



USAID
FROM THE AMERICAN PEOPLE

FY24 REPORTING GUIDANCE

Locally Led Programs Indicator

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A. OVERVIEW

This document provides the methodology for the Locally Led Programs Indicator, a key localization metric.

B. BACKGROUND

The Locally Led Programs Indicator is a key metric for monitoring the Agency's progress on localization. The indicator tracks the extent to which USAID programs utilize a set of "good practices" that advance locally led development across the project life cycle. These practices include approaches such as co-creation; participatory monitoring, evaluation, and learning processes; subawards or subcontracts to local organizations; accountability and feedback mechanisms; and more. The indicator was developed in consultation with both USAID staff and a range of external stakeholders from more than 300 organizations across 48 countries.

C. LOCALLY LED PROGRAMS INDICATOR

The Locally Led Programs Indicator is used to monitor the Agency's progress in shifting leadership to local actors during priority setting, design, implementation, and monitoring and evaluation of USAID Programming.

Specifically, the Locally Led Programs Indicator reports, in a given fiscal year, the percentage of USAID-funded activities in which local and/or regional stakeholders, (government and non-government) co-design, set priorities, and/or take the lead in activity design, activity implementation, and activity monitoring and evaluation of USAID Programming.

For the purpose of this indicator **local and regional stakeholders** include:

- Local partners
- Regional partners
- Partner government implementing entities
- Local Innovation Incentive Authority awardees
- Other stakeholders and/or communities

For the purpose of this indicator, an **active USAID-funded activity** is defined, in alignment with ADS 201, as any implementing mechanism funded by USAID that:

- 1) carries out an intervention or set of interventions to advance identified development or humanitarian result(s);
- 2) was awarded any time prior to, or within the fiscal year being reported
- 3) was not closed by the end of the fiscal year for which the indicator is being reported, or was closed within the fiscal year for which the indicator is being reported.

Activities to be considered for reporting in this indicator include:

- Contracts or cooperative agreements with US-based, international, regional, and local partners
- Direct agreements with partner governments (G2G), other USG agencies, or public international organizations
- Buy-ins under global awards
- Partial credit guarantees that mobilize private capital

- Local Innovation Incentive Prize awards

Activities not to be considered for reporting in this indicator include: activities such as MEL Platforms, Personal Service Contracts, and other mission support contracts, which do not align with the ADS 201 definition of “an implementing mechanism funded by USAID that carries out an intervention or set of interventions to advance identified development or humanitarian result(s).”

See Table 1 below for further explanation of what counts under this indicator.

Table 1: Examples of Different Types of Mechanisms and Reporting Considerations

Type of Mechanisms	Reporting Considerations
Acquisition and Assistance Instruments with a single activity	Any Acquisition or Assistance activity regardless of implementing partner type should be considered so long as the activity carries out an intervention or set of interventions to advance identified development or humanitarian results.
Acquisition and Assistance Instruments with multiple activities (IDIQs, LWAs, etc.)	If the primary award - leader, IQC, BPA includes implementation of an intervention or set of interventions to advance identified development or humanitarian result(s), then the primary award may be considered as an individual activity under this indicator. Any additional awards associated with the primary award—Task Orders (TOs), Associate Awards, Purchase Orders, etc.—which carry out an intervention or set of interventions to advance identified development or humanitarian results should be considered as individual activities under this indicator.
Subawards	Subawards are not considered unique activities under this indicator. The prime award is the unit of reporting for this indicator. If a good practice is being implemented within a subaward, it is the prime award that should be counted as having used the practice.
Support Mechanisms	When support provided to an activity through a support mechanism such as MEL Platforms, Regional MEL Activities, operational support Activities, etc. results in the activity receiving the support meeting the criteria for one or more of the good practices in local leadership, the Activity receiving the support should receive credit for the good practice in local leadership, not the award through which the support was delivered.
G2G	All G2G activities should be considered , regardless of award type. A G2G agreement is defined as: A legally binding agreement between the USG and a Partner Country Government, which authorizes obligations and disbursement of funds directly to a partner government implementing entity, using the partner government’s system.

