



July 09, 2024

## Local Works Progress Report to Congress

### OVERVIEW

The U.S. Agency for International Development (USAID) submits this report pursuant to the U.S. Department of State, Foreign Operations, and Related Programs Appropriations Act (SFOAA), 2024 (P.L. 118-47) and Senate Report 118-71, which incorporates by reference the requirements of the FY 2023 Joint Explanatory Statement accompanying, requiring:

“Not later than 90 days after the date of enactment of the Act, the USAID Administrator shall submit to the Committees on Appropriations an updated report on the Local Works program including: (1) an assessment of progress in achieving the central goal of Local Works to move USAID toward a model of sustainability-based partnership with local governments, organizations, and communities; (2) a description of the factors that limit or prevent such partnerships from being achieved and steps being taken to address those factors and to expand Local Works; and (3) recommendations for administrative or legislative action that would support further expansion of such partnerships.”

This report focuses on the Local Works program, a key component of the Agency’s localization work. Established in 2015 and housed in the Local, Faith, and Transformative Partnerships (LFT) Hub in the Bureau for Inclusive Growth, Partnerships, and Innovation (IPI), Local Works collaborates with Missions to administer funding and technical support to advance locally led development (LLD). Funding largely supports organizations who have done little or no prior work with USAID to address local priorities, enhancing the Agency’s ability to support local actors. Local Works also supports unsolicited applications that expand and deepen relationships with local actors. Across all of its components, Local Works funding has supported small awards in numerous sectors in 56 countries to date. The USAID/Washington team typically transfers funds to Missions and facilitates design, award, implementation, and monitoring, evaluation, and learning (MEL). Additionally, the team bolsters policy development and revision to advance LLD across the Agency, invests in expanding the evidence base for what works in LLD (including a portfolio of six research and development awards) and works with Missions and Washington Bureaus to create and share tools that empower local actors to lead their own development.

Local Works pilots operational innovations crucial to the success of the Agency’s localization efforts. While Local Works is not the only space where LLD happens at USAID, nor is it the sole contributor to localization, it is a critical program where new and existing partners can access the financial and technical resources needed to serve local communities without being in competition with larger U.S. and international development organizations.

### UPDATES TO PROGRESS ACHIEVED

Since 2015, 46 USAID Missions – representing all regions and a wide range of sectors – have been selected through the annual Local Works competition process. Concurrently, 24 Missions



have received technical and/or financial support through Local Works’ process for unsolicited applications. Please see Local Works’ website<sup>1</sup> for details on programming in these Missions.

Missions have utilized innovative procurement approaches to make more than 100 awards to local partners since Local Works’ inception, ranging from purchase orders for short-term research and analysis to longer-term assistance awards spanning multiple sectors. Missions with full Local Works portfolios (not including those with awards made from unsolicited applications only; see page 3) begin with listening tours to understand needs and priorities at the local level. These Missions currently manage 65 active awards and have an additional 31 planned. Of these active and planned awards, as well as awards closed within fiscal year (FY) 2022, 80 percent are fixed amount awards, a “pay-for-results” model allowing payments based on milestones or outcomes rather than inputs. To make USAID more accessible to nascent partners, Local Works promotes the consideration of milestone-based awards over complex tools such as cost-reimbursement grants or cooperative agreements, in alignment with USAID’s updated Acquisition and Assistance (A&A) Strategy and Risk Appetite Statement. Co-creation, an intentional approach centered on shared power and decision-making for mutually beneficial outcomes, is the norm in Local Works programming. With shared power and decision-making as fundamental tenets of the Local Works program, a rationale for not co-creating is required. Of the active, planned, and recently closed awards, over 90 percent include a co-creation process.

The USAID/Washington team offers Missions technical support and funding for LLD activities. This includes assistance with design, award creation, implementation, MEL, and the use of tools and approaches to assess local needs and systems while also identifying resources for sustainable solutions. With USAID’s renewed commitment to advancing LLD through the Agency’s localization vision, more Missions have expressed interest in these flexible approaches.

The FY 2023 Local Works Mission competition resulted in 26 letters of interest from Missions globally, requesting a total value of \$137,025,234. Nine Missions were selected and onboarded, including USAID/Albania, USAID/Angola, USAID/Benin, USAID/Cameroon, USAID/Eswatini, USAID/Mexico, USAID/Mozambique, USAID/Sahel Regional, and USAID/Sri Lanka and Maldives for a total of \$50,054,884 in funding. Please see the Local Works website and map<sup>2</sup> for details.

