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# Bureau for Democracy, Human Rights and Governance (DRG) Local Capacity Strengthening Policy Implementation Guidance

## Introduction

The [Local Capacity Strengthening \(LCS\) Policy](#) establishes an Agency-wide vision for local capacity strengthening that is based on a set of principles that guide all relevant USAID humanitarian assistance and development programming. Through this policy, USAID envisions local capacity strengthening that builds upon consensus across the development landscape, feedback from local actors and partners, and years of implementation experience and evidence.

As a part of that Agency-wide effort, this DRG Bureau LCS Implementation guidance is intended to outline plans for the sector to advance LCS implementation, and to assist Missions and other USAID staff in implementing the policy within the DRG sector. It should be seen as a helpful reference and not mandatory. The guidance provides a current snapshot of where DRG is on its path to improved capacity strengthening, highlights why capacity strengthening is central to DRG programming, examines gaps and challenges, and lays out a five-year action plan with recommendations for measuring success.

## Context/Alignment with DRG sector priorities

Capacity is a central goal of DRG programming. As democratic governance is as much process as product, the ongoing ability of actors to play their roles—to participate, to uphold rights and exercise responsibilities, to govern responsively and accountably, and to course correct through deliberative discussion and electoral processes, among others—is an essential goal of the sector. Numerous institutions comprise the quality of a state, from courts to parliamentary committees to local governments, collectively mediating how the society governs itself. No international development program can deliver political representation, justice, or tolerance to those seeking them. Efforts to improve whole-of-society capability to govern well, to encourage greater participation of citizens through civil society and political parties, or to foster more tolerant and pluralistic discussion through various forms of media aren't just led by local actors; the strength of collective local capacity to achieve these goals is in most ways the result itself.

This emphasis on local capacity is reinforced through the (forthcoming) DRG Policy, which includes an emphasis on democratic resilience and renewal. Under this paradigm, the underpinning values, norms, and processes of a democratic society are seen as vital results—and these are all shaped by local actors

and local context. For example, the value of collective action isn't primarily that it generates a targeted legislative or policy shift; instead, a policy shift caused by collective action signals the state of civic engagement, and therefore the underlying health and adaptiveness of the polity. Through this lens, the value of the [Local Capacity Strengthening \(LCS\) Policy](#) is heightened; supporting partners to set their own agendas and advance democratic development within their societies is not only aligning with the LCS Policy principles but is following through on effective support for DRG as a sector. Put simply, enabling local actors to lead is not just helpful to DRG, it is integral to the sector's objectives. Adopting better evidence-based approaches to selecting and strengthening local actors is part of a broader approach to DRG improvement that applies to the whole sector and all of USAID's work in it.

## **Opportunities to advance LCS in DRG include:**

- **Leveraging the sector's intrinsic appreciation for local agency.** DRG officers already lean toward defining results that capture and value agency of local actors and systems. We can build on this to reinforce the message that the long-term relevance and capabilities of local actors matters at least as much as specific short-term accomplishments. Strengthening of key actors' capacities should be valued intrinsically, as it is often more important than the instrumental use of that capacity toward specific short-term objectives.
- **Connecting LCS to new policies and sector-wide priorities.** LCS Policy implementation coincides with other shifts in the sector that can be mutually reinforcing: a new DRG Policy, an increased emphasis on democratic resilience and renewal, flagship Presidential Initiative for Democratic Renewal (PIDR) deliverables and approaches, and advances in learning related to local capacity strengthening in areas from social accountability to Public Financial Management to justice. There are many opportunities to engage in training and discussion with partners and DRG staff around innovations in the sector, which can incorporate better understanding and application of LCS Policy principles.
- **Drawing upon DRG's understanding of power and context.** Work on the evidence and learning underpinning effective DRG approaches has long centered on contextual understanding, the ability to analyze political economy and power, and the application of contextual knowledge to enable transfer of approaches from one location to another. Efforts to advance Thinking and Working Politically (TWP) and improved learning in DRG as a sector can reinforce better understandings of LCS that encompass tacit knowledge and understandings of specific power dynamics in context, which are properly seen as important aspects of local capacity. This will refocus programming on supporting local actors interpreting evidence, applying savvy, and setting direction for programming more effectively.
- **Promoting DRG programming within other sectors.** As with other Agency-wide policies, the LCS policy can create new linkages and relationships within other sectors to support capacity strengthening and also promote integrated programming where capacities to improve participation and inclusion or transparency and accountability overlap with capacities to achieve and sustain specific sectoral outcomes. The forthcoming DRG Policy emphasizes the importance of cross-sectoral engagement to the health of democratic societies and progress in democratic development.

