mexico, it will also engage with the consulates of migrants' countries of origin in Mexico, in particular from Central America and the LAC region.

Civil society organisations and hosting communities play an equally important role in advocating and providing protection and integration for vulnerable groups.

The ultimate beneficiaries of the component 2 will specifically be refugees, migrants, internally displaced people (IDPs), and returnees who plan to establish themselves permanently in Mexico.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The overall objective (Impact) of this Action is:

Decent work for women and men in all their diversity, in particular for the people most vulnerable and at risk.

The **Specific(s) Objective(s) (Outcomes)** of this component are to:

A. Component 1 - Promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth

SO.1 Improve access to social protection for workers in Mexico, targeting in particular agricultural day-labourers, domestic workers, migrants, refugees and returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms, while mainstreaming gender;

SO.2 Strengthen relevant institutions to encourage labour formalisation and the transition of employers and workers from informal to formal economy;

SO.3 Promote the awareness of the benefits arising from transition from informal to formal economy among employers and worker's representatives as well as broader public.

B. Component 2 - Integration of people on the move through formal employment

SO.4 Support improvements in the national regulatory and operational framework to facilitate migratory documentation and foster the integration of people on the move willing to stay in Mexico;

SO.5 Enhance the effectiveness of service delivery for people on the move, including status regularisation, formal employment, and financial inclusion and social protection

SO.6 Promote responsible and sustainable recruitment mechanisms and practices by the private sector and financial institutions that fosters the integration of the people on the move and facilitates their access to services.

The **Outputs** to be delivered by this component contributing to the **Specific Objectives** (Outcomes) are:

A. Component 1 - Promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth

- 1.1 The policy, legal and/or regulatory frameworks for social protection of agricultural day-labourers, domestic workers, migrants, refugees, returnees, displaced-people, persons with disabilities, workers exposed to high-risk activities and workers of digital platforms are addressed and improved at federal and state level, taking into account the main barriers identified that hamper and reduce access;
- 1.2 Processes and tools to access formal employment and social protection are reviewed with a gender-sensitive approach to ensure that women are at the core of the interventions aimed at reducing informality and vulnerability on the labour market;
- 1.3 Peer-learning systems and coordination mechanisms are in place between the different states to allow a stronger enforcement of labour formalisation and access to social protection in their territories;

- 1.4 Incentives for formalisation of agricultural day-labourers, domestic workers, migrants, refugees, returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms are promoted at federal and/or state level;
- 2.1 Technical and digital capacities of the relevant institutions are enhanced for the implementation and monitoring of job formalisation initiatives at the federal and/or State level and digital tools developed;
- 2.2 Capacities, measures and tools of relevant institutions, including labour inspection and social security funds, are improved to strengthen compliance, control, inspection and sanction of frauds in the labour market and the social security system and compliance incentivised;
- 3.1 Reinforced communication strategies, tools, campaigns and support measure for employers/ employees/ independent workers and worker organisations encouraging decent jobs (formalisation, social security affiliation, health and safety) are in place, with a special attention to the Mexican states mostly affected by informality and to the most vulnerable groups, including women and youth.

B. Component 2 - Integration of people on the move through formal employment

- 4.1 Migrants and refugees have enhanced access to obtaining legal status regularization and work permits
- 4.2 Institutional mechanisms are established to strengthen access to formal employment and foster integration of people on the move
- 4.3 Enhanced awareness of general public and key stakeholders about opportunities and benefits of socio-economic integration of people on the move
- 5.1 Wider access to social protection and financial services for people on the move is promoted to enhance their social and economic inclusion opportunities in host communities
- 5.2 Consolidation and digital interconnection of the National Employment system (SNE) across all the federal entities is in place and enhanced qualifications and recognition for effective job matching for people on the move
- 6.1 Strategic and long-term alliances, coordination and cooperation mechanisms and procedures are developed with the private sector, banks and financial institutions and public institutions to foster the integration of people on the move in Mexico.

3.2 Indicative Activities

A. Component 1 - Promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth

The tools proposed will guarantee the achievement of the results/outcomes and their contribution to the general objective, fundamentally within the framework of the exchange of experiences:

- Technical assistance: aimed at solving specific needs and/or bottlenecks of the institutions, both at federal and state level, review of legal, strategic and regulatory frameworks and provide guidance for its meaningful implementation, in order to reduce the barriers to accessing social protection and accompany the transition from informal to formal economy. Specific technical assistance will be devoted to reinforcing the capacities of the institutions in charge of control and inspections and well as to the promotion of adequate social protection and fiscal schemes that will help strengthening the legal and regulatory framework for job formalisation and social protection. Dedicated expertise is proposed in the area of communication to support private and public stakeholder strengthening communication strategies/mechanisms/tools on decent work and increase the understanding of the benefit of decent work among the broader public.
- Exchange of experience and expertise:
 - i) Study visits: short work stay for a group of Mexican public specialists from the federal entities and state level actors in another country in Europe or Latin America, to learn in-depth how reforms or similar processes are being carried out in the field of tackling informal jobs and promoting the decent work agenda;
 - ii) Internships: several weeks of in-depth visits of Mexican civil servants in a country of the European Union or Latin America, with the purpose of knowing a concrete experience through the observation and participation in real cases of the host country in the area of decent work and fight against informality;

iii) Workshops and seminars: in the same State or between the participating States on issues relevant for this Action, for joint work on the matters defined in the project or for the exchange of experiences and best practices among States and between Mexico and the European Union.

Indicative activities related to outputs of Outcome 1:

A1.1 Design and promotion at federal level of adequate social protection and fiscal schemes for agricultural day-labourer, domestic workers, migrants and refugees, returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms, while mainstreaming gender;

A1.2 Design and promotion at the state level of adequate social protection and fiscal schemes for agricultural day-labourer, domestic workers, migrants and refugees, returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms, in particular while mainstreaming gender;

A1.3 Policy review to assess barriers to social protection and job formalisation for the most vulnerable and most at risk workers, including recommendations for legal modification and technical changes;

A1.5 Design and implementation of incentives for formalisation of agricultural day-labourers, domestic workers, migrants, refugees, returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms are promoted at federal and/or state level;

A1.6 Review of processes and tools for formal employment and social protection with a gender-sensitive approach;

A1.7 Design and launch of cooperation and coordination mechanisms for peer-learning among Mexican states in areas related to promote social protection and enforce labour formalisation.

Indicative activities related to outputs of Outcome 2:

A2.1 Organisation of study-visits in Europe to increase knowledge and understanding of labour legislation, policies and best practices, including labour inspection, health and safety at work and job formalisation (incentives and penalties) among other key subjects;

A2.2 Technical support to improve public policy instruments and legislations/regulations aimed at ensuring the formalisation of the informal economy and promote decent work;

A2.3 Training for the relevant institutions in order to upscale their capacities to address informality and promote access to better jobs;

A2.4 Support to the digitalisation and modernisation of the public institutions in charge of labour formalization;

A2.5 Technical support to strengthen the capacities and improve tools of labour inspections and social security funds to control, inspect, and sanction frauds in the Mexican labour market and social security system, and incentivise compliance.

Indicative activities related to outputs of Outcome 3:

A3.1 Design and implementation of communication strategies (general and specific for each economic sector) to raise awareness on the relevance of decent work and job formalisation among employers and worker's representatives as well as the general public, with a special focus on women and youth;

A3.2 Design and implementation of online communication tools to raise awareness on the relevance of decent work and formalisation among employers and worker's representatives as well as the general public, with a special focus on women and youth;

A3.3 Technical assistance to key public and private institutions to better communicate on the relevance of formalisation of the informal economy, with a special focus on women and youth.

Component 2 - Integration of people on the move through formal employment in Mexico

The following indicative activities are planned for the implementation of the above-mentioned outputs:

Indicative **activities** related to Output of **Outcome 4**:

A4.1 Technical Assistance to strengthen government authorities' capacities aimed at providing long-term regularisation alternatives for people on the move;

In particular, the International Organisation for Migration (IOM) will work in close collaboration with relevant governmental authorities in the design and implementation of a comprehensive strategy to enable the economic and social inclusion of migrants into the Mexican labour force. The main streams of action are:

- The institutionalisation of a migratory regularization mechanism to grant TVRHs⁸ and/or TRTs⁹ to migrants, including advocacy activities with the INM -Instituto Nacional de Migración, to grant more affordable rates and payment exemption mechanisms for vulnerable migrants. In order to achieve the sustainability of these efforts, the provision of technical assistance, trainings for the INM and other relevant governmental authorities on this scheme will be provided by IOM (in coordination with the EU programme for Migration MIEUX).
- The facilitation of essential documentation for migrants to access formal employments and other services such as CURP¹⁰ and RFC in coordination with SAT¹¹ and RENAPO¹².

The IOM will also collaborate with the private sector to support the regularisation processes through financial support on the costs related to renewing a TVRH or getting a TRT.

A4.2 Enhance verification of the identity documents needed for opening bank accounts of people on the move;

Although the Mexican law is inclusive and allows holders of TVRH and TRP to open level 1 and 2 bank accounts by presenting identify cards issued by the National Institute of Migration (resolution of March 3 published in the Official Federation Diary (DOF)), most banks require a passport to confirm the identity of a client in order to open a bank account. For those with a refugee status or asylum seekers, it is not feasible to approach their consulates and apply for a passport, while most migrants travel without any identity documents. Furthermore, TVRH is not recognized by banks as an official document to open a bank account, while they request additional documents that most people on the move lack such as proof of address or CURP. UNHCR will work with relevant governmental authorities to implement an interoperability between the RENAPO's stored information originated from the CURP for foreigners and banks' systems, which will allow direct verification of biometric data of people on the move and will repeal the need of additional identity documents for them to be presented while requesting opening a bank account.