Local Works’ five-year funding remains critical to analysis, design, and relationship-building with local stakeholders, who are frequently new to working with USAID and require additional, often intensive, assistance. The extended funding window provides Missions with the time required for collaborative design and adaptive management processes during implementation. For example, in Zambia, funds are supporting numerous new local partners to implement small, simplified awards for innovative climate solutions. Additionally, through participatory

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<sup>1</sup> [usaid.gov/local-faith-and-transformative-partnerships/local-works](https://www.usaid.gov/local-faith-and-transformative-partnerships/local-works)

<sup>2</sup> [arcgis.com/apps/dashboards/1617ffbfacc41df8ef5a96884282a76](https://arcgis.com/apps/dashboards/1617ffbfacc41df8ef5a96884282a76)



consultations, complex challenges related to natural resource management and related issues are being identified at the community level. In Burma, funding is helping community-based organizations address the causes and consequences of a complex addiction crisis. Ongoing conflict, poverty, drug trade, and other challenges are being addressed through evidence-based treatments, access to mental health services, and income opportunities for recovering addicts. These are just two examples of how Local Works is advancing localization by taking the time to understand community priorities and implement solutions in a locally led way.

Shifting the focus toward local actors requires transforming how USAID Missions approach development. Missions often pursue Local Works programming to increase sustainable impact, test new approaches, and address locally identified challenges that fall outside of the sectors defined by their available budget. Through Local Works, Missions use a range of LLD approaches tailored to their context and are encouraged to experiment with innovative engagement approaches. Throughout the program cycle, local voices are positioned to lead, share, and learn. This is facilitated through listening tours with local stakeholders and the use of local languages to foster more equitable engagement with both prospective and current partners. Additionally, Local Works' sector-agnostic funding empowers Missions to pursue programs that address needs surfaced by communities themselves and build intentional relationships.

Throughout implementation, Local Works tracks key performance indicators. In FY 2023, over \$13,000,000 of non-donor resources from the private sector, individuals, local governments, and foundations was mobilized for LLD. In total, 466 local organizations displayed strengthened performance through local capacity strengthening support.

In addition to funding Mission-identified activities, Local Works provides support for locally led ideas and solutions submitted directly to USAID. The Unsolicited Solutions for Locally Led Development (US4LLD) program requires that partners must have received less than \$5,000,000 from USAID in the prior five fiscal years and that they present evidence of local demand and/or need for the proposed activities. To date, 24 US4LLD applications have been awarded, including 10 completed and 14 in implementation. Eight additional applications are currently progressing through co-creation or award negotiation, and 10 more are under Mission review. During FY 2023, 46 unsolicited applications were received and reviewed by the USAID/Washington team; only those that meet the eligibility criteria and show merit are forwarded for Mission consideration. See the US4LLD page<sup>3</sup> of the LLDI website for more information.

Finally, Local Works funds a portfolio of six research and development awards of approximately \$8,900,000 that support local, new, and non-traditional partners while advancing USAID's understanding and implementation of LLD. Among these awards, Locally Led Development in

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<sup>3</sup> [usaid.gov/local-faith-and-transformative-partnerships/unsolicited-solutions-for-locally-led-development](https://www.usaid.gov/local-faith-and-transformative-partnerships/unsolicited-solutions-for-locally-led-development)



Fragile Environments is conducting six evaluations to understand how community dynamics in non-permissive environments may affect leadership and development outcomes in Bangladesh and Ethiopia. Hope for a Better Future, another award, seeks to strengthen individual, community, and societal resilience in post-conflict Liberia, particularly among youth populations. A third partnership in Peru, the Effect of Social Capital on Family Wellbeing in the Valley of the Apurímac, Ene, and Mantaro Rivers, explores the effects of a community leadership program and outcomes related to health, gender disparities, violence in families, and broader social cohesion. See the Local Works Research Awards page<sup>4</sup> for more information.

### **LEVERAGING LOCAL WORKS LEARNING TO ADDRESS BARRIERS TO LOCALIZATION**

While LLD can be challenging, it is critical for fostering more sustainable development outcomes and shifting USAID’s approach to framing and addressing development challenges. Many Missions selected for Local Works join with limited locally led program experience. The technical support provided by USAID/Washington helps ensure program sustainability and leverages learnings to support broader Agency efforts. Because it seeks to impact complex challenges with a high degree of local involvement, effective LLD is time-intensive and demands significant staff time in every step of the process. With support from the USAID/Washington team, as well as through connections with colleagues around the world, Missions learn how to implement proven best practices. One Cooperating Country National (CCN) staff member at USAID/Zimbabwe shared that while LLD is not easy and requires unlearning and relearning development work, the results are very much worth it.

