

TC DOCUMENT

I. Basic Information for TC

▪ Country/Region:	REGIONAL
▪ TC Name:	Enhancing Impact through the Client Portal: Evaluation of the Digital Semiannual Report on Client Ownership and Quality of Operational Knowledge
▪ TC Number:	RG-T4596
▪ Team Leader/Members:	Cambra Carrizo, Gina (VPC/FMP) Team Leader; Martinez Carrasco, Jose Alejandro (SPD/SDV) Alternate Team Leader; Yopez Albornoz, Maria Consuelo (SPD/SPD); Bonilla Merino Arturo Francisco (LEG/SGO); Cerda Zavalla Maikol Andres (SPD/SDV); Acosta Mejia, Camilo Andres (KIC/KLD); Molina, Silvana (VPS/VPS); Garcia Ferro, Luz Angela (KIC/KLD)
▪ Taxonomy:	Research and Dissemination
▪ Operation Supported by the TC:	.
▪ Date of TC Abstract authorization:	08 Sep 2024.
▪ Beneficiary:	Argentina, Barbados, Bahamas, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Peru, Panama, Paraguay, Suriname, Trinidad and Tobago, and Uruguay.
▪ Executing Agency and contact name:	Inter-American Development Bank
▪ Donors providing funding:	OC SDP Window 2 - Economic Growth(W2F)
▪ IDB Funding Requested:	US\$100,000.00
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes Execution period):	24 months
▪ Required start date:	December, 2024
▪ Types of consultants:	Individual consultants and consulting firms
▪ Prepared by Unit:	VPC/FMP-Ops Fin Mgmt & Procurement Svc
▪ Unit of Disbursement Responsibility:	VPC/FMP-Ops Fin Mgmt & Procurement Svc
▪ TC included in Country Strategy (y/n):	N/A
▪ TC included in CPD (y/n):	N/A
▪ Alignment to the to the Institutional Strategy 2024-2030:	Productivity and innovation

II. Objectives and Justification of the TC

2.1 **Objective.** The general objective of this TC is to enhance our understanding of Project Executing Units (PEUs), addressing gaps in knowledge about their internal processes, management practices, and incentives. The specific objectives are: (i) to evaluate the impact of gaining access to digitally generate the project's comprehensive semi-annual report on short-term project performance and PEUs' perception of IDB support; and (ii) to measure whether PEUs are actively incorporating high-quality lessons learned during and after project execution, providing an estimate of their responsiveness to unforeseen obstacles. To the best of our knowledge, this is the first study to evaluate the impact of simplifying the communication between a PEU and its main stakeholder over project performance.

- 2.2 **Justification.** The Inter-American Development Bank (IDB) is focused on enhancing development effectiveness in the Latin American and Caribbean (LAC) region by fostering institutional capacity and results ownership among borrowers and PEUs. The authors conducted a comprehensive survey of 36 IDB PEUs across the region in 2023. Collected information revealed that while these units extensively use internal performance indicators, there is a predominant focus on monitoring outputs and financial disbursements rather than achieving development outcomes (Acosta et al., 2024).¹ The lack of PEU involvement in the project design phase often leads to misalignment with the IDB results framework. Additionally, although PEUs recognize the importance of documenting lessons from previous projects, less than half actively use this evidence in their current operations. This research also found three critical areas for improvement. First, enhancing the efficiency of the Client Portal to support PEUs throughout the project lifecycle, especially to identify and coordinate responses to execution challenges. Second, aligning incentives to ensure that project objectives are appropriately measured by owning and monitoring the set of outcome indicators. Third, addressing discrepancies between PEU perceptions and IDB reports regarding responsiveness to obstacles, the leverage of lessons learned, and the achievement of key performance indicators is crucial. These issues underscore the need for a deeper understanding and commitment to impact-achievement management.
- 2.3 This TC aligns with previous literature that has examined the factors contributing to the success or failure of IDB projects utilizing project management data. Álvarez et al. (2021)² and Corral et al. (2022)³ indicate that seamless project execution is highly correlated with project success. Moreover, adequate project supervision, timely evaluations, and early detection of potential issues are also essential (Ika et al., 2012;⁴ Denizer et al., 2013⁵).⁶ The literature examining the role of PEUs in result achievement is scarcer. A common finding is that in addition to project specificities, the PEU institutional capacity significantly impacts project performance (Álvarez et al., 2012;⁷

¹ Acosta, C., Cambra, G., Martínez-Carrasco, J., Cerda, M., Kang, M., Villalba, H., & Yezpez, M.C. 2024. Unveiling the IDB's Project Executing Units: Performance Indicators, Results-Based Management, and Demand for Knowledge. IDB Technical Note No. IDB-TN-02961. <http://dx.doi.org/10.18235/0013040>