Indicative **activities** related to Output of **Outcome 5**:

A5.1 Enhancing the modalities of the digital labour intermediation platform allowing the increase of the number of job-offers for people on the move from the States of arrival to the ones of destination;

To improve and optimise job-matching services for both employers and job seekers in mobility, UNHCR and ILO will work in close collaboration with the National Employment Service (SNE) to improve the current job-matching platform (*Portal de Empleo*). The aim will be to develop a microsite embedded in the current job-matching platform that will allow the registration of refugees and migrants' profiles considering the specificity of their migratory documentation. The improvement will also enhance search functions and visibility of these profiles to private sector companies to make the job matching service more efficient. Both agencies will contribute to the consolidation of this employment portal within the private sector companies and employers' organisations to

⁸ Tarjeta de Visitante por Razones Humanitarias (Visitor Card for Humanitarian Reasons)

⁹ Working Visa in Mexico

¹⁰ Unique Population Registration Code

¹¹ Servicio de Administración Tributaria (Fiscal Administration Service)

¹² National Population Registry Office

enhance its use in recruitment of people on the move. In addition, this activity will promote labour inclusion of people on the move through assisting and participating in the Employment Fairs organised by SNE in main integration cities.

A5.2 Strengthening the National Employment Service (SNE) capacities to provide better services for people on the move

The ILO, IOM and UNHCR will unify the existing training courses to create a uniform digital curriculum to enhance SNE employees' capacity to provide better employment services for people on the move. These efforts will be fostered by provision of training for SNE employees at the federal and state levels through the digital training platform. UNHCR will pursue modernisation of SNE offices in the southern border states and northern border states of the country, to provide better service to job-seeking people on the move in the cities of first reception and members of local communities. At the same time, IOM will provide IT equipment of SNE's offices in the integration cities (mainly in the centre and north of the country), based on the mapping of needs and opportunities carried out with SNE.

A5.3 Facilitation of job opportunities through recognition and enhanced qualifications of people on the move;

Efforts to enhance cooperation with federal and state vocational education and training (VET) institutions will be implemented to better respond to the demands of local labour market. As part of these activities, IOM and UNHCR will enhance recognition of diplomas issued in countries of origin and support the revalidation of studies and/or skills certificates for people on the move. UNHCR and IOM will work with national systems and institutions, such as CECATI and ICAT operating at federal and state level to enhance people on the move opportunities to benefit from technical, vocational and/or professional training and will also establish negotiate with public universities to support the continuation of education for young people. These activities aim at fostering job matching based on the analysis and recognition of qualifications on the labour market.

A5.4 Promoting the use of the SNE Digital Portal for 'people on the move' through Informative Hubs;

Most people on the move are not familiar with SNE Digital Portal (*Portal del Empleo*) as a channel to identify potential job opportunities given that the website does not target people on the move as such. However, the project will contribute to the adaptation of the SNE Digital Portal through the development of special component (microsite) for people on the move. The dissemination and promotion of this tool to the potential users thus becomes crucial. In this light, IOM will design and implement a strategy to precise, improve and accelerate the dissemination of job vacancies available at the Portal, through its 26 Informative Hubs (*Ventanillas Informativas*) deployed across the country, promoting the use of the Portal and contributing to effective job-matching on the labour market.

A5.5 Elaborating and distributing practical information to 'people on the move', explaining on the steps and requirements to access higher education, diplomas certifications, RFC and CURP;

The elaboration and systematic distribution to people on the move of complete, precise and updated information concerning the requirements to access higher education, diplomas certifications, and official documentation such as RFC and CURP is another key -component to facilitate access to job opportunities and foster employability.

A5.6 Establishing collaboration with competent public administrations, worker's organizations civil society, and private sector to facilitate care services for single-parent families on the move;

IOM and UNHCR will facilitate the access to day-care services for children available for mono-parental families on the move in strategic federal entities. Access to existing care services managed by competent public administrations, workers' organizations, civil society organizations and the private sector will be strengthened as a means to facilitate the comprehensive inclusion of family heads into the labour market, particularly of women.

A5.7 Access to social housing for people on the move in selected destination cities;

Access to social housing, through public programmes, even if formally granted remains a major challenge. The Action will support the coordination with relevant federal, state and local authorities and with the private sector (employers and banks) to enhance accessibility of people on the move to the housing programmes.

A.5.8 Designing and implementing a mechanism to facilitate access to sustainable, safe, and inclusive transport for people on the move;

Sustainable, safe, and inclusive transport for people on the move continues to be a challenge to achieve a comprehensive socioeconomic integration, as daily transportation costs exert pressure on the household income. IOM and UNHCR, in close collaboration with the local authorities in charge of public transportation and the private sector, will design and implement a mechanism to facilitate access to sustainable transportation to the places of work – at least during the first 6 months of integration.

A.5.9 Awareness campaigns on the benefits of integration of people on the move for the Mexican economy and society (enterprises, public administration and citizens in general);

In particular, IOM and UNHCR will launch two dedicated campaigns targeted at the private sector, chambers of commerce, financial institutions, and governmental authorities, on the positive impact of the socio-economic integration of people on the move; this is intended to raise public awareness and sensitise a broader number of stakeholders on the positive contribution of people on the move.

Indicative **activities** related to Output of **Outcome 6**:

A6.1 Advocacy with financial institutions (including traditional banks and fintech) on financial inclusion of people on the move;

Access to financial services is a key element in the integration process for refugees and migrants, offering safe options to receive their salaries officially, contract credits, transfer money to their countries of origin, and keep their savings protected. It also opens the possibility to access credit products. This is part of their financial power and enables them to invest higher quality goods and services through affordable payments.

UNHCR and IOM will consolidate partnerships with financial institutions on the financial inclusion of people on the move, contributing to enforce the implementation of the CNBV Resolution of 3/03/2022. The planned strategy is designed to identify key financial actors and advocate for the inclusion of migrants and refugees in the Mexican financial system, looking for the modification of their internal regulations and procedures. For this to happen, the provision of information to financial institutions on the identification of migratory documentation will be provided by IOM and UNHCR. As a result of new partnerships with financial institutions, it is expected to achieve changes of internal bank regulations to allow people on the move to open accounts (level 1 and 2).

A6.2 Expand partnerships with the private sector for the sustainable inclusion of people on the move into the labour market;

IOM and UNHCR will expand their partnerships with relevant stakeholders from the private sector through different activities that build on the existing mechanisms that facilitate the inclusion of people on the move into Mexico's labour market. To stipulate engagement and promote the visibility of companies hiring people on the move, UNHCR will generate a platform for dialogue and dissemination of good practices in the scope of the '*Alianza para la Inclusión*'. Furthermore, IOM will provide regular standardised workshops targeted at Human Resources awareness and training, Corporate Social Responsibility and/or Operational Directors to enhance knowledge of private sector companies about opportunities and legal, financial, social and ethical aspects of recruiting of people on the move. This activity will be crucial to expanding the number of private sector partners in Mexico with basic knowledge on recruitment of people on the move. Finally, IOM and UNCHR will implement a peer-to-peer outreach strategy to consolidate new partnerships with European companies operating in Mexico with the aim to increase their potential to hire people on the move and get social recognition.

A6.3 Establishment of a certification scheme for private companies which adopt ethical and inclusive corporate practices for the labour inclusion of people on the move;

UNHCR and IOM, will develop a EU certification scheme for private companies to promote and incentivise ethical and inclusive corporate practices for the labour inclusion of people on the move. In addition, the Agencies will develop a training curriculum and methodology linked with the certification scheme. The certification process will consist of in-person training and in-company coaching to assist allied companies in adopting inclusive business practices. The project will target candidate business consultants who are employees of employers' organizations, such as Chambers of Commerce and Business Associations; freelance and private sector business consultants; and company employees working in organizational development and human resources departments. After undergoing the Training of Trainers (business consultants), candidate trainers will assess, coach and certify companies. This EU certification will be monitored on a regular and structured basis (reports, site visits) to avoid 'social washing'.

3.3 Mainstreaming

Environmental Protection & Climate Change

NA

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that Gender equality is a significant objective of the proposed Action. As outlined in the NDICI-GLOBAL EUROPE the Action will be guided by the principles of gender equality, women and girls' empowerment and of preventing and combating violence against women and domestic violence, and will seek to protect and promote women's rights in line with the Gender Action Plan.

The Action proposed promotes a gender-sensitive approach, as women will be at the centre of labour formalisation and labour market integration process supported. Facilitating the access to formal jobs and the formalisation of employment will expand the application of social rights of women in Mexico (including displaced and indigenous women). Formalisation will also guarantee them more stable and better-paid jobs. This will facilitate the provision of basic health care, but also improve the situation of their children, especially by guaranteeing them education, basic care and decent life. Moreover, the formalisation of women's employment will benefit the country's economy.

Furthermore, the promotion and sensitisation of the private sector on ethical recruitment practices address gender equality as a crosscutting approach.

Human Rights

The Action addresses human rights as a cross-cutting approach and paves the way for the fulfilment of basic human rights by enabling the conditions to access decent living conditions. Sustainable socio-economic inclusion of the most vulnerable and at risk is crucial to guarantee the materialization of human rights, in particular economic and social rights. The intervention will contribute to poverty reduction and promotion of decent work and ensure that the Mexican State complies with international treaty commitments, such as the International Covenant on Economic, Social and Cultural Rights (ICESCR), the ILO Employment and Decent Work for Peace and Resilience Recommendation (No. 205), as well as the ILO Domestic Workers Convention (No. 189).

