

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Lean Thinking and Knowledge Management for Governments
▪ TC Number:	RG-T4443
▪ Team Leader/Members:	ARISI, DIEGO (IFD/ICS) Team Leader; DE SIMONE, FRANCESCO (IFD/ICS) Alternate Team Leader; VIEYRA, JUAN CRUZ (IFD/ICS) Alternate Team Leader; ROJAS GONZALEZ, SONIA AMALIA (IFD/ICS); BONILLA MERINO ARTURO FRANCISCO (LEG/SGO); RAMIREZ SALCEDO, GERARDO (IFD/ICS); GONZALEZ CHACON MARIANNA JOSE (IFD/ICS)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	22 Feb 2024
▪ Beneficiary:	Colombia, Perú
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$600,000.00
▪ Local counterpart funding:	US\$190,000.00 (In Kind)
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	IFD/ICS - Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	IFD/ICS - Innovation in Citizen Services Division
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional capacity and rule of law

II. Objective and Justification

- 2.1 To improve efficiency in targeted public institutions of Latin America and the Caribbean (LAC) by using Lean Thinking and Knowledge Management techniques and approaches. This goal will be achieved by carrying out results-oriented pilot interventions that allows to develop in the long run a Lean Center for Governments (LCG). To this end, it is key to continue learning from advanced experiences, particularly from those countries that are world leaders in the crossroads between delivering public services and the use of lean thinking and knowledge management techniques and approaches.
- 2.2 Public institutions of LAC face the historical challenge of improving their capacities for being efficient, effective and achieve results in the short term. Overly ambitious or unclear goals, vague rules of operation, and contradictory or complex protocols are just a few examples of the problems that hamper the achievement of institutional aims and objectives on time and with appropriate quality. This complexity in government procedures/processes generates high transaction costs, slows economic growth, is fertile terrain for acts of corruption, and excludes the most vulnerable citizens.
- 2.3 The average time needed to complete a government procedure in the LAC region is 5.4 hours, although there are notable differences between countries. For example,

while in Perú it takes 8.6 hours and in Colombia 7.4 hours, in Chile, it takes only 2.2 hours. Added to the time taken is the problem of corruption: 29 percent of all people in the region reported having paid a bribe related to a public service. Also, citizen satisfaction with public services in Colombia is below the OECD average, and the governance crisis in the last three years in Perú requires immediate actions for supporting institutional strengthening.

- 2.4 The complexity of such bureaucracy affects investor confidence, and the legal security needed to do business, which in turn affects countries' productivity and competitiveness. To address this challenge, new approaches must be adopted so that the State obtains better results and manages processes and/or procedures in an agile and accessible way for the citizen.
- 2.5 Since lean techniques and approaches have been used systematically in the private sector but not in the public sector, the TC will be helping to develop an innovative approach on its field. It will focus their efforts on developing results-driven projects for helping targeted institutions of the beneficiary countries to streamline strategic government procedures and/or processes by using lean thinking and knowledge management techniques and approaches. Considering Japan's leadership on this field, the projects will be carried-out by adapting Japanese know-how and expertise to the LAC institutional specific context. Also, lessons learned and knowledge from the ground, will contribute to design a roadmap proposal to progressively expand this techniques and approaches in the region.

III. Description of Activities and Outputs

- 3.1 **Component 1. Lean and knowledge management for governments roadmap proposal.** This component is intended to exchange lessons learned both in Japan as well as in the LAC region to bolster the quality of lean thinking and knowledge management in the public service. It will contribute to design a roadmap proposal for progressively mainstream this techniques and approaches, including: (i) an assessment for identifying institutional needs to be addressed with lean and knowledge management techniques; and (ii) a roadmap proposal for targeted countries.
- 3.2 **Component 2. Lean and knowledge management pilot projects based on the Japanese experience.** This component will provide consulting support for the design and implementation of pilot projects based on lean thinking and knowledge management developed in Japan such as Kaizen, Gemba, Monozokuri, among others. Colombia, and Perú are the pre-identified countries for these pilots. This will include: (i) the design and implementation of two (2) pilots in targeted areas; and (ii) the pilots evaluation.
- 3.3 **Component 3. Knowledge and Dissemination.** Under this component, the IDB will support the development of knowledge products and dissemination activities to share solutions and results from the TC implementation. This will include: (i) an annual regional event; and (ii) its Annual Report documenting results.

IV. Budget

Indicative Budget (US\$)

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Lean and knowledge management for governments roadmap proposal	US\$100,000.00	US\$0.00	US\$100,000.00
Lean and knowledge management pilot projects based on the Japanese experience	US\$320,000.00	US\$190,000.00	US\$510,000.00
Knowledge and Dissemination	US\$180,000.00	US\$0.00	US\$180,000.00
Total	US\$600,000.00	US\$190,000.00	US\$790,000.00

V. Executing Agency and Execution Structure

- 5.1 The Executing Agency will be the Inter-American Development Bank (IDB), through the Innovation in Citizen Services Division (IFD/ICS), in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and in the TC Operational Guides (GN-2629 Guidelines Annex 10, Section 2 (d)).
- 5.2 The executing agency for this TC will be the IDB, under responsibility of IFD/ICS. For several years, the Bank has partnered with governments in the region on their challenge to improve service delivery through innovative public management. While interventions have encompassed many sectors, IFD/ICS has been the unit responsible for the management aspects of these interventions. Due to the focus of this TC on the Japan experience, the Bank will work in close coordination with the Japanese Trust Fund further strengthening institutional collaboration and exchange between this country and the LAC region. The Bank will contract all the consultancies in accordance with the policies and procedures of the Bank applicable to TCs and the Japanese Trust Fund (JTD) policies and procedures.

VI. Project Risks and Issues

- 6.1 There are three noteworthy risks to an effective project implementation. First, the difficulties in convening public officers for participating on the pilots. To mitigate this risk: (a) as a start-up, it will be defined a detailed action plan with the beneficiary institutions; (b) a champion team in the counterpart institutions will be assigned to ensure each pilot management from start to end; and (c) it will be an initial training on K4R and lean approach to engage public servants that will be involved in the pilots. It will be complemented with a Learning-By-Doing model.
- 6.2 Second, the staff rotation in the beneficiary institutions. To mitigate that risk, the Bank will: (a) work with career public officers to ensure a grassroot development; and (b) carry- transition process strategies that shows to the new authorities the add-value of the lean approach for supporting their institutional goals and priorities.
- 6.3 Third, the unwillingness of sharing private or public information during the pilots under Component 2. To mitigate that risk the Bank will facilitate the deployment of the correspondent mechanisms for ensuring confidentiality and the proper use of the information.

VII. Environmental and Social Aspects

- 7.1 This TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).