

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	REGIONAL
▪ TC Name:	Boosting Development Effectiveness through IDBImpact+
▪ TC Number:	RG-T4659
▪ Team Leader/Members:	Bosch Mossi, Mariano (VPS/VPS) Team Leader; Florez Timoran, Hugo (VPC/VPC) Alternate Team Leader; Cossens Gonzalez, Shakirah del Carmen (VPC/VPC); Martinez Carrasco, Jose Alejandro (SPD/SDV); Molina, Silvana (VPS/VPS); Casas Rojas Laura Ximena (VPS/VPS); Suaznabar, Claudia (VPS/VPS); Bonilla Merino Arturo Francisco (LEG/SGO)
▪ Taxonomy:	Research and Dissemination
▪ Date of TC Abstract:	12 Nov 2024
▪ Beneficiary:	IDB borrowing member countries
▪ Executing Agency:	Inter-American Development Bank
▪ IDB funding requested:	US\$1,000,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	VPS/VPS - Sectors & Knowledge
▪ Unit of Disbursement Responsibility:	VPS/VPS - Sectors & Knowledge
▪ TC included in Country Strategy (y/n):	N/A
▪ TC included in CPD (y/n):	N/A
▪ Alignment to the Institutional Strategy:	Institutional capacity and rule of law

### II. Objective and Justification

- 2.1 The general objective of this TC is to enhance a culture of impact and results among IDB clients.
- 2.2 The IDB Group Institutional Strategy, Transforming for Scale and Impact, emphasizes the importance of achieving meaningful scale and development impact through enhanced effectiveness. The proposed Development Effectiveness Policy Framework highlights that effectiveness is a shared responsibility within the IDB and, critically, must extend to our clients. Ideally, we aim to advance the "last mile," where the IDB and borrowers collaborate closely to design projects grounded in an evidence-based theory of change, and jointly implement a proactive and adaptive project management with a focus on results. This TC aim to move this agenda forward by: (i) providing foundational tools for IDB stakeholders to embrace a culture of results, (ii) aligning priorities and initiatives among operations stakeholders, and (iii) expanding clients monitoring and evaluation capacities.
- 2.3 Achieving tangible development results is a shared responsibility between the Bank and the borrower. Based on an in-depth portfolio analysis, the IDB should focus on the following key areas to strengthen collaboration with its counterparts:
  - a. Designing and Promoting Evidence-Based Projects: Prioritizing projects with a clear and robust theory of change grounded in evidence is essential. Providing a simple explanation of a project's logic and selecting appropriate indicators are critical for effectively communicating development objectives to executing units in the field.

- b. Implementing a Results-Based Management Model: It is crucial to develop tools that support a results-based approach, evaluating a project's physical and financial progress in terms of its ability to achieve development objectives. While the IDB is already advancing tools to implement this model jointly with clients, further efforts are needed to align priorities, integrate various components, and ensure all tools are centered on delivering better service to the client.
- c. Strengthening Client Capacity for Monitoring and Evaluation: The cornerstone of this model's effectiveness lies in building the capacity of clients and their executing units to monitor and evaluate results effectively.

### III. Description of Activities and Outputs

- 3.1 **Component I: Providing foundational tools to embrace a culture of results among IDB stakeholders.** This component supports the development and revamping of tools, methodologies, data analytics and strategies to improve the technical rigor of projects during preparation, implementation and supervision, focused on ensuring successful execution and improving the attainment of results. The implementation all these activities will be done with our government counterparts in the region.
- 3.2 **Component II: Aligning priorities and initiatives among operations stakeholders.** This component aims to enhance and develop cross-cutting instruments and processes to bolster capabilities of member countries, standardize planning and monitoring processes with our counterparts, and leverage data and technology to enable better monitoring of the impact of IDB country programs.
- 3.3 **Component III: Expanding clients monitoring and evaluation capacities.** This component aims at strengthening a results-focused project management model tailored to PEUs and aligned to the results-based comprehensive portfolio management process.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Providing foundational tools to embrace a culture of results among IDB stakeholders	US\$600,000.00	US\$0.00	US\$600,000.00
Aligning priorities and initiatives among operations stakeholders	US\$200,000.00	US\$0.00	US\$200,000.00
Expanding clients monitoring and evaluation capacities	US\$200,000.00	US\$0.00	US\$200,000.00
<b>Total</b>	<b>US\$1,000,000.00</b>	<b>US\$0.00</b>	<b>US\$1,000,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The Bank will be the executing agency of this TC through the Vice-Presidency for Sectors and Knowledge (VPS) and the Vice-Presidency for Countries (VPC). VPS' sector departments (INE/INE, SCL/SCL, IFD/IFD, CSD/CSD, PTI/PTI) and VPC' country departments (CSC/CSC, CAN/CAN, CCB/CCB, and CID/CID) will implement the activities under Component I. The executive structure will facilitate the coordination of the TC, which will involve the participation of distinct VPS sectors or units, IDB country departments/offices and executing agencies. Execution of Components II and III will be led by VPS/VPS and VPC/VPC.

- 5.2 The Research and Dissemination taxonomy of this TC justifies the execution by the Bank. The Bank's execution is also warranted as this is a regional TC where a regional entity with the legal capacity to execute the TC cannot be identified (as stated in the guidelines (OP-619-4)). The TC will finance activities in and across multiple countries and institutions in LAC and thus needs a centralized and internalized execution from Bank Headquarters.

## **VI. Project Risks and Issues**

- 6.1 Two primary risks have been identified for TC executing and achieving its objectives:
- 6.2 Risk 1: PEUs may be hesitant to adopt new tools, particularly if they perceive these as adding complexity or extra burdens. This risk will be mitigated through the deployment of a robust change management strategy that includes: (i) adequate training and support for PEUs and internal stakeholders; (ii) dedicated support channels (e.g., helpdesk, coaching, mentoring) to address their questions or concerns in a timely manner; and (iii) leveraging early adopters and peer-to-peer learning, while encouraging a collaborative environment where PEUs can collectively troubleshoot challenges and find solutions.
- 6.3 Risk 2: With the involvement of various PEUs and multiple divisions, there is a risk of coordination challenges that could hinder the effective implementation of the new tools and processes. This risk could be mitigated by establishing a coordination mechanism, through already established focus points in the effectiveness networks (one in VPC and one in VPS), to oversee the implementation, foster knowledge sharing and ensure alignment across divisions and countries.

## **VII. Environmental and Social Aspects**

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