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that disability is a significant objective and the action will support the fulfilment of the rights of the persons with disabilities working in informal sector and among people on the move. Integration of the most vulnerable and at risk into the formal economy will contribute to their integrity, independence and improve their active participation in society. Improved health and social protection coverage to people with disabilities currently working in the informal economy can guarantee for them better opportunities to combine working and the additional needs and costs caused by disability (transport cost, inaccessible environment, assistive technology, care and support). The action will also encourage employers to comply with the minimum standards of protection for people with disabilities, in particular those of the Convention on the Rights of Persons with Disabilities, ratified by Mexico, and ILO conventions No 159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983, ratified by Mexico in 2001. In addition, study visits, internships and trainings of civil servants and public administration foreseen in the action component 1 will ensure that staff members with disabilities can also

participate in these activities. The component 2 of the Action will address disability as a crosscutting aspect and work ensuring that the needs of the persons with disabilities among workers on the move are also considered.

Democracy

By guaranteeing the materialisation of basic rights to people left aside and people on the move, the Action proposed will have a direct impact on strengthening relations between the state and citizens and to strengthen the social contract. Encouraging strongly the access to formal labour market and enhancing transparency/integrity of regulations and administrative mechanisms, will lead to recognised and valued citizens, increasing automatically the trust in public institutions. This will contribute to avoid instability and social discontent and strengthen citizens' sense of belonging to a State/country that cares about their rights, thus deepening democracy.

Conflict sensitivity, peace and resilience

The socio-economic inclusion of people on the move and people living in the informality has a direct impact on the strengthening of social cohesion, which is a fundamental condition to achieve peaceful and resilient societies. By catalysing the intrinsic benefits of migratory dynamics, such as economic expansion and the consolidation of a competitive labour force, the project will contribute to Mexico's sustained, sustainable and inclusive development - in which no one is left behind - and to promote social justice and resilience.

The activities involved in this action, such as communication campaigns and the sensitisation of the private sector, will also contribute to eradicating xenophobia and discrimination against the left behind, migrants, refugees, IDPs, and returnees, which diminishes the prospects of conflict and contributes to peace. Furthermore, by promoting regular pathways for labour migration and facilitating labour formalisation process, crimes linked to poverty such as trafficking in human beings and migrant smuggling are likely to decrease, which also contributes to the achievement of peaceful societies.

Disaster Risk Reduction

Compliance with labour standards may avoid risks related to climate change. For example, in sectors such as agriculture, where the majority of workers are in the informal sector. Improving understanding and awareness of the rules may increase diligence towards other norms, such as those to protect the environment.

3.4 Risks and Lessons Learnt

Category 13	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Component 1				
Cat. 2	Major risk lies in the absence of a concrete, tangible and effective engagement of the federal level in the social agenda and the reduction of poverty despite the positive political narrative.	M	H	<p>This will be mitigated by the dynamic created by the Labour Law to be enforced (sept. 2022) and the broadening of compulsory affiliations (domestic workers, etc...)</p> <p>Focusing action at the state level where there is clear demand, interest, pragmatism and political commitment to ensure leadership and ownership.</p> <p>Flexibility (technical support facility) to engage with progressive States with a willingness to defend this agenda.</p> <p>Close monitoring and rapid response to demands and opportunities will be facilitated by the proposed implementation modality.</p>
Cat. 2	Institutional instability in the public sector	H	H	<p>Close cooperation and communication with the public institutions involved in the Action.</p> <p>Establishment of a monitoring and evaluation framework sensitive to changes.</p>
Cat. 3	Lack of coordination between IMSS and STPS (and SAT)	H	M	Establishment of a monitoring and evaluation framework and organize regular meetings to facilitate the exchange of information and good cooperation
Cat. 1	One of the main risks is the increase of COVID contaminations and consequently the impossibility to do face-to-face events in Mexico and travel to Mexico.	M	M	Strengthen hybrid and distance learning modalities.

¹³ The risk (category) can be related 1-to the external environment; 2-to planning, processes and systems; 3-to people and the organisation; 4-to legality and regularity aspects; 5-to communication and information.

Cat. 1	The security situation does not allow access to certain areas of the country	M	M	Activities mobilising local actors, experienced in dealing with security issues and accountable. Establishment of a monitoring and evaluation framework sensitive to security issues.
Cat. 5	Lack of communication about project activities to beneficiaries	M	H	Development of a communication plan before the launch of the project Involvement of various experienced local partners in communicating the opportunities.
Component 2				
Cat 4	The government's concerns with regards to granting a temporary stay and work permits for humanitarian reasons for people who have not been recognized as refugees.	Medium	High	The pilot project with a limited group of Haitians used as an example of efficient integration of this population.
Cat 1	The risk of secondary movements from Mexico to the US, eroding the disposition of the private sector to collaborate with the programme and INM disposition to issue migratory regularization and Mexico's relations with its northern neighbour.	Medium	Medium	Private sector companies participating in the UNHCR PIL have confirmed that refugees show high level of motivation and loyalty to the companies and demonstrate lower rotation rates than the industry average. When it comes to migrant populations, data suggests that Mexico is increasingly becoming a country of destination for migrants, which reduces the likelihood of secondary movements if access to decent jobs is provided.
Cat 1	The risk of pull factors entailing large migration movements from NCA region, and that the system could not absorb.	Medium	High	Launching of communication campaigns and dissemination of information on the risks of irregular migration and the promotion of regular pathways to work in the country.
Cat 1	The potential dissolution of COMAR as proposed by Mexico's President, as part of the Public Federal Administration reform announced in January 2022.	Medium	High	Both IOM and UNHCR hold a very solid relationship with the INM, which would be the entity absorbing COMAR. Even though this could represent a challenge in terms of INM's institutional capacity to deal with asylum requests in the short term, the legal framework to provide international protection is robust.

Cat 1	Changes in the U.S. migratory policy around the termination of MPP and T42 could increase mixed migration flows toward North America, via Mexico.	High	High	Promoting changes at the policy level to consolidate alternative regularization pathways for migrants in Mexico, and communication campaigns on the restrictions to access the U.S. and the risks associated with irregular migration.
Cat 3	The risk of low engagement of the migrant population to achieve a regular status due to distrust of governmental authorities, mainly the INM	Low	Medium	According to experiences of former projects, the involvement of the UN agencies provides strong legitimacy and trust to people on the move.

Lessons Learnt:

A. Component 1 - Promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth

The design of this Action base on the lessons learnt from previous interventions implemented in Mexico under different aid modalities. This component also takes into account the status of the country as a UMIC as well as the focus on the policy first.

More specifically, the following elements have been considered:

- The provision of reactive and solution-oriented technical assistance is privileged by Mexican institutions, as they are no keen in investing in complex project management process and it mitigates the risks in terms of continuity (cumbersome transitions between administrations).
- In a complex political environment, technical assistance and EUD close monitoring is the adequate modality to ensure policy dialogue and to support/boost progressive dynamics.
- Peer-to-peer technical exchanges between public administrations is considered as a proven methodology (as demonstrated by the results achieved under Eurosocal + regional programme).
- The European expertise on sectors under the umbrella of social cohesion (European social model) is considered as a reference.

B. Component 2 - Integration of people on the move through formal employment

The design of this Action relies on the sound previous experience of UNHCR and IOM in implementing activities promoting and supporting socio-economic integration, formal employment and access to social services of people on the move in Mexico.

The section below provides details on their respective programmes:

UNHCR local integration programme (PIL)

To address the needs of increasing numbers of asylum-seekers and refugees, in 2016, UNHCR launched, first in Saltillo, a relocation, job placement, and labour integration programme (that was co - financed by the EU as a pilot project). In 2018, the programme was expanded to Guadalajara. Monterrey and Aguascalientes followed in 2019; Querétaro, Puebla, León, and then San Luis Potosí in 2020, and Irapuato, Silao and Torreón in 2021. Until the end of May 2022, over 22,000 refugees have been relocated to the central and northern industrial corridor, where their living conditions have significantly improved. *In situ* integration mechanism complemented the relocation programme, supporting over 85 000 refugees. UNHCR, through the specific integration support, referred as EAPI (*Equipos de Acompañamiento para la Protección e Integración*), provided individualized follow-up (home visits) and assistance to asylum seekers and refugees in the following cities: Acayucan, Mexico City, Palenque, Tapachula, Tenosique, Tijuana and Villahermosa. UNHCR has been also providing cash-based assistance for education (including the recognition of

diplomas from their country of origin, obtaining their primary and secondary certifications through Ministry of Education's accelerated education programmes, school enrolment for children and adolescents, and access to tertiary education programmes) and vocational training and certification of job competencies, aiming at enhancing beneficiaries' skills and integration outcomes. Pursuing the objective of enhancing employability of refugees, UNHCR facilitates continuation of studies for young refugees beyond compulsory schooling levels. To date, more than 250 refugee students received UNHCR scholarships to carry on higher education, of which 177 students came from Venezuela. Likewise, UNHCR supports refugees in their naturalisation process, providing legal assistance and cash-based support to cover costs of the procedure. Most refugees consider naturalization as key to their long-term integration.

UNHCR has structured a vast workforce and resources for the implementation of the Programme, which comprises offices in the south of the country Chiapas and Tabasco with a total of 19 dedicated staff working on identification and logistical arrangements to guarantee the safest conditions for the relocation. Additionally, UNHCR established 11 offices in the integration cities with 53 staff members working in all components of the integration process from documentation, access to formal employment, social programmes, health and education, and proper housing conditions. Moreover, UNHCR Country Office oversees all the stages of the implementation providing technical assistance, guidelines, and logistical support during the relocation route.

The project design has been crucial for the success of the labour integration programme. Candidates are being prepared for future integration right from the start of the asylum procedure. This preparation comprises access to vocational training through inclusion into national structures, revalidation of primary and secondary education, certification of skills in cooperation with the national certification scheme, and legal support throughout the asylum procedure. While designing this wide range of services, the creation of parallel structures is being avoided. Targeted financial assistance complemented by sectorial cash grants, as well as access to shelters rounds up the offer of the preparatory programme for asylum seekers. Upon status recognition and issuance of relevant documentation by authorities, refugees are screened for relocation and provided with bus transportation to destination cities.