In the past year, Local Works piloted new approaches to encourage Missions to share their experiences with LLD with each other. The team maintains a Local Works Community of Practice to support open collaboration and sharing among Missions and USAID/Washington. Following the Balkans Regional Learning Summit in 2022, Local Works held another Learning Summit in the Latin America and Caribbean (LAC) region in 2023, convening 40 staff from nine Missions. Attendees shared their successes and challenges in tackling issues like mobilizing local resources, engaging marginalized and indigenous communities, innovation in A&A, and locally led MEL. One attendee from the LAC Summit shared that the conversations with their USAID colleagues proved that Local Works is making an impact across Missions and also emphasized that efforts to engage those who may not be interested in LLD are crucial. Future Learning Summits are being planned in Southern Africa in October 2024 and Asia in April 2025.

Local Works also played a leading role in standing up USAID’s agency-wide Localization Community of Practice, a platform that enables shared learning on LLD across the broader Agency community. In the last year, the community grew to more than 1,000 members who are engaged in discussions on how to put localization into practice. Additionally, Local Works hosted two public sessions during USAID’s Agency Learning and Evidence Month in May 2024, including “Direct Local Partners Know What Works for Development: Evidence from the Local

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<sup>4</sup> [usaid.gov/local-faith-and-transformative-partnerships/locally-led-development-research](https://www.usaid.gov/local-faith-and-transformative-partnerships/locally-led-development-research)



Works Program” which garnered the highest event attendance with 330 unique attendees from 55 countries (38 percent from outside the U.S.). Similarly, the second session, “Where Partnering Locally In Non-Permissive Environments Works” had the highest diversity of countries in attendance with 286 unique attendees from 59 countries (33 percent from outside the U.S.).

Based on Local Works’ experience, empowered CCNs often lead the most successful locally led portfolios. From October 2022-2023, the Local Works team co-created its first hybrid (virtual and in-person) Fellowship consisting of 18 CCNs from 14 Missions. Fellows were embedded within IPI’s LFT Hub, various bureaus, South Africa Mission, and the Syria Regional Platform. The Fellowship created a unique opportunity for local country staff members to work on localization and other Agency-wide initiatives in Washington, D.C. They were able to share their expertise and recommendations with Agency leadership, including the USAID Administrator, which further enhanced support for Missions tackling challenges associated with localization initiatives.

Through technical support, flexible funding to local actors, and innovative learning, Local Works contributes to transformational change within USAID and the broader development community. Using Local Works learning, for example, USAID is reconsidering elements throughout its programming lifecycle that better enable direct local engagement and leadership in programs. Local Works, and others at the Agency, continually strive to address barriers to partnership while facilitating processes that broadly engage with new local partners. Based on Local Works’ extensive experience with local partnerships, a range of federal statutes, regulations, and Agency policy requirements can complicate efforts to issue direct awards. Local Works continues to collaborate across the Agency to review such policies and recommend solutions to address these challenges. Progress is evident in the adoption of updated and new policies – for example, the Local Capacity Strengthening Policy<sup>5</sup> – but more can be done to better enable local leadership and voices throughout USAID programming.

## **RECOMMENDATIONS**

USAID recognizes that local leadership and ownership are essential for fostering sustainable results across development and humanitarian assistance work. USAID’s localization efforts reflect the Agency’s commitment to internal reforms, actions, and behavior change necessary to center our work around local voices and leadership.

Recommendations based on Local Works’ experience, many of which are currently being pursued, are:

1. Continue to lower barriers for local partners by streamlining internal processes while managing fiduciary responsibilities by expanding the scope and use of risk management models for issuing and managing federal awards;

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<sup>5</sup> [usaid.gov/policy/local-capacity-strengthening](https://www.usaid.gov/policy/local-capacity-strengthening)



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2. Develop training materials on practical LLD approaches for the planning, design, and execution of awards that lower barriers to local, new, and nontraditional partners (e.g., use existing assistance flexibilities), drawing on Local Works and locally led implementation experiences;
3. Increase the amount of unearmarked or sector-flexible funding that is available for Missions to support locally identified priorities;
4. Clarify language in existing directives to empower all USAID operating units to operationalize the Agency's Local Capacity Strengthening policy;
5. Continue to expand the amount of direct, inclusive collaboration with new and potential partners throughout the program lifecycle, like including local actors in the design of activities refined through co-creation, collaborative problem-solving, and long-term relationship building;
6. Support the Agency's expanded use of language translation to increase the ability of local organizations to find and participate in funding opportunities;
7. Increase CCN staff leadership in both Local Works' programs and throughout the Agency.