



Moving Toward a Model of Locally Led Development: Localization Progress Report Brief FY2022

USAID is committed to shifting funding and decision-making power to the people, organizations, and institutions that are driving change in their own countries and communities. Experience shows that local leadership over development and humanitarian goals and programming is important for equity, effectiveness, and sustainability. Through localization – a set of internal reforms, actions, and behavior changes to orient the Agency’s work around local actors’ priorities and strengthen local systems – **USAID strives to advance locally led development and humanitarian assistance, in which local actors set their own agendas, develop solutions, and mobilize the capacity, leadership, and resources to make those solutions a reality.**

“If we truly want to make aid inclusive, local voices need to be at the center of everything we do. We’ve got to approach this work with intention and humility...to interrogate the traditional power dynamics of donor-driven development and look for ways to amplify the local voices of those who too often have been left out of the conversation.”

- USAID Administrator Samantha Power”

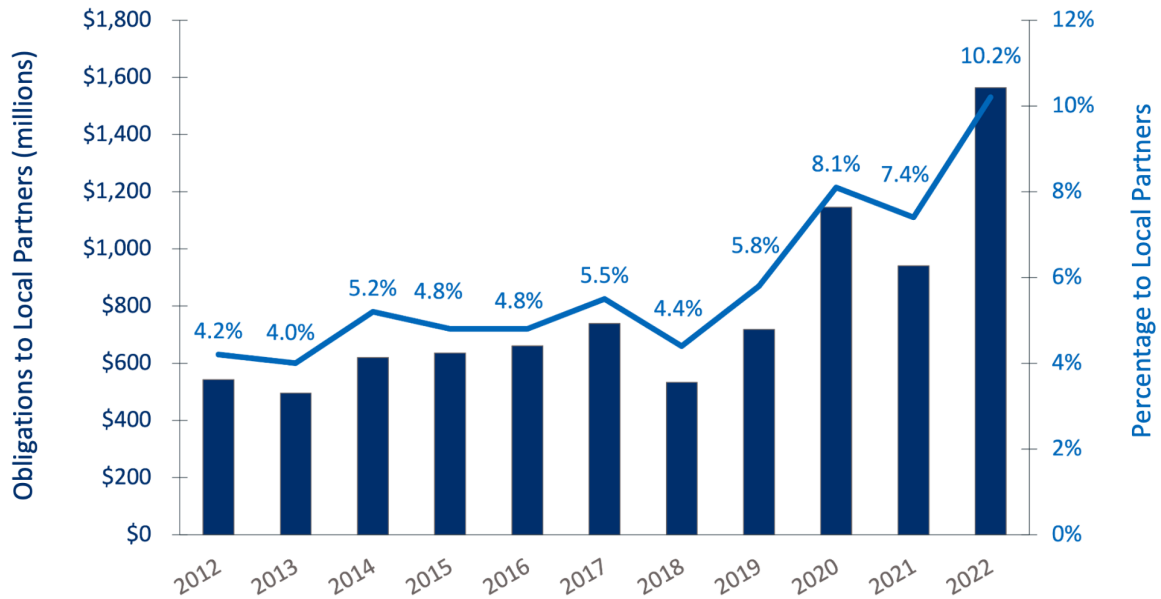
In November 2021, Administrator Power announced two targets to guide USAID in its pursuit of locally led development and humanitarian response:

- By FY 2025, USAID will direct a quarter of its funding directly to local partners.
- By 2030, at least half of USAID programs will promote space for local actors to exercise leadership over priority setting, activity design, implementation, and defining and measuring results.

The [FY 2022 Localization Progress Report](#) provides the first status update on USAID’s progress toward these targets. In FY 2022, **direct funding to local partners—individuals, organizations, or corporations based and legally organized in the country where they implement USAID-funded work—reached nearly \$1.6 billion, or 10.2 percent of obligations, per the**

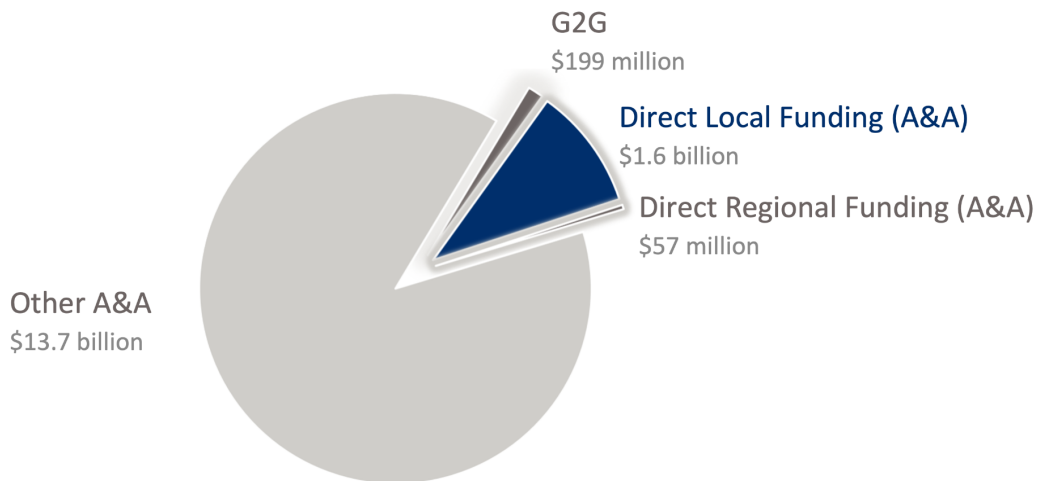
methodology established for this indicator. This is the highest level and percent of direct local funding in at least a decade.

Figure I: Direct Local Funding Over Time, Obligations and Percent



USAID Missions and other overseas units led these efforts, directing 18 percent of attributable acquisition and assistance obligations to local partners. In addition, **USAID provided \$57 million to partners working regionally and another \$199 million in government-to-government assistance.**

Figure 2: FY 2022 Direct Funding to Categories of Local Partners (obligations)



Equally important to USAID's goal of direct funding is the goal of shifting power and enabling more local leadership of USAID-funded programming. The Progress Report outlines a new indicator to track USAID's progress toward this fundamental localization objective across many types of relationships with local actors, whether they are recipients of direct funding, sub-partners to an international intermediary, participants in a USAID program, or members of a community affected by USAID programming.

The indicator will track the use of 14 good practices for enabling local leadership at different stages in the award process or Program Cycle. The good practices that the indicator tracks focus on recognizing, leveraging, and strengthening local capacity; engaging communities directly; working directly with local partners; and promoting effective local partnerships.

While the data presented in this report are an important aspect of how USAID tracks and motivates progress toward our localization goals, they do not capture the entirety of the Agency's localization efforts. Localization is about systems and culture change—about how USAID engages as a partner, with a commitment to diversity, equity, and inclusion, and with respect for the local changemakers driving progress in their own communities.

Read the full report on [Moving Toward a Model of Locally Led Development](#) to learn more.