During a weeklong induction, refugees are provided with hotel accommodation. A series of workshops aims at equipping participants with the necessary knowledge, orientation, and contact details to facilitate the integration process. This includes sessions facilitated by the Ministry of Labour and Social Security (STPS, *Secretaría del Trabajo y Previsión Social*) and law enforcement authorities. A permanent dialogue with chambers of commerce and STPS ensures that the profile of relocated refugees responds to the needs of the local labour market. On average, each participant is being provided with three job offers. Participants receive information facilitating identification of adequate housing and a one-off cash grant, covering the first month of rent, as well as installation-related costs. Designated focal points within the Ministry of Education (SEP, *Secretaría de Educación Pública*) ensure that relocated children are enrolled in schools. Monthly home visits and psychosocial support ensure that participants are accompanied during the first year of the integration process.

Four years into the implementation of the programme, the results are promising. Data collected through a new monitoring system developed by UNHCR shows that within the first 6 months of their integration process, refugee families became independent from assistance. 87% of beneficiaries of working age had found a job, reducing the number of unemployed refugees by 60% compared to their situation before relocation. The percentage of refugee children not enrolled in school decreased from 82% to 10%. Refugees' access to a bank account doubled, from 29% to 59%. The percentage of cases with income below the Income Poverty Line was reduced from 54% prior to relocation, to 12% six months into the programme. Moreover, the program helps to meet labour market needs in the industrial regions of Mexico. Participating companies have expressed their satisfaction with refugees in their workforce as they contribute with a high level of motivation and loyalty to the companies, demonstrate lower rotation rates than the industry averages, and increase the diversity of skills and experience.

Importantly, UNHCR estimates that, annually, the tax contribution generated by refugees that have been beneficiaries of the PIL represents almost 69.5 million pesos. Thus, scaling up the programme not only promotes formal employment to an ever-growing group of refugees, but generates more resources, enhances sustainability, and contributes to the growth of the Mexican economy.

In parallel, UNHCR has been closely working with the STPS and the National Employment Service (*Servicio Nacional de Empleo - SNE*), to enhance the national job placement system. Strengthening the capacity and processes of the SNE and local and national service providers is the way to avoid duplication and the creation of parallel support systems. It increases involvement, indispensable for a responsible disengagement and gradual handing over of the UNHCR relocation and job placement of refugees to national authorities.

Pilot integration programme for the Haitian population

Since July 2021, the Mexican asylum system has been under pressure due to the lack of alternative pathways for migratory regularisation, leading to the increase in the number of asylum claims from an unprecedented influx of Haitian nationals, part of a wave of secondary and mixed movements, of people who have left Haiti more than a decade ago. Coming mostly from Chile and Brazil, where some of them had resided for several years, they embarked on this journey due to a wide variety of factors such as security issues (41%), favourable socioeconomic conditions (36%), political stability (15%), access to refugee determination processes (5%), and family reunification (3%), according to data from the DTM conducted by IOM on the characterization of the Haitian population (2022).

The lack of mechanisms of migratory regularisation in Mexico has meant that the only alternative for people who arrive in the country as part of mixed flows is to request refugee status. 48% of the total number of claims registered in 2021 were filed by Haitian nationals (including those filed by dependent children). This situation opened a space for dialogue with the Mexican Commission for Refugee Assistance (COMAR), the National Institute for Migration (INM, *Instituto Nacional de Migración*), the Ministry of Foreign Affairs (SRE, *Secretaría de Relaciones Exteriores*), the Ministry of Interior (SEGOB, *Secretaría de Gobernación*) and other institutions directly involved in migration governance to search for alternatives.

The concept of a pilot was directly related to the situation of the arrival in November 2021 of approximately 15,000 people of Haitian origin in Ciudad Acuña, Coahuila state. While most Haitians managed to enter the United States, about 300 to 400 people remained in Mexico. At the end of the month, a joint mission was carried out to Ciudad Acuña by COMAR, Casa Migrante de Saltillo (CMS) and UNHCR. In collaboration with local authorities and the INM, it was then possible to support those who expressed their intention to remain in Mexico, with starting their asylum procedures. A roadmap was also designed and implemented to: (1) streamline migration documentation, and (2) relocate through the UNHCR's Local Integration Programme. Throughout the months of November and December, the first group of 305 Haitians were relocated to Torreón, while 35 individuals were relocated to Querétaro and 11 to Puebla, following the UNHCR local integration programme (PIL). In line with the program, UNHCR helped those in the scheme to find employment and housing and assisted those with children with access to education. Almost two months later, the results are very promising: 83% of those relocated stayed in Torreón, and 72% of those of productive age (146 people) continue with formal employment.

The initiative was a first step that triggered the development of the joint UNHCR and IOM pilot project with the aim of generating alternative regularization mechanisms for Haitian migrants who have evident humanitarian needs owing to the current situation in their country of origin or the countries of previous residence. Therefore, the joint pilot paves the way toward an alternative migration regularisation process for those vulnerable migrants who would not be recognized as refugees but want to stay in Mexico. The pilot action was agreed with the Mexican government (CIAIMM, *Comisión Intersecretarial de Atención Integral en Materia Migratoria*) on 16 December 2021, for an implementation starting in January 2022. Activities already being implemented within the pilot, as well as its extension, following positive evaluation, conform to the core of this project proposal.

At the end of January 2022, the first family of three Haitians was identified and relocated from Tapachula (Chiapas) to San Luis Potosí. Within a week, the mother had access to formal employment and the family moved into permanent housing. On 8 February 2021, IOM and UNHCR reached an agreement with the Ministry of Foreign Affairs and INM on the procedure which will guide the issuance of stay and work permits under the joint pilot project of Haitian nationals between the two UN agencies. As of the end of May, 94 families (163 individuals) benefited from the pilot programme. Efforts will be made to identify and relocate families from Tapachula, aiming to support 200 families of Haitian migrants by the end of 2022.

IOM Western Hemisphere Program

The Western Hemisphere Program is financed by the United States Department of State Bureau of Population, Refugees, and Migration (PRM). It has four main pillars that have contributed to developing mechanisms for the sustainable integration of migrants: a) Migration management; b) Alliances and Cooperation; c) Emergency and Crisis Response; and d) Communication.

Some of the mechanisms successfully developed and implemented by IOM through this program are:

- A Progressive Autonomy Model that generates empowerment processes that include guidance for the management of immigration procedures to obtain a condition of regular stay in the country, as well as facilitation of employment location and integration of people who want to settle in Mexico. During the past two years, 296 migrants were oriented with information on immigration paperwork and procedures.
- Labour Referral Mechanism (*Mecanismo de Canalización Laboral*, MECAL) in coordination with the government, private sector, and migrant population for their labour integration through activities such as job fairs, training on soft skills and labour rights, training at government and private sector instances, and promotion of the benefits of hiring migrants and hiring processes. Between October 2018 and September 2021, 19 employment fairs were organised, 545 companies' staff were sensitised on labour inclusion, 1 945 migrants were oriented in employment events and 2 205 public officials were trained. Between October 2021 and May 2022, 42 capacity-building workshops have been implemented, 80 governmental institutions from the federal, state, and municipal levels have benefited from these workshops, while 679 public servants have been trained.
- Information Hubs on Migration (*Ventanillas Informativas*) are direct, clear, and reliable information and advice centres that contribute to safe, orderly, and regular management of migration and the protection of migrants and their integration into host communities through guidance services. IOM builds capacities in municipal governments, institutions, or civil society organisations to be operated directly for sustainability purposes. There are currently 26 Hubs throughout the country that oriented a total of 9 504 migrants between October 2020 and October 2021, and 8 769 migrants as of June 2022.
- IOM has implemented participatory processes in which communication tools and activities are used to support social and behavioural change in a sustained way through communication for development. IOM Mexico has developed campaigns such as “*Migrar Informados*” promoting regularisation channels for migrants in transit, which concluded successfully in 2020, and “*Piénsalo dos veces*” to prevent labour exploitation. This campaign, launched in 2021, is part of a regional effort implemented in Mexico, Honduras, Guatemala, El Salvador, and Panama that seeks to inform migrant people during their mobility process, from their country of origin until their destination. The campaign has reached 4 200 000 impressions on social media from October 2021 to May 2022.
- IOM has implemented campaigns to highlight the positive aspects of hiring migrants and the processes to do so, such as the Campaign ‘*Empleadores del Mundo*’ in collaboration with the Ministry of Labour; promoted financial inclusion through advocacy strategies targeting credit institutions, in coordination with the INM, awareness-raising and training aimed at improving social cohesion and corporate responsibility, such as the e-campus courses ‘Migration and Corporate Responsibility’ created in collaboration with the Mexican Business Council of Foreign Trade (COMCE); and implemented medium and long-term actions and strategies for durable solutions in line with the implementation of the USMCA and the Mexican labour reform, meeting the actual needs of the country.
- IOM launched a campaign in February 2022 to inform Guatemalans, who regularly migrate to Mexico to carry out paid activities, about the processing of the Visitor Border Worker Card (TVTF) as a regular and safe means for their employability in Mexico, as well as about their labor rights. This effort is being conducted in collaboration with the National Employment Service (SNE), the Ministry of Foreign Affairs (MFA), the Ministry of Labor (STPS), and other counterparts from the Guatemalan government. So far, more than 22,700 migrants from Guatemala have been informed about the TVTF.