² Álvarez, C., L. Corral, A. Cuesta, J. Martínez, C. Montiel, and C. Yezpez. 2021. Project Completion Report Analysis: Factors Behind Project Success and Effectiveness Office of Strategic Planning and Development Effectiveness IDB Technical Note No. IDB-TN-02135. <http://dx.doi.org/10.18235/0003116>

³ Corral, L., G. Lotti, J. Martínez, and C. Pecha. 2022. Operational Excellence: Understanding Project Financial Cancellations and its Impact on the Delivery of Results Office of Strategic Planning and Development Effectiveness Department. IDB Technical Note No. IDB-TN-02417. Inter-American Development Bank. <http://dx.doi.org/10.18235/0003952>

⁴ Ika, L. A., A. Diallo, and D. Thuillier. 2012. Critical Success Factors for World Bank Projects: An Empirical Investigation. *International Journal of Project Management*, 30(1): 105–16. <https://doi.org/10.1016/j.ijproman.2011.03.005>

⁵ Denizer, C., D. Kaufmann, and A. Kraay. 2013. Good Countries or Good Projects? Macro and Micro Correlates of World Bank Project Performance. *Journal of Development Economics*, 105: 288–302. <https://doi.org/10.1016/j.jdeveco.2013.06.003>

⁶ The IDB's Office of Evaluation and Oversight (OVE) has documented other important factors, such as the country's political landscape, coordination challenges, and low institutional capacity of some PEUs (Corrales & Alvarez, 2013; Piza et al., 2012; Suarez et al., 2015).

⁷ Álvarez, C., J. Bueso-Merriam, and R. Stucchi. 2012. So You Think You Know What Drives Disbursements at the IDB? Think, Think Again. IDB Technical Note no IDB-TN-479. <https://publications.iadb.org/en/so-you-think-you-know-what-drives-disbursements-idb-think-think-again>

Avellán et al., 2018;⁸ Corral & McCarthy, 2020;⁹ Lagarda et al., 2018¹⁰). Tique et al. (2013)¹¹ identify internal bureaucratic hurdles, inadequate planning, and high personnel turnover as significant challenges for PEUs. These studies suggest that strengthening the institutional capacity of PEUs can lead to better project outcomes. This study will expand previous literature by evaluating the impact of specific Client Portal modules, such as the ability to digitally generate structured semiannual reports, on project short-term performance proxy by the incidence of overrun and over costs in their output's implementation.

- 2.4 **Empirical setting.** The Client Portal, IDB's first digital transformation initiative, plays a crucial role by offering a client-centric approach with real-time information, automation capabilities, and learning opportunities. This comprehensive digital solution simplifies access to vital IDB project information and enables seamless transactions, empowering PEUs to navigate project execution efficiently while managing complexities and enhancing accessibility to resources and technical support. The portal aims to improve PEU ownership and management practices by focusing on adaptive engagement, connected workflows, predictive planning, and contextual knowledge, ultimately leading to better development outcomes. It supports PEU decision-making and proactive communication with the IDB through tools and modules designed for effective management. Currently, 280 operations from 20 countries use the Client Portal, with numbers increasing each quarter, aiming to reach all operations. PEUs can access a fiduciary interface to manage procurement processes, handle disbursements online, and manage contracts. Additionally, the Portal provides a Project Tab summary with updated information on disbursements, payments, progress on financial and physical outputs, development outcomes, risks, and other key data, enhancing PEUs' monitoring capabilities for data-oriented decisions.
- 2.5 The Knowledge & Learning Division (KIC/KLD) identified two main challenges regarding operational knowledge access and use. First, PEUs spend significant time searching for information the Bank already possesses. They often need critical data to manage their projects and can spend almost three months gathering information for writing a Semiannual Report (SAR). Additionally, there is no unique and standardized format for the SAR, which is a crucial document for systematizing and capturing operational knowledge. In many cases, PEUs do not report lessons learned or good practices about execution. When they do, the quality of learning from operational experience is often insufficient for systematizing and sharing with other projects.
- 2.6 Following the launch of Project Tab as a tool for data-oriented decision-making, the Client Portal is developing the digitalized SAR to reduce the transactional costs for PEUs when reporting information to the Bank. This initiative aims to enhance results

⁸ Avellán, L. M., V. G. Cavalcanti, G. Lotti, and S. Cossens. 2018. What Predicts Problems in Project Execution? Evidence from Progress Monitoring Reports (IDB-TN-01586; IDB Technical Note). <http://dx.doi.org/10.18235/0001476>