Field Support Activities, Global Activities, and other Activities where Managing OU is outside the country of implementation	For Field Support Activities, Global Activities, or other Activities where the managing OU is a Washington-based OU, or an OU outside of the country where the Activity is implemented, the default expectation is that the OU from whose Operating Year Budget (OYB) the Activity is funded reports on the Activity. However, this is ultimately a decision that the Managing OU, COR/AOR, and OU from the country where the Activity is implemented may make together.
Innovation Incentive Award Authority Prizes	Innovation Incentive Award Authority prize competitions should be considered as unique activities, and reported on as such. For some good practices in local leadership, Innovation Incentive Award Authority prizes may be exempt from one or more of the criteria for the practice. Any exemption of one or more criteria for a practice will be specified within the practice definition sheet for that practice.

Data Type: Percentage

- *Numerator:* Total number of USAID-funded development and humanitarian activities that are both active at any point in the fiscal year of reporting and demonstrate the use of at least one good practice from each of the three categories of good practices in a given fiscal year.
- *Denominator:* Total number of USAID-funded development and humanitarian activities active at any point in the fiscal year of reporting.

Table 2 – Categories and Good Practices in Local Leadership

Category	Practice	Definitions and Criteria
Activity Design	1. Co-creating or Co-designing Core Elements of an Activity Design	Link
	2. Enabling Effective Local Partnerships	Link
	3. Designing New Activities Based on Local Knowledge and Systems	Link
Activity Implementation	4. Co-creating or Co-designing Elements of Activity Implementation	Link
	5. Using Demand Driven Capacity Strengthening Approaches	Link
	6. Making Subawards and Subcontracts to Local and / or Regional Actors	Link
	7. Providing Direct Monetary Transfers to Families, Individuals, and Micro-enterprises	Link
Activity Monitoring, Evaluation and Learning	8. Implementing Participatory MEL	Link
	9. Conducting Evaluations with Local Evaluation Experts	Link
	10. Adapting Programming Based on Participant Feedback	Link

Indicator Disaggregation: The indicator will be disaggregated by Operating Unit (OU) (i.e., Washington Bureaus v. Missions/Field OUs), Standardized Program Structure and Definitions (SPSD) area, and good practice.

Data Source: Data on the Locally Led Programs Indicator is generated from two types of data sources:

- 1) information in corporate systems, such USAID’s Global Acquisition and Assistance System (GLAAS), or
- 2) information provided directly by USAID Operating Units (OUs).

Method of Data Collection and Construction: The Bureau for Planning, Learning, and Resource Management (PLR) will oversee the rollout and data collection for the Locally Led Programs indicator on an annual basis during the first quarter of each fiscal year. Data collection will be an Agency-wide reporting exercise representing the complete Agency portfolio of activities.

All OUs are required to report on all activities within the OU’s portfolio which meet the criteria for activities as described in the precise definitions above. OUs will be responsible for generating a complete list of all activities within the agency’s portfolio which meet the indicator criteria for reporting, which will become the denominator for the OU. For each activity on the list, the OU will determine and record which of the good practices were implemented. This data will be used to create the numerator for the OU.

PLR will review data submitted by OUs and work with OUs to resolve any data issues prior to using data for analysis, and before constructing the indicator as described in Data Type above.

Table 3 – Details of the Locally Led Programs Indicator data collection plan and process