In addition to the activities conducted within the scope of the WHP, the IOM in Mexico has conducted other activities aiming to foster the socio-economic inclusion of migrants. As a result of these efforts, infographics on the requirements

that migrant people need to fulfil to access a job in Mexico, the steps to access medium and higher education and/or to obtain the recognition of a diploma issued in the country of origin, and the requirements to obtain a CURP have been developed.

3.5 The Intervention Logic

The underlying intervention logic for this Action is that the promotion of the decent work in Mexico, (Impact), including job formalisation and inclusive integration of the people most vulnerable and at risk (LNOB) helps enhancing social inclusion/cohesion and reducing inequalities on the labour market, while fostering productivity and supporting economic growth. This approach is in line with the 2030 Agenda for Sustainable Development and aims at achieving a more sustained, sustainable and inclusive development in Mexico. The support to the modernisation and digitalisation of relevant federal and state institutions and services will contribute to a better implementation and enforcement of the labour and social policies and legislations, for the provision of more tailored, efficient and effective services for the most vulnerable groups, with a specific focus on women and youth. It will also have a positive impact on the fight against corruption and it will help rationalise processes and formalise responsibilities. This in turn, aims at promoting dignity, hope and sense of social justice derived from having a decent job and valuable institutions, and contributes to building and maintaining social peace and security and promoting social, community and individual resilience.

This Action builds around the two following areas of intervention declined in two different components:

- Promoting decent work and job formalisation for vulnerable and most at risk workers, in particular, women and youth at risk of exclusion (Component 1);
- Promoting sustainable integration solutions for ‘people on the move’, contributing to social cohesion, economic development, social peace and security (Component 2).

A. Component 1 - Promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth

Promoting decent work and enhancing workers formalisation is the main way to foster inclusion and reduce vulnerability to internal and external shocks among the most vulnerable populations, ensuring that no one is left behind. Some progress was recently achieved in Mexico with two legislative reforms on domestic and independent workers that will enter into force in the near future, along with the initiatives enacted in 2021 to limit outsourcing services and prohibit outsourcing employees. This component proposes to address one of the root causes of job informality, which is the low capacities of the State to incentive, monitor and control the implementation of the law and to revert the population’s undervaluation of social protection benefits and global mistrust towards the institutions. In that respect, the Action will provide technical assistance to the Mexican Institute of Social Security (IMSS), specifically to the Directorate of affiliation and social contributions’ collection, and to a lesser extent to the Secretary of Labour and Welfare and to the Tax Administration Service, to enhance their competencies and develop dedicated mechanisms, processes and tools to address the multiple challenges related to informality and vulnerability on the labour market. Technical expertise based on the European social Model will be instrumental in supporting the above-mentioned Mexican institutions to implement efficiently and sustainably this new legal and regulatory framework and specifically at guaranteeing social security affiliation for all workers (pension and health).

The Action aims in particular at improving access to social services by designing and promoting adequate social protection and fiscal schemes for workers in Mexico, targeting agricultural day-labourers, domestic workers, migrants, refugees and returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms, while mainstreaming gender. It also intends to upscale capacities of administrative institutions in charge of encouraging formalization, in particular, the labour inspection and social security funds. The initiative includes awareness campaigns and initiatives for employers and worker’s representatives as well as the general public to increase the understanding of the benefits arising from the transition from informal to formal economy, with specific

campaigns for the states mostly affected by informality. Inclusive and secure digital mechanisms and tools will be encouraged and supported.

B. Component 2 – Integration of people on the move through formal employment

The logic of intervention takes into account the following elements: : 1) The economic projections and demographic trends as well as mixed-movements towards Mexico ; 2) The lines of action of the Strategic Plan of the INM 2019-2024, specifically those on simplifying immigration procedures to provide a better service to users and promote international agreements and treaties to establish new mechanisms that increase and facilitate the regular entry of foreigners to the country, and 3) The experiences, good practices and results of programs implemented by UNHCR and IOM in Mexico and other countries in the region.

Based on the UNHCR and IOM experiences, an effective local integration requires comprehensive and coherent policy and a “whole-of-community” and a “whole-of-government” approach, based on partnerships between federal and state authorities, private sector actors, refugees, and migrants themselves. It is crucial to expedite the issuance of immigration documents for migrants such as TVRH and/or TRT for migrants, and a PR for recognized refugees, alongside CURP and RFC as a precondition to achieve effective economic inclusion of people on the move, with the aim of accelerating their integration in the formal labour market, considering that these are groups with higher rates of permanence. Access to basic services, such as health care and education, needs to be coupled with States’ efforts to provide decent work opportunities and working conditions, as well as to include people on the move in a broader system of workforce development, training, and employment programs implemented by the government of Mexico. Local integration remains the most viable solution for refugees and migrants in Mexico. Access to formal employment opportunities, ensuring that children, adolescents, and adults have access to education, is also essential. The final goal at the individual level is their naturalisation essential to their long-term integration.

IOM and UNHCR will facilitate the establishment of a permanent dialogue between different governmental levels, private sector companies, and chambers of commerce in cities of destination to further enhance the job matching protocols in view of the diversity of labour market offer in Mexico, as well as skills of ultimate beneficiaries. Dialogues with the financial sector will be promoted to foster financial inclusion of people on the move in Mexico. This project strives to make structural changes, including at the public policy level, and enhance sustainable solutions for an increasing number of migrants and refugees.

Coherence with the policy priorities and complementarity of the Action with other initiatives

This proposal is embedded in the wider policy and operational context in Mexico and the region. It reflects priorities outlined in key strategic initiatives, such as, at global level: Global Compact for Safe, Orderly, and Regular Migration, for which Mexico is one of the champion states, and the Global Compact on Refugees; at the regional level: Comprehensive Refugee Response Framework, known for its acronym in Spanish as MIPRS (*Marco Integral Regional para la Protección y Soluciones*), as well as the International Migration Review Forum Declaration recently adopted by the Regional Conference on Migration (RCM) in Mexico City; and at the national level: the INM Strategic Plan 2019-2024, specifically in respect to the simplification of the immigration procedures foreseeing establishment of new mechanisms that increase and facilitate regular entry of foreigners to the country. The experience and lessons learnt from the implementation of the UNHCR Local Integration Program, as well as various projects carried out by IOM in Mexico and in the region, were used to define the scope of the project so that it responds to the needs in an effective and sustainable way.

This project is aligned with the ‘People- Human Development and Dignity’ pillar of the New European Consensus on Development, in particular, the engagement to ‘facilitate the safe, orderly, regular, and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies’. It also responds to the 2030 Agenda's call “to leave no one behind” (LNOB) and to manage migration, including forced displacement. By addressing migration in a comprehensive manner, in the areas of regularisation of migration and

documentation, educational, labour and social and economic inclusion, and peaceful coexistence with host communities, this action will contribute to the following SDGs (primarily and secondarily): (SDG) 8: ‘Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all’. Furthermore, the Project responds to SDG 1 ‘End poverty in all its forms everywhere’; SDG 5 ‘Achieve gender equality and empower all women and girls’ by focusing on vulnerable populations due to sex, gender, and economic conditions; as well as SDG 10 ‘Reduce inequality within and among countries’.

This Action will contribute to the operationalization of the EU Humanitarian-Development Nexus, by delivering collective outcomes in Mexico. In this sense, cross-institutional collaboration will be sought by sharing timely information regarding migratory and integration tendencies. Ongoing actions by the European Commission’s Directorate General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) shall contribute to the first response for people on the move in Mexico, in particular along the Southern and Northern border. The Commission’s Directorate General for International Partnerships will focus in this Action on complementing humanitarian aid with sustainable solutions for integration in the States through decent work, where formal employment is available for the people who wish to settle in Mexico, thus addressing structural challenges. Complementarity will be enhanced by the proposed implementation scheme, as UNHCR is also a DG ECHO partner for implementation in Mexico.

The UNHCR relocation and local integration program (known by its Spanish acronym ‘PIL’ for *Programa de Integración Local*), and the IOM labour migration mechanism (known by its Spanish acronym ‘MECAL’, for *Mecanismo de Canalización Laboral*) will serve as the stepping-stones to implement the proposed activities of this action. An inter-agency approach will guarantee a consolidation of the best of the programs that each agency has been implementing to date and will reduce the risk of parallel processes and structures.

The Action will build on the results of the EU-funded (DCI) regional project *Promoting Employment and Social Protection under the Comprehensive Refugee Response Framework in Central America and Mexico*, which has been implemented jointly by ILO and UNHCR and aims at strengthening access of refugees and asylum-seekers to formal employment. While the mentioned joint project provides opportunities for dialogue with chambers of commerce and private sector companies, UNHCR and IOM wish to further scale up those efforts, through stronger involvement of national and state-level institutions, including EU strategic stakeholders. The current project proposal will also be inspired by the initial results of the interagency initiative *Capacity building of local governments in Santiago de Chile and Mexico City to strengthen the socio-economic integration of migrants, refugees, and forcibly displaced persons through access to decent work, sustainable livelihoods, and social dialogue* in which both, UNHCR and IOM participate.

According to each of the agencies’ mandate and target population, IOM and UNHCR will work in close coordination with strategic federal entities with strong labour markets and opportunities for the socioeconomic integration of people on the move. The already existing alliances with private sector will serve as strong evidence of a successful inclusion of people on the move into Mexico’s labour force, thus allowing to expand and develop new partnerships with an ultimate goal of strengthening the absorption capacity of migrants and refugees in the Mexican labour market under regular conditions. An economic analysis of the labour market needs in Mexico, comprehensive job-matching exercises based on the profiles of the people on the move as well as training, sensitization, and advocacy efforts within the private sector will serve as the mechanisms for an effective economic inclusion and steppingstones for social cohesion.