⁹ Corral, L. and N. McCarthy. 2020. Organisational Efficiency or Bureaucratic Quagmire: Do Quality-At-Entry Assessments Improve Project Performance? *Journal of Development Studies*, 56(4), 765–81. <https://doi.org/10.1080/00220388.2018.1554210>

¹⁰ Lagarda, G., J. Linares, A. Lopez, and M. O. Manzano. 2018. Management and Execution of Investment Projects, the Task Prior to the Measurement of Development Effectiveness: The Case of the Inter-American Development Bank. IDB Working Paper Series No. IDB-WP-918. <http://dx.doi.org/10.18235/0001335>

¹¹ Tique, A., A. Héctor, M. Castro, R. E. Peixoto, and M. E. Roca. 2013. Procurement and Operational Efficiency: An Analysis of How IDB-Financed Projects are Executed. IDB Technical Note No. IDB-TN-613. <https://publications.iadb.org/en/procurement-and-operational-efficiency-analysis-how-idb-financed-projects-are-executed>

management, systematize, and improve the quality of operational knowledge. In August 2024, as part of a Minimum Viable Product (MVP), the Client Portal will test and pilot the digitalized SAR with 10 PEUs to gather feedback and refine the product, with a full launch planned for all users in 2025 across both semesters.

- 2.7 **Main sources of data.** The primary data source will be a survey to understand PEUs' performance and its determinants. Leveraging the ongoing expansion of the Client Portal, this TC seeks resources to continue working on this agenda by first reviewing the survey and expanding its scope to include a representative sample of PEUs working with the IDB. First, learning from the survey implemented by Acosta et al. (2024), the instrument will be thoroughly revised to refine some sections and build better questions that measure performance, monitoring, autonomy, and knowledge demand. Second, we expect to increase the sampling to at least 300 PEUs to cover a more representative sample of units, covering around 44% of the PEUs.
- 2.8 This data will be complemented by merging the survey with administrative data. Concretely, we will use data related to short-term contract management. More information on how we will exploit Client Portal administrative data is presented in paragraphs 2.11 and 2.12.
- 2.9 **Evaluation methodology.** The study design involves exploiting the implementation of the digital SAR within the Client Portal to evaluate its impact on the ownership of PEUs in their projects, their short-term performance execution, and the quality of knowledge produced from the operations. As mentioned, the digital SAR report will include a new module for reporting the project's lessons learned each semester, a section for development objectives, and one for risk management. After its pilot in August, the digital SAR will be released to a more significant number of PEUs (at least 130) between February and March 2025. It will include all the report's functionalities and an assistant to report learning from operations.
- 2.10 This wider release will be done randomly to allow the evaluation of the tool and its impacts. Therefore, the study design involves a randomized controlled trial (RCT) methodology. The randomization of the SAR will be based on a stratum of IDB regions, sectors, and PEU age, ensuring that a representative sample of PEUs is treated by having access to this tool. Moreover, ex-ante balancing techniques will be used to provide a balance between treatment and control groups (e.g., pairwise matching). A good randomization, mixed with the larger sample of PEUs, will allow for the evaluation of the digital SAR through an Ordinary Least Squares regression of the form:

$$Y_{irs} = \beta \cdot DigitalSemiannual_i + \gamma X_i + \lambda_r + \phi_s + \varepsilon_{irs}$$

where Y_{irs} is an outcome of interest for PEU i working in a country from region r in a project from sector s ; $DigitalSemiannual_i$ is a dummy variable that equals one if a PEU had access to the digital SAR in early 2025; X_i denotes characteristics of the PEU, while λ_r and ϕ_s represent region and sector fixed effects; ε_{irs} is the error term. In this specification, β is the coefficient representing the average treatment effect (ATE) in the RCTform.

- 2.11 Next, we discuss which outcome indicators will be used to measure the impact of the intervention. The evaluation will assess the effect of the digital SAR on three sets of outcomes. First, we can measure whether the report increases the probability that a PEU reports a lesson learned throughout the year and the quality of these lessons

using an AI algorithm developed between KIC/KLD and ITE/IPS (more details in the following paragraph). Second, the survey data can be merged with contract management data from FMP, which measures efficiency in fiduciary processes and execution. With this data, it is possible to construct a measure of the incidence of overrun and overcosts related to output implementation. Data from the Client Connectivity Portal will allow the team to measure the communication frequency of PEU with IDB teams as a proxy for ownership. Third, we plan to incorporate small behavioral games inside the survey that help measure the value PEUs assign to the new digital report.