Managing OU	USAID/Washington PLR will oversee the rollout and data collection for the Locally Led Programs indicator. Regional and Pillar Bureaus will contribute data on the relevant activities in their OYB.
Timeline	Data collection for the indicator will occur during the first quarter of FY 2025 and assess activities active during FY 2024.
Participating OUs	All OUs are required to report on all relevant activities, as described in the PIRS, active in the reporting year (FY 2024).
Data Collection Process	<ul style="list-style-type: none"> ● <u>Annual Reporting Launch.</u> PLR will communicate the launch of annual reporting through an Agency notice. PLR will work with Pillar and Regional Bureaus and other stakeholders to conduct an Agency-wide Reporting Launch, providing an overview of the indicator, data collection process, data collection tools, and timeline. ● <u>Reporting Support.</u> PLR will work with Pillar and Regional Bureaus, and other stakeholders to conduct webinars, establish regular office hours, and provide additional support sessions at the request of OUs. ● <u>Data Collection.</u> OUs will complete data collection following user-guides, and using templates provided by PLR. PLR does not require OUs to submit data or evidence other than the required responses to each of the good practices for each OU activity. PLR recognizes that each OU and Mission have their own reporting and clearance processes, and assume each OU/Mission will apply the due diligence necessary to ensure high-quality data is reported. ● <u>Data Review and Finalization.</u> PLR will review data submitted by OUs and work with OUs to resolve any data issues prior to using data for analysis.
Data Quality Assessment	PLR will conduct a Data Quality Assessment (DQA) of the indicator in accordance with ADS 201 requirements. PLR will provide detailed description and guidance on the DQA process as part of Annual Reporting Launch.

Each reporting Mission/OU will assign a POC to manage data collection and reporting across all activities. AOR/COR/Activity Managers will manage data collection for their corresponding activity(ies), with support from corresponding technical offices as identified in each good practice guidance sheet.

Known Data Limitations: Data for several good practices for local leadership is generated through an assessment made by individuals in OUs who are knowledgeable of the Activity. This methodology was selected in recognition of the great diversity and nuance in how an Activity team uses practices to advance local leadership, avoiding a one-size fits all approach. However, it also introduces the potential for subjectivity. To ensure confidence in data produced through this indicator, the following actions will be taken:

- PLR will conduct webinars, trainings, and other information sessions to ensure common understanding of the definitions;
- PLR, supported by central bureaus, will provide direct technical assistance to teams during annual indicator data collection;
- PLR will conduct DQAs in accordance with ADS201 policy requirements.

USAID recognizes that tracking the use of good practices and specific actions within USAID funded activities is only one part of meaningfully ensuring local actors are truly leading development efforts in partnership with USAID. This metric can, to a certain extent, tell us whether USAID has supported the enabling conditions for local leadership, but does *not* address the quality of how the good practices were implemented, nor do they reflect how these actions are perceived by the communities and local partners the Agency seeks to partner with and serve. As a result, findings from this indicator will need to be triangulated with meaningful feedback from local partners and communities to more comprehensively understand our progress toward local leadership in USAID activities.

ANNEX 1 - DEFINITION SHEETS FOR THE LOCALLY LED PROGRAMS INDICATOR PRACTICES

1. Co-creating or Co-designing Core Elements of an Activity Design with Local and/or Regional Stakeholders

Description

The practice of **Co-creating or Co-designing Core Elements of an Activity Design with Local and/or Regional Stakeholders** describes cases when activity objectives, results, and/or interventions are determined through a co-design or co-creation process with one or more local and/or regional stakeholders. The activity in which objectives, results, and/or interventions were co-designed or co-created may be the result of competitive or non-competitive procurement, including an unsolicited proposal.

Key Definitions

For the purposes of this good practice:

Co-creation, as defined in alignment with USAID/M/OAA/PDT, is an intentional design approach to foster innovative approaches to address a specific problem, challenge, question, or to gain further insight on a topic of interest through a participatory process whereby participants, including USAID (if participating, rather than convening or observing), share power and decision-making. It leans on the expertise and knowledge of those local actors closer/closest to the problem at issue. If used during a procurement process, it is often used with R&D Procurements in generating research questions, topics, priorities.

Co-design is defined in alignment with USAID/M/OAA PDT as a collaborative process that uses collective brainstorming and problem solving techniques to develop appropriate and suitable solutions. Co-design does not involve the sharing of power or decision making. If used during a procurement process, USAID usually convenes apparently successful partners to analyze, inform, and finalize program descriptions or statements of work.

Local and regional stakeholders include:

- Local partners
- Regional partners
- Partner government implementing entities
- Local Innovation Incentive Authority awardees
- Other stakeholders and/or communities

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance, and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance ; and
- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

A **partner government implementing entity** is defined by ADS 220 as an office, organization, or body at any level of a public administration system (ministry, department, agency, service, district, or municipality) that implements activities financed or jointly programmed as a result of funds disbursed by USAID directly to a partner government's public financial management system. Partner government implementing entities include parastatals and quasi-governmental entities, including universities.