The project will serve as good practice of inter-agency collaboration to be shared in the scope of the UN Interagency Group on Human Mobility (*Grupo Interagencial sobre Movilidad Humana - GIMH*), co-led by the IOM and UNHCR, as well as the United Nations Network on Migration, led by IOM and *Foro de Coordinación sobre Asilo y Refugiados* led by UNHCR.

3.6 Logical Framework Matrix

This indicative log-frame constitutes the basis for the monitoring, reporting and evaluation of the intervention.

- On the basis of this log-frame matrix, a more detailed log-frame (or several) may be developed at contracting stage and during the first phase of implementation. The baselines and targets that are not yet available, will be informed for each indicator at signature of the contract(s) linked to this AD, and will be fine-tuned in the first phase of implementation and reflected in the inception report and first progress report. Progress reports will provide an updated log-frame with current values for each indicator.
- The final report will enclose the log-frame with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the Action depending on the different implementation modalities of this Action.

The activities, the expected Outputs and related indicators, targets and baselines included in the log-frame matrix will be updated during the implementation of the Action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	‘Decent work for women and men in all their diversity, in particular for the people most vulnerable and at risk’	<ul style="list-style-type: none"> - Proportion of informal employment in total employment, disaggregated by sex and age (SDG 8.3.1) • Percentage of the active population formally employed, disaggregated by sex and age • Percentage of the most vulnerable workers formally employed, disaggregated by sex and age • Percentage of the most vulnerable workers formally employed • Number of vulnerable unemployed jobseekers registered at the national employment service (NSE), disaggregated by sex and age 	TBD at the inception phase	To be finalised by 2023	<ul style="list-style-type: none"> - Reports and surveys of the Instituto Nacional de Estadística y Geografía (INEGI) - UN official reports on employment and SDGs implementation - government official reports 	<i>Not applicable</i>
Component 1: Promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth enough to inform analysis						

Outcome 1	1. Improve access to social protection for workers in Mexico, targeting in particular agricultural day-labourers, domestic workers, migrants, refugees and returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms, while mainstreaming gender;	<p>1.1 Percentage of workers registered with IMSS, disaggregated by sex and age</p> <p>1.2 Number of workers participating in social protection schemes (health and retirement), disaggregated by sex and age</p> <p>1.3 Number of States which have benefitted from EU support to strengthen their social protection systems with this Action (GERF 2.31)</p> <p>1.5 Number of States where social protection policy is informed by sector-specific gender-analysis (GAP III)</p> <p>1.6 Number of States that assess an increase of social contribution</p>	- To be defined during the contracting and inception phase	-To be finalised in 2023	<p>- Regular and annual reports of IMSS</p> <p>1.1.2 Reports and surveys of the Instituto Nacional de Estadística y Geografía (INEGI)</p> <p>- Annual and periodical reports and administrative data of NSE</p> <p>-Federal states reports</p> <p>- Progress reports of the Implementing partner(s)</p>	Statistics and relevant administrative data are available, and disaggregated to inform analysis
Outcome 2	2. Strengthen relevant institutions to encourage labour formalisation and the transition of employers and workers from informal to formal economy;	<p>2.1 Percentage of labour inspectorates who self-report improvement in the enforcement of compliance with labour legislation, supported by the EU-funded intervention, disaggregated by sex and age</p> <p>2.2 Percentage of labour inspectorate filed cases for breaches to labour regulations out of total number of</p>	-To be identified in the contracting and inception phase	To be finalised in 2023	<p>-Labour inspectorate reports and surveys</p> <p>Progress reports of the Implementing partner(s)</p> <p>Surveys and reports of the</p>	Statistics and relevant administrative data are available, and disaggregated to inform analysis

		<p>inspections conducted in the last year</p> <p>2.3 Number of civil servants trained to better implement and monitor the job formalisation / Or Number of states where civil servants have increased their capacities to tackle informality and promote labour formalisation</p>			<p>Labour institutions</p> <p>Public administration reports and data</p>	
Outcome 3	<p>3. Promote the awareness of the benefits arising from transition from informal to formal economy among employers and worker's representatives as well as broader public.</p>	<p>3.1 Percentage of workers knowing about the benefits of social protection, disaggregated by sex, age and type (self-employed, employees and employers)</p> <p>3.2 Number of surveys measuring the level of confidence of Mexican workers vis-a-vis the social protection system carried out in the States of Mexico</p> <p>3.3 Number of new Communication strategies and/or awareness campaigns encouraging decent work and job formalisation developed/ OR Percentage of states with a valid communication/ awareness campaign on decent work and job</p>	<p>-To be defined at the contracting and inception phase</p>	<p>-To be finalised in 2023</p>	<p>-Reports of the Labour Institutions</p> <p>- Surveys and progress reports of the Implementing partner(s)</p>	<p>Statistics and relevant administrative data are available, and disaggregated to inform analysis</p>
Component 2: Integration of people on the move through formal employment						
Outcome 4	<p>4. Support improvements in the national regulatory and operational framework to facilitate migratory</p>	<p>4.1. Number of new laws, legislative amendments or regulations that have been passed to promote the</p>	<p>-To be defined at the contracting and inception phase</p>	<p>4.1. At least one legislative amendment or regulation that</p>	<p>Document review of new laws,</p>	<p>Documents are available for analysis, statistics and</p>

	documentation and foster the integration of people on the move willing to stay in Mexico.	regularization of migrants in Mexico 4.2. Number of TVRHs granted for vulnerable migrants		expressly benefits the regularization of migrants TBD during the inception phase	legislative amendments and regulations following project implementation Boletín Estadístico Mensual 2022, UPMRIP	relevant administrative data are available, updated, and disaggregated to inform analysis
Outcome 5	5. Enhance the effectiveness of service delivery for people on the move, including status regularisation, formal employment, and financial inclusion and social protection	5.1 Number of people on the move benefited from SNE to find employment in Mexico 5.2 Percentage of legally employed migrants by sex, in partner companies 5.3 Percentage of people active on the formal Mexican labour market after 1 year of employment (disaggregated by sex)	-To be defined at the contracting and inception phase	TBD during the inception phase 50% increase for both male and female	Implementing partner reports State and official reports	Documents are available for analysis, statistics and relevant administrative data are available, updated, and disaggregated to inform analysis
Outcome 6	Promote responsible and sustainable recruitment mechanisms and practices by the private sector and financial institutions that fosters the integration of the people on the move and facilitates their access to services.	6.1. Proportion of beneficiaries of this project with an account at a bank or other financial institution or with a mobile-money service provider (SDG) 6.2 Number of partnerships with the private sector for the sustainable inclusion of people on the move into the labour market 6.3 Number of certification schemes for private companies with ethical and inclusive corporate practices for labour	-To be defined at the contracting and inception phase	-To be finalised in 2023	Progress Report of the Implementing Partners Other reports to be identified during the Inception phase	Documents are available for analysis, statistics and relevant data are available, updated, and disaggregated to inform analysis

		inclusion of people on the move adopted, disaggregated by type of economic activity				
<div> Component 1: Promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth </div>						
Output 1 relating to Outcome 1	1.1 The policy, legal and/or regulatory frameworks for social protection of agricultural day-labourers, domestic workers, migrants, refugees, returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms are addressed and improved at federal and state level, taking into account the main barriers identified that hamper and reduce access;	The baseline documentation will be filled during the contract preparation	-To be defined at the contracting and inception phase	- To be finalised in 2023	Progress Report of the Implementing Partners Other reports to be identified during the Inception phase	
Output 2 relating to Outcome 1	2.1 Processes and tools to access formal employment and social protection are reviewed with a gender-sensitive approach to ensure that women are at the core of the interventions aimed at reducing informality and vulnerability on the labour market;	The baseline documentation will be filled during the contract preparation	-To be defined at the contracting and inception phase	To be finalised in 2023	Progress Report of the Implementing Partners Other reports to be identified during the Inception phase	Documents are available for analysis, statistics and relevant administrative data are available, updated, and disaggregated by gender to inform analysis
Output 3	1.3 Peer-learning systems and coordination mechanisms are in	The baseline documentation will be filled during the contract preparation	-To be defined at the	-To be identified in 2023	Progress Report of the	Documents are available for analysis,

relating to Outcome 1	place between the different states to allow a stronger enforcement of labour formalisation and access to social protection in their territories;		contracting and inception phase		Implementing Partners Other reports to be identified during the Inception phase	statistics and relevant administrative data are available, updated, and disaggregated to inform analysis
Output 4 relating to Outcome 1	1.4 Incentives for formalisation of agricultural day-labourers, domestic workers, migrants, refugees, returnees, displaced-people, workers exposed to high-risk activities and workers of digital platforms are promoted at federal and/or state level;	The baseline documentation will be filled during the contract preparation	-To be defined at the contracting and inception phase	- To be finalised in 2023	Progress Report of the Implementing Partners Other reports to be identified during the Inception phase	Documents are available for analysis, federal and state statistics and relevant administrative data are available, updated, and disaggregated for the relevant category to inform analysis
Output 1 relating to Outcome 2	2.1 Technical and digital capacities of the relevant institutions are enhanced for the implementation and monitoring of job formalisation initiatives at the federal and/or State level and digital tools developed;	The baseline documentation will be filled during the contract preparation	-To be defined at the contracting and inception phase	- To be finalised in 2023	Progress Report of the Implementing Partners Other reports to be identified during the Inception phase	Documents are available for analysis, internal administrative data are available, updated, and disaggregated to inform analysis
Output 2 relating to Outcome 2	2.2 Capacities, measures and tools of relevant institutions, including labour inspection and social security funds, are improved to strengthen compliance, control, inspection and sanction of frauds in the labour market and the social	The baseline documentation will be filled during the contract preparation	-To be defined at the contracting and inception phase	- To be finalised in 2023	Progress Report of the Implementing Partners Other reports to be identified during the	Documents are available for analysis, statistics and relevant administrative data are available, updated, and