- **Taking a systems approach.** DRG has long found value in working with and through local systems to achieve results. Identifying and engaging the local actors that are key to the democratic processes and institutions we seek to strengthen is a key tenet of our programming, as is an emphasis on fostering relationships across actors within a local system. Therefore, supporting a systems approach to local capacity strengthening is an area where DRG can naturally contribute insights to broader Agency LCS practice.

## Sectoral Goals:

- Improve Measurement by:
  - a. Increasing the use of CBLD-9 (measures the percent of U.S. Government-assisted organizations with improved performance) and CBLD-11 (Number of organizations pursuing their own performance improvement priorities with USG capacity strengthening support).
  - b. Increasing qualitative data harvesting by DRG LCS programming.
  - c. Lowering the measurement burden on partners and staff by engaging the sector to improve the focus of our LCS measurement.
- Improve Practices by:
  - a. Improving the use of capacity assessment tools for their intended purposes
- Increase Participatory Approaches by:
  - a. Integrating well-defined participatory approaches across the program cycle, such as those associated with USAID’s locally led programs indicator<sup>1</sup>
- Increase Emphasis on Relationships by:
  - a. Focusing DRG interventions on strengthening relationships that enable adaptive performance
  - b. Shifting the focus of DRG LCS interventions from training to accompaniment and strengthening peer groups
  - c. Conducting research on the long-term value of relationships in DRG outcomes

## Lessons Learned

USAID’s civil society, local governance, elections, political parties, and anti-corruption support has yielded learning and good practices over the years that are consistent with LCS Policy principles.

- **Strengthening civil society networks to foster greater collaboration and improve performance:** Under the global Civil Society Innovation Initiative, USAID, Sida, and civil society organizations around the world partnered to co-create a group of regional civil society networks known as “hubs” to address shared civic space issues. The civil society organizations in the hubs share information, conduct peer-to-peer learning, partner on joint initiatives, determine their own priorities, develop their own projects, and lead evaluation activities. Some of the key initial lessons from CSII

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<sup>1</sup> [USAID Locally-Led Programs PIRS](#)

include the importance and effectiveness of: integrating co-creation and participatory methods throughout the program cycle; network-based approaches to capacity strengthening; and building relationships and trust as a core element of program design and implementation and results.<sup>2</sup> Similar models, whether hub/spoke or cloud or web networks, are often embedded in DRG programming.

- **Driving change in the DRG donor community through research:** Building off CSII, USAID commissioned research and produced a primer on supporting social movements.<sup>3</sup> Drawing on the latest academic research and implementation experience, the primer identified principles for donors, many of which closely resonate with the LCS Policy. These include: cultivate relationships of trust with, rather than control over, social movements; provide support that bolsters the legitimacy of civic actors among their local constituents; defer to local actors when determining the support to be provided; and rely on local actors to assess risk and establish theories of change.<sup>4</sup> The findings of the primer informed the design of Powered by the People, a new USAID global program that will support social movements. Additionally, in Colombia, the Mission commissioned a study that identified how mass media is seeing, talking about, and reporting on CSOs. The mission used this evidence to help develop communication strategies with CSO partners, expanding the mission's capacity development approach.
- **Trust and Relationship-Building as critical prerequisites to LCS efforts:** When designing new labor rights programming, USAID commissioned a series of studies examining trends and lessons learned in supporting unions and organizations focused on worker's rights. Among the key findings from this research was that donor-supported labor activities have been more effective at strengthening capacity and achieving specific rights objectives when they involve coalitions of diverse local and transnational civil society actors. The research emphasizes the importance of local labor actors identifying needs, setting the priorities, and leading actions, with transnational actors serving in supporting or more significant roles depending on the circumstances. **Trust and relationship-building are identified as important prerequisites to building effective coalitions and strengthening capacity.**<sup>5</sup> These themes informed the design of USAID's latest iteration of the Global Labor Program, which was developed and awarded through a Broad Agency Announcement and co-creation process that included increasing local ownership as an explicit evaluation criterion.<sup>6</sup>
- **Social accountability centers on relationships, not tools:** After years of testing particular tools such as scorecards, social audits, or citizen report cards, social accountability practice and research has developed a consensus that highlights contextual tailoring. Certain features of a local system can help inform which approach might better suit a particular set of circumstances, among them: the characteristics of local partners, who might be nodal actors as part of the social accountability intervention, the incentives of the power holders who are the focal points of the social accountability relationship, and the status of state-society relationships.<sup>7</sup> This in turn means that stronger local capacity is both a core consideration, and is developed over time through trust and relationships that are often facilitated by individual projects but layered over time across several projects.<sup>8</sup> Relationships