A local **innovation Incentive Authority awardee** is defined as an individual, corporation, a nonprofit organization, government entity, or another body of persons that is the winner of an Innovation Incentive Authority award, following a competitive process as described in the annual Department of State, Foreign Operations, and Related Programs Appropriations Act in section 7034(d)(5).

A **subrecipient** is defined as an entity that receives a subaward from a recipient to carry out part of a Federal award; this does not include an individual that is a beneficiary of such award.

A **local community** is considered as a group of individuals, households, organizations, political units (e.g., a village, municipality, sub-national government entity or any organization composed thereof), private sector firms, or other partner-country based institutions, defined by shared interest or priorities and inclusive of marginalized groups (e.g., women, youth, Indigenous groups, and LGBTQIA+). Local here refers to both the level of organization of the community, and the position of that community as directly affected by the development challenge.

Inclusion Criteria

To be counted under this practice, **ALL five** of the following criteria must be met:

1. **A co-design or co-creation process is implemented to develop activity design.** Either a co-design or co-creation process was used to determine activity objectives, results, or interventions. This can happen before or after the award is made.
2. **Local or regional partners, partner government implementing entities, Innovation Incentive Authority awardees, and/or stakeholders, including communities, participate in the co-design or co-creation process.** The co-design or co-creation process involved one or more of the following:
 - USAID and the apparent local or regional implementing partner, partner government implementing entity, innovation incentive authority awardees;
 - USAID and the activity local/regional implementing partner, partner government implementing entity, Local Innovation Incentive Authority awardees;
 - USAID and local stakeholders (government and non-government) and/or communities;
 - a local, regional, or international implementing partner and local sub-recipients;
 - a local, regional, or international implementing partner, partner government

implementing entity, Innovation Incentive Authority awardees and local stakeholders (government and non-government) and/or communities.

3. **The co-design or co-creation process is documented.** There is a written record of the co-design or co-creation process.
4. **The co-creation or co-design process generates substantive contributions to Activity Design.** The co-design or co-creation led to substantive contributions to the scope of the Activity's design.
5. **Co-creation or co-design contributions are incorporated into documents which govern implementation.** The objectives, results, or interventions determined through the co-design or co-creation process are documented in a document which governs implementation, such as the Activity Award Document, the Activity Workplan, for Innovation Incentive Authority awards, the Prize Call will incorporate co-creation or co-design contributions or other governing documents.

EXAMPLES:

- *Co-designing objectives, results, or interventions BEFORE award. An example of co-design before award is when USAID convenes apparently successful applicants or offerors to finalize a program description or statement of work including activity objectives, results, and/or interventions to be implemented.*
- *Co-designing objectives, results, or interventions AFTER award. An example of co-design after award is made is when an implementing partner, in coordination with USAID, organizes a co-design process with local stakeholders including local organizations and community members to define or refine a problem statement, objectives, approaches, results, and/or interventions, which then became reflected in the Activity Workplan, Implementation Plan, or other governing document.*

Information Sources (possible sources of information to determine if the criteria have been met)

- Activity Approval Memo (AAM)
- Co-creation or co-design workshop agendas, facilitation guides, etc.
- Activity award document / subcontract / subaward documents
- Contract SOWs (if contracted another entity to organize/facilitate the co-creation process)
- Quarterly or annual progress reports
- Case stories, other learning products
- For local innovation incentive authority awards, the prize call

Resources

- [Locally Led Development Spectrum](#)
- [M/OAA/PDT CO-Creation and Co-Design Definitions](#)
- [M/OAA/PDT Co-Creation Interactive Guide](#)

2. Enabling Effective Local and Regional Partnerships

Description

The practice of **Enabling Effective Local or Regional Partnerships** describes actions an Operating Unit can take when partnering with a local or regional partner or partner government implementing entity, or Innovation Incentive Authority awardee to ensure the awardee has the scope, flexibility, authorities, and resources they need to be able to lead implementation of a USAID supported program. To meet this good practice, the award would need to have been made to a local or regional partner, partner government implementing entity, or Innovation Incentive Authority awardee; the award would need to be descriptive, non-prescriptive, meaning the award itself allows the awardee to take the lead in proposing, implementing, adapting, monitoring, and evaluating locally generated solutions; and USAID and the awardee would have needed to work together to help the awardee achieve full cost recovery.