	security system and compliance incentivised;				Inception phase	disaggregated to inform analysis
Output 1 relating to Outcome 3	3.1 Reinforced communication strategies, tools, campaigns and support measure for employers/ employees/ independent workers and worker organisations encouraging decent jobs (formalisation, social security affiliation, health and safety) are in place, with a special attention to the Mexican states mostly affected by informality and to the most vulnerable groups, including women and youth.	The baseline documentation will be filled during the contract preparation	-To be defined at the contracting and inception phase	- To be finalised in 2023	Progress Report of the Implementing Partners Other reports to be identified during the Inception phase	Communication documents are available for analysis, statistics and data are available, updated, and disaggregated to inform analysis
Component 2: Integration of people on the move through formal employment in Mexico						
Output 1 relating to Outcome 4	4.1 Migrants and refugees have enhanced access to obtaining legal status regularization and work permits	4.1.1 Regulations at the policy level to grant TVRHs to vulnerable migrants exist 4.1.2. A mechanism to grant CURP and RFC to migrants is established 4.1.3. Percentage of migrants with CURP and RFC (from the total of beneficiaries) 4.1.4. Regulations at the policy level to grant TVRHs to vulnerable migrants exist 4.1.5. Costs of regularisation are null or		4.1.1 Yes 4.1.2 Yes 4.1.3 100% 4.1.4. Yes 4.1.5. Yes 4.1.6. At least 50% more than the baseline year prior to the project implementation	INM regulation Project implementation reports Government official reports	Documents are available for analysis, statistics and data are available, updated, and disaggregated to inform analysis

		<p>reduced based on a vulnerability assessment (waiver)</p> <p>4.1.6. Number of migrants with a “Tarjeta de Residencia Temporal con Permiso de Trabajo” (TRT) based on a vulnerability assessment (waiver)</p> <p>4.1.7. Number of companies covering regularisation costs (TVRH / TRT)</p> <p>4.1.8. Number of cases channelled through the mechanism per year</p> <p>4.1.9. Number of training sessions</p> <p>4.1.10. Advocacy efforts around the reform of the Federal Labour Law are conducted</p>		<p>4.1.7. At least 15</p> <p>4.1.8. 1,00</p> <p>4.1.9. 7</p> <p>4.1.10 Yes</p>		
<p>Output 2</p> <p>Relating to Outcome 4</p>	<p>4.2 Institutional mechanisms are established to strengthen access to formal employment and foster integration of people on the move</p>	<p>4.2.1. Number of workshops in selected federal entities</p> <p>4.2.2. Number of new job fairs assisted in every prioritised integration city per year</p> <p>4.2.3. Training modules are fully digitalised in a single platform</p> <p>4.2.4. Number SNE offices modernised</p> <p>4.2.5. Number of benefited offices at the subnational level</p>	<p>TBC during inception phase</p>	<p>4.2.1. 3</p> <p>4.2.2. 10</p> <p>4.2.3. YES</p> <p>4.2.4. 2</p> <p>4.2.5. 6</p>	<p>Project implementation reports</p>	<p>Documents are available for analysis, statistics and data are available, updated, and disaggregated to inform analysis</p>

Output 3 relating to Outcome 4	4.3 Enhanced awareness of general public and key stakeholders about opportunities and benefits of socio-economic integration of people on the move	4.3.1 Number of campaigns 4.3.2 Number of “Informative Hubs” providing real-time orientation on SNE 3Portal de Empleo” and relevant information for people on the move 4.3.3. Number of people on the move reached	4.3.1. 0 campaign TBC during inception phase	4.3.2 – 1 campaign 4.3.2. 23 4.3.3. At least 5000	Project implementation reports	Documents are available for analysis, statistics and data are available, updated, and disaggregated to inform analysis
Output 1 relating to Outcome 5	5.1 Wider access to social protection and financial services for people on the move is promoted to enhance their social and economic inclusion opportunities in host communities	5.1.1. Analysis of day care services for children available for single-parent families is completed and presented 5.1.2. A social housing facilitation mechanism benefiting refugees is developed 5.1.3. Number of new allied private sector companies to the network (disaggregated by European/non-European) 5.1.4. Number of peer-learning sessions with Chambers of Commerce of the EU MS 5.1.5. The private sector is trained on relocation of people of the move	TBC during inception phase	5.1.1 - 1 analysis 5.1.2. yes 5.1.3. 300 5.1.4. 4 5.1.5. 100 workshops in selected states	Project implementation reports	Documents are available for analysis, statistics and data are available, updated, and disaggregated to inform analysis
Output 2 Relating to Outcome 5	5.2 Consolidation and digital interconnection of the National Employment system (SNE) across all the federal entities is in	5.2.1 SNE's microsite is developed and fully implemented.			Project implementation reports	Documents are available for analysis, statistics and

	place and enhanced qualifications and recognition for effective job matching for people on the move	<p>Job-seekers show a level of satisfaction of at least 8 out of 10 within the evaluation tool</p> <p>5.2.2 Number of people on the move supported with certified vocational training</p> <p>5.2.3. The training curriculum of CECATI is enhanced</p> <p>5.2.4. Number of migrants & refugees supported in recognition and certification</p> <p>5.2.5. Number of youth accessing university education</p>	TBC during inception phase	<p>5.2.1 Yes</p> <p>5.2.2. 1400</p> <p>5.2.3. yes</p> <p>5.2.4. 950 refugees and 950 migrants</p> <p>5.2.5. 85</p>		data are available, updated, and disaggregated to inform analysis
Output 1 Relating to Outcome 6	6.1. Strategic and long-term alliances, coordination and cooperation mechanisms and procedures are developed with the private sector, banks and financial institutions and public institutions to foster the integration of people on the move in Mexico.	<p>6.1.1 A certification scheme for private companies which adopt ethical and inclusive corporate practices is developed and implemented</p> <p>6.1.2. Number of TOTs (Trainings of Trainers) for HR departments to expand the network of recruiting companies</p> <p>6.1.3. Number of advocacy meetings and fora conducted with financial institutions on financial inclusion of people on the move to enforce implementation of CNBV Resolution 3/03/2022.</p> <p>6.1.4. Number of trainings to financial institutions</p>	TBC during inception phase	<p>6.1.1. 1</p> <p>6.1.2. 4</p> <p>6.1.3. 5</p> <p>6.1.4. 4</p> <p>6.1.5. 3</p> <p>6.1.6. 3</p> <p>6.1.7. yes</p>	Project implementation reports	Documents are available for analysis, statistics and data are available, updated, and disaggregated to inform analysis

		<p>6.1.5. Number of banks and financial institutions with inclusive financial products for people on the move (TVRH/TRT or other migration permits)</p> <p>6.1.6. Number of fintechs that offer financial services to people on the move</p> <p>6.1.7. Inter-operability between RENAPO registry and banks' platforms is operational</p>				
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4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this Action, it is not envisaged to conclude a financing agreement with the Mexico government.

4.2 Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **48 months** from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

4.3.1 Indirect Management Indirect Management with a pillar assessed entity

This action may be implemented in indirect management:

Component 1: Indirect management with the Agence Française de Développement Group (AFD)

A part of this Action (component 1) may be implemented in indirect management with AFD Group and the support of FIAPP. This implementation entails promoting decent work and job formalisation for the most vulnerable and most at risk workers and, in particular, women and youth.

The envisaged entities have been selected using the following criteria:

- Active engagement in complementary actions in Mexico (job formalisation, fight against inequalities) implying the main duty-bearers: AFD is currently working on inequalities in Mexico through a project financed by the INTPA research facility, with a specific focus on social protection and cohesion and has implemented activities that integrate and complement the current Action, especially for social protection and social security; FIAPP is currently working at federal level with the Secretary of Labour and Welfare, and can further develop the actions aimed at promoting labour inspections and labour standards and labour rights. The two experiences are highly complementary and interconnected.
- Successful demonstration of a high level of specialised technical expertise on social protection, labour and employment through the implementation of EU supported programmes in Mexico as well as on gender equality through the provision of transformational technical supports to Mexican key institutions at federal and state level. EF has already implemented similar project, in particular with reference to job formalisation, promotion of labour standards and modernisation and gender equality – through their participation in the Commission funded regional programme EUROSOCIAL. FIAPP has a long experience in the country on social issues and has provided access to a wide pool of experts that are currently working on similar issues in Mexico.
- Solid capacity in mobilising a wide European network of public expertise (23 Member States have provided expertise contributing to the Gender pillar). As the action is contributing to the TEI on social cohesion, this capacity is considered as an instrumental added-value as it will contribute to operationalise and consolidate the Team Europe approach.

Component 2: Indirect Management with UNHCR (United National High Commissioner for Refugees)

A part of this Action (component 2) may be implemented in indirect management with UNHCR (United National High Commissioner for Refugees). This implementation entails an inter-agency collaboration notably between UNHCR, IOM and ILO, given their previous experience in the socio-economic integration of people on the move in Mexico, through different pilot projects and mechanisms leading to migratory status regularization and job formalization. UNHCR's mandate on asylum seekers and refugees shall unite forces with IOM's efforts for regular migration and integration alternatives for migrants, with both Mexican authorities and the private sector and build upon previously created knowledge among agencies regarding the challenges and opportunities of the Mexican labour market, as well as its specificities for people on the move. UNHCR and IOM have been successfully advocating to create an innovative mechanism that allows an alternative regularisation pathway for migrants seeking opportunities to improve their livelihoods. Evidence compiled in other contexts shows that carefully implemented alternatives such as the issuance. UNHCR and IOM will contribute to the project with know-how,

private sector partnerships, and cooperation with local authorities. A successful implementation depends on the ability to connect government-private sector-international efforts. In this sense, the ability to capitalise on complementarities between UN agencies and development actors' mandates and expertise.