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2 [CSII Final Program Report](#). Counterpart International, 2020.

3 Link to be inserted when primer published

4 Nonviolent Collective Action in Democratic Development. USAID, 2023 (forthcoming).

5 [Global Labor Collective Action](#). USAID, 2019.

6 [Global Labor Program: Broad Agency Announcement Addendum](#). USAID, 2020.

7 [Guerzovich et al., 2022](#).

8 Aston and Guerzovich, 2023 (forthcoming).

and trust among actors were highlighted here as well as particularly important to leverage windows of opportunity around issues such as combating corruption.<sup>9</sup>

- **Local Philanthropy:** In the last few years, USAID has supported efforts of civil society organizations to fundraise within their own countries and communities. For example, the YETU Initiative in Kenya, funded by USAID and the Aga Khan Foundation, supported CSOs working to mobilize local resources—not just money, but time and resources—for their programming. As a result, Kenyan organizations raised over KES 165 million through local fundraising campaigns, and developed relationships of value for future work. The significance of local philanthropy to capacity is not just in having sources of financial support, but in the shift from serving as a channel for community needs to becoming a steward of resources around which participatory decision-making can foster agency while leveling power dynamics with donors.

## Current State of LCS in DRG

While challenges exist, DRG has a strong sense of how to work with and leverage its experience with partners, advance LCS, and apply it in diverse political contexts. However, many activities can still improve their efforts related to capacity strengthening across all stages of the program cycle.

DRG experience in supporting democratic development over longer time horizons has contributed to a shift in focus toward systemic local engagement over short-term results. Where we at times thought post-autocrat elections had changed governance approaches and saw hopes dashed as transitions faltered, we now temper support to emerging democratic leaders with the slow but vital work of building broader coalitions to drive and sustain change.

The DRG sector has also evolved its approach to LCS over time to increase its focus on linkages, networks, and platforms rather than on the particular efforts of individual actors, thus reducing competition between them. Where once we largely emphasized particular advocacy campaigns and pitted NGOs against each other to compete for leadership and funding, increasingly now we emphasize platforms and solidarity across the sector. However, there continue to be challenges with this approach to ensure sustainability of networks when USAID support ends.

However, more needs to be done to elevate a focus on local leadership and LCS across DRG programming. In DRG, as in other sectors, the democratic resilience we seek as a global outcome can only be achieved by local actors. External actors are not able to provide the public goods/services that are accomplished through domestic actors' expression of capacity (for example, provide justice, fairly include voices in policy-making, or allow citizens to feel represented in decision-making bodies).

Conversely, efforts to bypass local capacity and “shortcut” to outcomes—efforts to limit corruption through automating systems or externally-introduced tools to make information transparent or reduce discretion, or efforts to elevate marginalized voices by advocating on their behalf to governments without building coalitions of support led by domestic actors themselves, for example—represent DRG approaches with the most common patterns of failure. While such approaches may achieve the intended short-term outcomes, without thoughtful inclusion of relevant local institutions at the planning stage, they do so at the expense of longer-term resilience and sustainability. Examples such as automating court assignments, funding short-term advocacy campaigns, “best practice” citizen report cards copied

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<sup>9</sup> [Seeing New Opportunities: How Global Actors Can Better Support Anticorruption Reformers](#). Open Society Foundation, 2020

from one context to another by international NGOs, or introducing technology to scrape and publish information about government functions, have not yielded sustained change in the absence of robust support and leadership from local actors.