Key Definitions

For the purposes of this good practice:

An effective, local or regional partnership is one in which the partnership with USAID provides the local or regional partner with the scope, flexibility, authorities, and resources they need to be able to lead implementation of a USAID supported program.

A descriptive, non-prescriptive award is an award which is descriptive of desired outcomes, but not prescriptive of the interventions and management, allowing the awardee to take the lead in proposing, implementing, adapting, monitoring, and evaluating locally generated solutions, and in implementation, continuing to have the ability to propose, plan, and perform (e.g., meet award objectives or deliver programming, respectively) in accordance with award requirements.

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance, and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance ; and
- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

A **partner government implementing entity** is defined by ADS 220 as an office, organization, or body at any level of a public administration system (ministry, department, agency, service, district, or

municipality) that implements activities financed or jointly programmed as a result of funds disbursed by USAID directly to a partner government's public financial management system. Partner government implementing entities include parastatals and quasi-governmental entities, including universities.

an local **Innovation Incentive Authority awardee** is defined as an individual, corporation, a nonprofit organization, government entity, or another body of persons that is the winner of an Innovation Incentive Authority award, following a competitive process as described in the annual Department of State, Foreign Operations, and Related Programs Appropriations Act in section 7034(d)(5).

Helping local or regional partners achieve full cost recovery is when USAID works with a local or regional partner during the pre-award process to ensure full cost recovery is reflected in a direct award to a local or regional partner (regardless of instrument).

Full cost recovery means a local or regional partner (contractor or recipient) is able to recover all allowable costs associated with delivering on an award funded by USAID. This may include both direct and indirect (also referred to as overhead or administrative) costs, if applicable. Full cost recovery does not include any profit/fee which is negotiated separately under contracts.

The criteria for full cost recovery does not apply to Innovation Incentive Awards and G2G Awards.

Inclusion Criteria

To be counted under this practice, **ALL three** of the following criteria must be met:

* Note - Innovation Incentive and G2G Awards must only meet Criteria #1 and #2.

- 1) **The prime contractor or recipient is a local or regional partner, partner government implementing entity, or Innovation Incentive Prize awardee.**
- 2) **Non-prescriptive solicitation or NOFO, Prize Call for Innovation Incentive Authority awards.**
The solicitation (acquisition - e.g, Broad Agency Announcement (BAA), Request for Proposals (RFP), Request for Qualifications (RFQ)) or NOFO (assistance - e.g., Annual Program Statement (APS), Broad Agency Announcement (BAA), or Request for Applications (RFA)), or Prize Call (for Innovation Incentive Authority awards) outlines the Agency's desired performance (acquisition) or development (assistance) outcomes, and/or its strategic themes or funding priorities but allows the local or regional applicant(s)/offeror(s) to propose their own activities, solutions, and programming approaches with clear progress targets (assistance) and/or performance targets (acquisition and Innovation Incentive Awards);

OR

The award is made in response to an unsolicited proposal/application submitted by a local or regional actor and reflects the activities, solutions and programming approaches proposed by the local or regional applicant(s) or offeror(s).

OR

The award is made following completion of the G2G award planning, design, and approval process outlined in ADS220.