- 2.12 To measure the effects on the frequency and quality of operational knowledge, a large set of past SARs from the PEUs will be analyzed. The analysis will assess whether there is any content related to lessons learned, best practices, or insights from operational experience. In cases where lessons learned are present, Natural Language Processing (NLP) techniques will be used to evaluate the quality of the operational knowledge. With the future flow of digitalized SARs, the presence and quality of this type of knowledge will be measured. The hypothesis to be tested is that implementing these tools will enable better systematization of high-quality operational knowledge.
- 2.13 **Beneficiaries.** The primary users of the information generated by this evaluation are IDB employees, particularly those implementing the Client Portal –who will gain valuable insights into the internal processes and needs of Project Executing Units (PEUs)– and Operation Analysts as they are the primary contact for each PEU and provide guidance on the critical and technical inputs for the projects in their portfolio. This enhanced understanding will enable IDB staff to deliver more effective, tailored support to PEUs in the field. The main beneficiaries are the PEUs, who will experience an improved interface with the IDB Client Portal, strengthening their sense of institutional support and enhancing their ability to respond to challenges.
- 2.14 **Strategic alignment.** The TC is consistent with the IDB Group Institutional Strategy Transforming for Scale and Impact (CA-631). It is aligned with the objectives of bolstering sustainable regional growth by fostering the exchange of best practices for inclusivity to encourage actions leading to better evaluation, execution, and impact by the Bank and its stakeholders. The TC is also aligned with the operational focus areas of (i) institutional capacity, rule of law, and citizen security through strengthened management, institutional capacity for project implementation and transparency at the subnational level to ensure impact in IDB Group operations; (ii) sustainable, resilient, and inclusive infrastructure, contributing to bridging knowledge gaps, promoting sustainability, fostering digital infrastructure and improving governance; and (iii) regional integration, enhancing physical and digital infrastructure to support operational effectiveness. Additionally, this operation is aligned with numeral 7.4 of the Strategy that emphasizes the necessity for processes and systems to build a more agile and efficient institution that reduces the transactional costs to our clients by simplifying internal processes, making them client-centric and digitalizing them through platforms. The recently approved IDB Group Institutional Strategy mentions that "Achieving the objectives of the Strategy requires fully aligning business processes and systems with it, leveraging a sustained digital transformation. (...) New technologies can speed up corporate workflows, enhance employee productivity, and bring additional value to countries and clients through new products that meet their

needs" (IDB Group, 2024).¹² As part of this strategy, the IDB Group aims to equip the institution to better ground analysis, decisions, and actions in high-quality data, providing greater accountability, transparency, and intelligence on maximizing impact and value. The TC is also aligned with the Bank's Development Effectiveness Overview (IDB, 2023)¹³ and its commitment to working more with clients and countries to build their capacity to measure and manage impact and incorporate evidence into decision-making. Finally, this TC is also aligned with the Priority Area 3 "Effective, Efficient and Transparent Institutions" of the Window 2 of the Ordinary Capital Strategic Development Program–OC SPD because the proposal aims to learn how to further enhance the efficiency and effectiveness with which Project Executing Units (public entities) implement development projects fully or partially financed with the IDB support.

III. Description of activities/components and budget

- 3.1 **Component 1. Data Collection (US\$70,000).** This component aims to conduct approximately 280 surveys to gather comprehensive data from a representative sample of Project Executing Units (PEUs) working with the IDB, covering around 44% of all PEUs. Learning from the survey implemented by Acosta et al. (2024), the instrument will undergo thorough revisions to refine sections on performance, monitoring, autonomy, and knowledge demand. The cost per survey is estimated at an average of US\$250. This enhanced survey will ensure the collection of high-quality data to better understand the operational dynamics of PEUs. Sub-activities in this component include: (i) Survey Instrument Revision: Review and refine existing survey questions based on insights from Acosta et al. (2024). Conduct pilot testing to ensure clarity and effectiveness of revised PEUs questions; (ii) Sampling and Recruitment: Identify a representative sample of 290 PEUs, covering around 44% of all PEUs. Develop a recruitment strategy to engage participants. Send out invitations and follow-up reminders to encourage participation; (iii) Data Collection Execution: Administer the surveys using appropriate channels (online, in-person, or mixed methods). Monitor the response rate and address any issues that may arise during the survey period. Ensure data integrity and accuracy throughout the collection process.
- 3.2 **Component 2. Data Coordination and Analysis (US\$24,000).** This component aims to manage the extensive data collection process and subsequent analysis through the support provided by a researcher. This support will play a crucial role during the data analysis phase. Advanced techniques, including statistical methods and Natural Language Processing (NLP), will be utilized to evaluate the quality of operational knowledge from past SARs. The researcher's expertise will be instrumental in interpreting the data, identifying significant patterns, and drawing insightful conclusions that will inform the study's findings.
- 3.3 **Component 3. Dissemination (US\$6,000).** This component aims to ensure that the findings reach a broad audience and have a substantial impact. This will include the edition, translation, and publication of the results in relevant spaces through digital platforms. Leveraging the Client Portal's expansion, the results will be shared through different methods targeted at IDB stakeholders and other interested parties. These activities will promote best practices and lessons learned, enhancing the quality of