## Gaps and Challenges:

### Measurement

- **DRG often over-measures.** Despite overall good practices, the DRG sector does tend to suffer from over-measurement, where each and every aspect of important organizations or institutions is tracked so that all changes can be captured. This creates a management burden for partners and staff under which the costs of excessive measurement often outweigh the benefit of the additional information obtained.
- **Over-emphasis on quantitative indicators.** Similar to other development sectors, DRG MEL plans tend to prioritize indicators, targets, and results focused around numbers. While important, these quantitative indicators are not necessarily optimally suited to gauge the shifts in power and changes in relationships consistent with locally led development and the LCS Policy and do not tell the story of what has shifted and in what direction.
- **Relatively low awareness and use of CBLD-9.** CBLD-9 (and the new CBLD-11) is a highly flexible yet standardized indicator that measures the percent of assisted organizations with improved performance. The indicator involves a process of defining performance standards with partners, measuring against those agreed standards, and then working with partners to adapt activities accordingly.<sup>10</sup> CBLD-9 is inherently participatory and provides an opportunity to assess what the DRG sector actually hopes to influence: performance. However, CBLD-9 remains underutilized across the sector and is likely to remain so unless and until DRG procurement instruments require it in AMELP sections.

### Practices and Tools Use

- **Perceptions that capacity strengthening's end goal is about implementing USAID projects.** Despite the LCS Policy's emphasis on strengthening capacities to produce locally valued and sustainable development outcomes, there remains a sense that while capacity in a broad sense is vital and part of what DRG works on, specific investments for LCS are connected primarily to the ability to receive USAID funds and execute on USAID projects. This biases investments toward enabling short-term project activities, and reinforces power dynamics in which local actors serve USAID, rather than USAID finding ways to effectively support various actors including in ways beyond project relationships.
- **Understanding of available tools and their differing purposes.** The purposes of USAID's capacity action planning, performance management, and risk mitigation tools are often conflated or misunderstood across the DRG sector. USAID's Non-US Organization Pre-award Survey (NUPAS), for example, is a donor financial risk mitigation tool—it does not assess an organization's capacity to be effective in its area of work in the way the self-directed Organizational Capacity Assessment (OCA) does.

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<sup>10</sup> [CBLD-9 Capacity Building Indicator Resource Page | New Partnerships Initiative | U.S. Agency for International Development \(usaid.gov\)](#)

## Participatory Approaches

- **The need to better define, refine, and institutionalize co-design and [co-creation](#) throughout the program cycle, including during design and work plan development.** There is broad familiarity in the sector with the concept of co-creation, but this concept tends to be associated with activity design; there is also great use of collaboration, learning, and adapting (CLA) practices in DRG programming. However, more needs to be done to institutionalize the use of co-creation, active CLA practices, and other participatory methods with local actors specifically for LCS investments, for example, in work planning (such as the design of capacity strengthening activities), MEL, and adaptation (for example, inclusive pause-and-reflect sessions). Doing pause and reflect inclusively can also help to reinforce the network strengthening that has proven so critical to DRG LCS efforts, and help shift MEL from a burden to an opportunity for partners.

## Training and “technical” skills

- **An overreliance on capacity strengthening training.** Although there has been a laudable emphasis on mentoring and coaching as well as peer learning through the years, there remains an overreliance on training as the primary means to strengthen capacity.
- **Perceptions that capacity is only about skills.** Capacity is still largely understood as a question of technical/management skills that people have, rather than relationships that people express through engagement. This in turn leads to capacity strengthening efforts that emphasize using experts to explain details in a top-down fashion, rather than putting in place a support network so that change agents can find knowledge at the points they need it. This approach also tends to elevate generalized technical expertise over context-specific knowledge, and leads to the regular use of outside experts whose value is greatly diminished over time by not remaining part of the local scene. For example, in rule of law (ROL) work, an evolution from a focus on justice sector institutions to reducing barriers and enabling access to justice has now embraced a paradigm called “people-centered justice” that places the individual affected by the law at the core of the policies, institutions, processes, and practices that comprise justice and related systems and services. This shift directly embodies LCS principles in how support to justice sector actors to improve performance is rooted in their vision and knowledge. Among practitioners, however, it is understood as a technical shift in approach rather than a part of application of the LCS Policy. DRG therefore is missing opportunities where such a shift could be reinforced through connection with the LCS Policy principles and guidance.