EXAMPLES

- *Use of a Statement of Objectives (SOO) that describes high-level objectives in lieu of a traditional SOW that outlines the technical components and/or prescribed activities.*
- *Use of a Performance Work Statement (PWS) to define an activity in terms of results/outcomes that USAID can monitor and evaluate progress using a Quality Assurance Surveillance Plan (QASP).*
- *Use of an APS to make multiple awards, on a rolling basis, to a variety of local/regional organizations with programming that varies in size, scope, and duration but collectively supports a key development priority per a Mission's Country Development and Cooperation Strategy (CDCS).*
- *Use of a Prize Call that sets a performance target (or targets) and success criteria in lieu of a traditional SOW that outlines the technical components and/or prescribed activities.*
- *Use of a BAA to engage a broad range of stakeholders when targeted R&D is desirable but specific, discrete deliverables or development outcomes are hard to define.*
- *Pursuit of an award to a local/regional organization resulting from an unsolicited proposal/application through processes such as BHA's process for non-competitive assistance awards, or the unsolicited proposal platform on workwithUSAID.gov.*

- 3) **Cost Recovery.** The *pre-award process, final proposal/application, and final award* reflect good faith efforts by the CO/AO to incorporate the recovery of all reasonable, allocable, and allowable costs (whether requested by the partner or identified by the CO/AO) via one of the full cost recovery options itemized below:

Acquisition & Assistance Instruments

- *Direct cost allocation* - pricing methodology used with cost-reimbursement instruments that allows for all direct costs and an allocable proportion of indirect costs to be budgeted and recovered; the basis for allocating indirect costs must be clearly defined, reasonable, and captured in the final proposal/application budget. Once established, the methodology must be consistently applied throughout the period of performance.
- *Negotiated Indirect Cost Rate Agreement (NICRA)* - pricing methodology used with cost-reimbursement instruments that allows for full cost recovery via a formal indirect rate agreement; NICRAs require regular audits, advanced financial management capacity, and substantial upfront and ongoing effort by the Agency and the implementing partner to negotiate, update, and maintain in compliance with applicable federal regulations.

Acquisition Only

- *Firm fixed price (FFP)* - contract that allows for fixed payments against defined milestones (e.g., deliverables, outputs, or outcomes); direct and indirect costs are estimated upfront and built into milestone-based payments. One alternative is a fixed price contract with an economic price adjustment (EPA), which allows for changes in the price, either positive or negative, under certain circumstances or market fluctuations.
- *Time and Materials (T&M)* - contract that allows for fixed, fully burdened labor rates and the reimbursement of other direct material costs; indirect costs are built into the labor rates. (See FAR 16.601)
- *Commercial* - contract that may employ either FFP or T&M pricing based on catalog or market prices (see definitions in FAR part 2) for the acquisition of commercial products or services. Commercial contracts follow streamlined contracting procedures (see FAR

parts 12 and 13) and Cost Accounting Standards (CAS) do not apply to commercial FFP contracts.

Assistance Only

- *Fixed amount award* - cooperative agreement or grant that allows for fixed payments against defined milestones (e.g., deliverables, outputs, or outcomes); direct and indirect costs are estimated upfront and built into milestone-based payments.
- *De minimis rate* - pricing methodology used with cost-reimbursement awards that allows the recipient to recover indirect costs via the use of the de minimis rate (as defined in 2 CFR 200.414(f)); this rate is applied to modified total direct costs, does not require supporting documentation, and is not subject to audit.
- *Negotiated fixed amount for indirect costs* - pricing methodology used with cost-reimbursement awards that allows the recipient to propose a fixed amount for estimated indirect costs (see ADS 303mab, RAA4); can only be used by recipients that have never negotiated a NICRA and have elected not to use the de minimis rate. The basis for the estimated fixed amount must be clearly defined, reasonable, and captured as part of the final award budget. Once established, the fixed amount is generally not subject to adjustment and costs included in the estimated fixed amount cannot be subsequently included separately as direct costs.

EXAMPLES

- *Pre-award process: solicitation identifies and directs offerors/applicants to budget using a full cost recovery option appropriate to the activity and award type; negotiation memoranda/discussions documentation capture efforts to achieve full cost recovery, such as requests for clarification or adjustments to proposals/applications, etc.*
- *Final proposal/application: includes detailed budget and accompanying narrative and/or documentation to explain and support the selected full cost recovery option (e.g., fixed amount/fixed price payment schedule and supporting milestone-based payment(s), build-up calculations, and/or evidence of market or catalog pricing; direct cost allocation methodology description and supporting calculations; negotiated fixed amount for indirect costs methodology description and supporting calculations; current NICRA, etc.).*
- *Final contract, cooperative agreement, or grant: explicitly includes indirect cost line item(s), the de minimis rate, or current NICRA rates and ceilings, if applicable (cost-reimbursement awards only)*