¹² IDB Group. 2024. IDB Group Institutional Strategy: Transforming for Scale and Impact.

¹³ IDB Group. 2023. Development Effectiveness Overview.

knowledge management within PEUs and supporting the effective implementation of the digital SAR.

- 3.4 **Indicative Budget.** The cost of this TC is US\$100,000, which will be financed by the Ordinary Capital Strategic Development Program–OC SPD, Window 2, Priority Area 6: Inclusive Economic Growth (W2-F).

INDICATIVE BUDGET (US\$)

Component	Description	IDB/ OC-SDP W2F	Total Funding
Component 1. Data collection	Conduct 280 surveys, an average of US\$250 each, to collect comprehensive data from a representative sample of PEUs, refining the survey instrument and ensuring data quality and accuracy.	70,000	70,000
Component 2. Data coordination and analysis	Perform advanced data analysis to derive meaningful insights.	24,000	24,000
Component 3. Dissemination activities	Disseminate the study's findings through different channels, ensuring broad reach and impact among stakeholders.	6,000	6,000
TOTAL		US\$100,000	US\$100,000

IV. Executing agency and execution structure

- 4.1 The Bank will be the Executing Agency of this TC. Execution will be led by the VPC/FMP, who will be responsible for technical supervision, execution, and administration due to the Bank's previous experience in LAC. VPC/FMP will be responsible for the disbursement unit. Activities will be executed jointly with KIC/KLD, the IDB's Country Offices, and their contacts in participating cities.
- 4.2 A non-objection letter will be obtained prior to the initiation of any activity in any beneficiary country. The execution period of this TC will last 24 months.
- 4.3 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.
- 4.4 **Procurement arrangement.** All procurement to be executed under this Technical Cooperation has been included in the Procurement Plan (Annex III) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the Regulation on Complementary Workforce (AM-650), and (b) Contracting of services provided by consulting firms, hiring of logistic services, and other services other than consulting, following the Corporate Procurement Policy (GN-2303-33) and its Guidelines.
- 4.5 **Monitoring and reporting arrangement.** The monitoring and reporting activities for this TC will be managed by the Division VPC/FMP under the responsibility of the Project Team Leader. Monitoring of the planned activities in this TC will follow the TC Monitoring and Reporting System–TCM (OP-1385-4).

V. Major issues

- 5.1 Three primary risks have been identified for TC executing and achieving its objectives:
 - a. The success of this project depends on the relationship between the IDB and the PEUs in a context where several initiatives impact them. If the PEUs are obfuscated with information and initiatives, there is a risk that they will not reply

to the survey and will not be responsive to the study. This risk is highly mitigated because the treatment and the interactions are being done through the Client Portal, which is already structured to optimize client experience and communication. The risk remains low if the team is aligned with the Client Connectivity initiative.

- b. If the digital semiannual report is not adopted as expected, either because client engagement is low or there are technical issues surrounding its implementation and completion. To mitigate this risk, the Client Connectivity team conducted a pilot in October 2024, during which only ten PEUs had access to the digital semiannual report. Data from this pilot will be available in mid-December 2024. This pilot will be a valuable source of feedback on the technological interface and its functionalities and a test for successful future scalability. Lessons learned will be identified and integrated into the platform before its full roll-out in February 2025.
- c. The technical risk encompasses a possible unbalance between treatment and control groups and low statistical power. To mitigate an imbalance between groups, the treatment will be randomized beforehand, considering at least three strata (region, sector, and PEU age) and following other statistical strategies, such as pairwise matching. To alleviate a possible low statistical power, the data obtained from the survey will be complemented with contract management data from FMP, which comes at a higher frequency and would increase the number of observations.

VI. Exceptions to Bank policy

- 6.1 No exceptions to Bank policy have been identified.

VII. Environmental and Social Aspects

- 7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

Required Annexes:

[Results Matrix_76677.pdf](#)

[Terms of Reference_99178.pdf](#)

[Procurement Plan_41198.pdf](#)