## Action Plan:

- Incorporate LCS Policy support into DRG Bureau by:
  - Developing at least one webinar, delivered at least three times, for global DRG staff and for external partners to further socialize the four sectoral goals including: CBLD-9, participatory approaches, tools, and the importance of relationships. The webinar should also connect LCS to the new DRG policy and Rule of Law (ROL) policy, PIDR, democratic resilience priorities, and the latest learning across the sector to emphasize the complementarity of the LCS Policy with the latest developments in the sector. The webinar should emphasize the importance of requiring LCS Policy compliance in solicitations (for example, mandating use of CBLD-9 as a metric, or asking for capacity strengthening approaches in applications and proposals), and allocating resources appropriately to conduct LCS in accordance with the LCS Policy.
  - Conducting high-level leadership meeting(s) with Mission Directors to socialize our guidance, goals, and action plan to foster support at the leadership level.
  - Identifying POCs from each Office and Center within the DRG Bureau for LCS who can be resources for Missions or those designing and managing central mechanisms (POCs could potentially do TDYs for extra support to Missions as requested).
  - Identifying five priority Missions for more robust involvement to reinforce their shifts toward effectively implementing LCS Policy.
  - Linking LCS and locally led development to the DRG Global Gathering.
- Reinforce good practices in PIDR and DRG central mechanisms and resources by:
  - Having DRG LCS POCs work with PIDR and central mechanism staff to build in good practices, with a requirement for LCS POC participation in or review of all DRG global mechanisms.
  - Review and/or update existing DRG technical publications (field guides, assessments, handbooks, and toolkits) against LCS principles.
- Collaborate with other bureaus/sectors, private sector, external partners, and the LCS Implementation Team by:
  - Engaging with the LCS Implementation Team and in the annual Feedback Forum.
  - Liaising with LCS implementation POCs from other bureaus to share strategies, experiences, and approaches in implementing the LCS Policy.
  - Liaise with Local Works to ensure exchanges around LLD embed DRG LCS Policy guidance as appropriate.
- Plan to create feedback loops, capture learning and evidence, and make adaptations by:
  - Conducting a baseline assessment in 2024 on selected measures for LCS in DRG activities with plans to review progress each year, subject to the availability of funds.
  - Participating in the annual LCS Policy Feedback Forum virtual learning exchange around LCS topics, capturing key feedback from DRG and highlighting new areas for growth.



- Holding an annual DRG Cadre Call updating how we're doing on LCS and locally-led development.
- Planning to develop and/or disseminate webinars or virtual exchanges that provide “quick tips” around distinct LCS principles, LCS tools, and guidance.
- Organizing DRG-relevant best practices and participatory practice resources on DRG Links pages for sharing with the global DRG cadre and community.

### **Five-year measures for success:**

- Effective performance improvement in DRG activities according to CBLD-9 and CBLD-11 metrics as reported by global Operating Units.
- Qualitative data is used more often in DRG Monitoring, Evaluation, and Learning related to LCS activities, measured from a sample of DRG AMELPs.
- Partners and staff report streamlined indicators/measurement guidance and a corresponding decreased measurement burden related to LCS.
- More consistent appropriate use of assessment tools - risk mitigation, capacity action planning, and performance measurement - for intended purposes, audited from a sample of DRG AMELPs.
- Increased use of participatory approaches across the program cycle in DRG activities, measured by the locally led programs indicator.
- Open-ended feedback collected from DRG partners involved in capacity strengthening, including at the annual LCS Learning and Feedback Forum, to be shared and to indicate increasing consistency of LCS Policy application and related good practices.
- Increased use of LCS principles in DRG solicitations, measured from a sample of publicly-posted solicitations.

### **Resources for Change**

- Funding for possible TDYs for DRG LCS POCs (including POCs located in Missions; estimated request will be \$15,000 per year)
- DRG Bureau staff time and roles to undertake implementation of the guidance through an LCS Committee or other working group body
- Resources for support through contract staff for measurement tasks, virtual exchange support, and listening tour logistics (estimated request up to \$400,000 per year)