The envisaged entity has been selected using the following criteria:

- previous knowledge, experience and ground work regarding the integration of people on the move in Mexico through decent and formal jobs (most notably, UNHCR's successful PIL programme, which has integrated over 22 000 refugees since its start and IOM's MECAL programme which is instrumental in working on sustainable integration mechanisms with migratory authorities and the national employment system). This implementation arrangement will allow using the lessons learnt of previous projects in order to create a sustainable and durable integration solution for all people on the move, including internally displaced and returned Mexicans in a comprehensive approach.
- Operational capacity: UNHCR and IOM have a large presence on the ground, notably along the border major crossing points but also in the capital and all major urban centres where employment opportunities are more likely.
- Added value: UNHCR and IOM are leading actors in Mexico and in the region regarding migration, a recurrent topic with high political visibility and aligned to the European Union's vision for durable, decent solutions for migratory flows.
- Multilateral engagement: through a clear task division and cooperative scheme among agencies, this action will contribute to building partnerships on the ground based on a shared approach, values and principles with the European Union and thus contribute to the European Union's multilateral engagement.

In case the envisaged entities would need to be replaced, the Commission's services may select replacement entities using the same criteria. If the entities are replaced, the decision to replace them needs to be justified.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components ¹⁴	EU contribution (amount in EUR)	Third-party contribution, in currency identified (EUR)
Implementation modalities – cf. section 4.3		
Promoting decent work for the most vulnerable and most at risk workers and, in particular, women and youth, composed of:	2 000 000	
Indirect management with Member States Organisation (AFD Group) cf. section 4.3.1 (Component 1)	2 000 000	
Integration of people on the move through formal employment composed of:	5 000 000	

¹⁴ N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

Indirect management with UNHCR cf. section 4.3.1 (Component 2)	5 000 000	750 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision	N.A.
Contingencies	N.A.	N.A.
Totals	7 000 000	750 000

4.6 Organisational Set-up and Responsibilities

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

Component 1

The AFD Group is responsible for the full implementation of this component. It entails the design, execution, coordination, control, monitoring and visibility of all activities contributing to achieve the expected objectives and results as described in section 3.

A Steering Committee will be established with representatives of key stakeholders in order to provide strategic guidance, coordinate and monitor the action's implementation. The steering committee will indicatively be composed of representatives of the following institutions: the AFD Group, the Mexican Institute of Social Security (IMSS), the Secretary of Labour and Welfare (STPS), the Tax Administration Service (SAT), the EU Delegation to Mexico, the EU Member States, the private sector and representative and/or specialised civil society organisations.

A co-chair mechanism could be envisaged.

Component 2

Implementation arrangement

This Action will be indirectly managed with UNHCR, as lead agency. UNHCR and IOM will be implementing partners on equal footing in accordance with Article 58(1) (c) of Regulation No 966/2012 (EU, Euratom). The project's impact will be strengthened by the targeted involvement of ILO. Each agency will be responsible for the operational and financial execution of their activities as defined in the action. A legally binding Memorandum of understanding will be signed between UNHCR and each of the participating UN agencies, stipulating the terms, conditions, responsibilities, obligations, and accountabilities of the participating parties; as well as implementation arrangements and activities to deliver, coordination mechanisms, monitoring and reporting requirements, visibility, and the budget.

UNHCR and IOM will implement activities through their own staff, recruitment of external consultants or in collaboration with key partners.

For UNHCR – the country office in Mexico City will assume the overall responsibility for the management of the Action, in close coordination with IOM as equal implementing partners. The Solutions Officer located in the UNHCR country office will be appointed Action Manager and will be responsible for Action coordination and monitoring of activities, follow-up actions, linking up with other participating agencies and relevant stakeholders. This person will also oversee the implementation of UNHCR specific activities foreseen in the Action. In addition, UNHCR will sign implementation agreements with NGOs to carry out duly defined interventions addressed to direct beneficiaries in selected communities. A legally binding agreement, so called “partnership agreement” will be signed with each of the above-mentioned organisations allowing UNHCR to transfer funds for the delivery of the project. The partnership agreements, developed by UNHCR and the partner, stipulates the terms, conditions, responsibilities, obligations, and accountabilities of the participating parties; as well as contain objectives, outputs, performance and impact indicators, implementation arrangements and activities to deliver, key project risks and mitigation activities, coordination mechanisms, monitoring and reporting mechanisms, visibility, and the budget.

For IOM – the country office in Mexico City will coordinate the activities and assume the overall implementation of the project, including monitoring of activities, reporting and coordination with relevant stakeholders and liaising with IOM field operations. The National Coordinator Officer located in Mexico City will be responsible for the

implementation of the IOM specific activities foreseen in the Action and coordination with UNHCR and other relevant actors as foreseen in the project. Additionally, as part of the project IOM will sign implementation agreements with NGOs and local governments to carry out duly defined interventions to reach project objectives at the local level. A legally binding agreement will be signed with each of the stakeholders stating the responsibilities of each party. The agreements stipulate the terms and conditions, responsibilities and obligations and accountabilities of the participating stakeholders.

Project Steering Committee (PSC)

A high-level Project Steering Committee composed of the Representative of UNHCR, Chief of Mission of IOM, and the Head of Delegation/ Head of Cooperation in the European Union Delegation to Mexico as well as the Programme Managers will be established to provide strategic guidance and to oversee overall project implementation.

The committee will convene at least once a year to assess the protection situation and prioritise actions foreseen within the project as well as on an ad-hoc basis if needed.

Project Operational Committee (POC)

A Project Operational Committee (POC), composed of EU Delegation to Mexico, Action Manager, representatives of IOM and UNHCR, as well as the participation of other UN Agencies such as ILO on an ad hoc basis, will be established to oversee the implementation of the activities, budget execution and assess performance. It will meet every 6 months and will include internal and external sessions, the latter involving all government/public actors included in this action and a session with the private sector (employers, financial institutions, associations) to coordinate inclusion mechanisms.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the log frame matrix and the partner's strategy. The baselines and indicators will be identified during the contractualisation and inception phase and will be included in the first progress report.

Project Implementation entities will provide annual narrative and financial reports, covering all activities, accomplishments, and financial performance. Reports will provide an accurate account of implementation to date, difficulties encountered, changes introduced, as well as the degree of achievement of its results (direct outputs and outcomes) as measured by corresponding indicators, using as reference the log frame matrix and the list of result indicators. The reports will include information on expected and actual means and resource use, as per ADF practices. Final consolidated narrative report, after the completion of the joint program, to be provided no later than three months after the operational closure of the activities. Relevant information collected will be also shared during Project Steering Committee and Project Operational Committee meetings.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Component 1

Compliance with evaluation requirements will be ensured in line with the AFD Group specific tools and policies aligned on DAC evaluation criteria. Besides, the Monitoring, Evaluation and Learning Unit of the Operations Department of Expertise France will support the definition of the MEL system required for this component.

Component 2

Compliance with monitoring and evaluation requirements will be ensured in line with UN System Wide Evaluation Policy provisions and participating agencies procedures.

To enhance internal controls, the Project will apply a risk-based monitoring system. During the first three months, the Action team will design the Monitoring and Evaluation system, which will be comprised of 1) an impact monitoring plan and 2) performance monitoring plans for each partnership agreements and 3) one plan for all direct implementation by both agencies. At the output level, each Agency will monitor progress towards the established performance targets delivered through partnership agreements and / or direct implementation. This process will include checking not only the delivery of results but also if they have been achieved within the allocated resources and according to the planned time frame.

Project will provide annual narrative and financial reports, covering all activities, accomplishments, and financial performance. Reports will provide an accurate account of implementation to date, difficulties encountered, changes introduced, as well as the degree of achievement of its results (direct outputs and outcomes) as measured by corresponding indicators, using as reference the log frame matrix and the list of result indicators. The reports will include information on expected and actual means and resource use, as per UNHCR and IOM practices. Final consolidated narrative report, after the completion of the joint program, to be provided no later than three months after the operational closure of the activities. Relevant information collected will be also shared during Project Steering Committee and Project Operational Committee meetings.

5.2 Evaluation

Having regard to the importance and nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the leading Agency. The evaluation will be jointly managed by the partner agencies through an evaluation steering group not involved in the implementation of the Action.

The evaluation process to be put in place will be agile enough to allow for adaptation to a rapidly changing environment and rapid response situation. In addition, opportunities to establish synergies and collaboration with other evaluation processes in the country will be explored as part of the UNCF or other evaluations of related work.

The evaluation process will be participative and will involve all relevant Action's stakeholders and partners.

The approved final evaluation report shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination¹⁵. The implementing Agencies and the Commission shall analyse the conclusions and recommendations of the evaluation and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will

¹⁵ https://europa.eu/capacity4dev/evaluation_guidelines/wiki/disseminating-evaluations

instead-be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Communication and visibility of the EU is a legal obligation for all external actions funded by the European Union. This action shall contain communication and visibility measures based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation. Appropriate EU visibility will be ensured regarding communication, mass information materials, as well as any equipment financed under this project, in accordance with relevant EU guidelines. All material developed/published will show gender, age and diversity sensitivity and will portray a gender and diversity balanced mix of images.

The project will generate ample amounts of media material, social media posts, contributions to web sites and stakeholder presentations. In all materials and postings, the project partners will give due recognition to the EU's support for this project. Targeted communication activities will focus on the results achieved and may include human interest stories, social media material and amplification, and press work around programme results.

UNHCR and IOM will also cooperate with the EU Delegation in Mexico in preparation of material for external media i.e., joint press releases, briefing notes, as well as activities allowing for the promotion of the process and results obtained in the framework of the project to the policy makers, and other stakeholders, within the European Union and its Member States.