Information Sources (possible sources of information to determine if the criteria have been met)

Award to a Local/Regional Partner

- Office of the CO/AO
- Award Documentation
- SAM Registration System
- GLAAS
- For Innovation Incentive Awards, the Intent to Use the Innovation Incentive Award Authority memo

Descriptive, Non-Prescriptive Award

- OAA, CO/AO
- Activity Solicitation

- Activity Proposal/Application
- Award
- Innovation Incentive Authority Prize call

Helping Local/Regional Partners Achieve Full Cost Recovery

- Award Documentation (e.g., Neg Memo/cost review documentation, final proposal/application budget, etc.)

Additional Guidance / Guiding Questions

Criterion - Descriptive, Non-Prescriptive Awards. Below are some guiding questions for the COR/AOR to consider when assessing whether the award was Descriptive, non-Prescriptive.

- Does the solicitation make it clear that offerors/applicants should propose their own approaches and solutions?
- Does the award include descriptions of outcomes and results, but not interventions?
- Does the award include language that indicates contractors/recipients have the authority to identify, propose, implement, monitor, and evaluate their own locally led solutions?
- To what extent has the contractor/recipient been enabled to implement interventions and use approaches which they propose?

Resources

- [Indirect Cost Rate Guide for Non-Profit Organizations](#)
- [How to work with USAID: Understanding USAID Awards](#)

3. Designing Activities Grounded in Local and/or Indigenous Knowledge and Local Systems

Description

The practice of **Designing Activities Grounded in Local and/or Indigenous Knowledge and Local Systems** describes the actions USAID, a USAID implementing partner, partner government implementing entity, or local Innovation Incentive Authority awardee can take to design an activity which is grounded in local and/or Indigenous knowledge and works with and through local systems towards achievement of activity results. Implementing the good practice may include conducting listening tours, implementing participatory systems analysis or participatory needs assessments, or other methods of developing an activity design based on local and Indigenous knowledge and understanding of local systems.

Key Definitions

For the purposes of this good practice:

Local knowledge is defined as the evidence, insights and interests that are associated with geographically specific communities, conditions and concerns. It is heterogeneous, informed by non-local knowledge, and dynamic. Its value in international development lies in deepening understanding of specific contexts, identifying interventions, approaches and modalities that emerge from those contexts, illuminating bias, and mitigating systemic power imbalances through increased local agency and ownership in development processes.

Indigenous knowledge is developed by Indigenous Peoples. It refers to a body of observations, oral and written knowledge, innovations, practices, and beliefs developed by Tribes and Indigenous Peoples through interaction and experience with the environment. It is applied to phenomena across biological, physical, social, cultural, and spiritual systems. Indigenous knowledge can be developed over millennia, continues to develop, and includes understanding based on evidence acquired through direct contact with the environment and long-term experiences, as well as extensive observations, lessons, and skills passed from generation to generation.

Local system is defined as the interconnected sets of actors—governments, civil society, the private sector, universities, individual citizens and others—that jointly produce a particular development outcome.

A listening tour is defined as an intentional process in which development practitioners or humanitarian actors and local people come together to discuss a common theme or question. Listening tours:

- are structured processes;
- use methods and tools of qualitative research;
- are mutual-scoping and sensemaking exercises (less formal data gathering or research);
- prioritize voices of participants;
- generate two-way communication;
- generate an open-ended conversation where the person(s) being listened to can take the conversation in different directions, and where they want to prioritize;
- facilitate transfer of information between one or more participating parties; and
- lend to building relationships between the program donor and/or implementer and individuals affected by that programming.

Participatory systems analysis involves USAID staff engaging communities in analyses that seek to understand how systems behave, how particular actors, actions, and outcomes interact with each other and with their environment, and influence each other. System analysis tools such as system mapping, network analysis, Whole System in the Room, the 5Rs, and others are ways to understand and visualize complex local system dynamics in collaboration with local stakeholders

Participatory needs assessment, for the humanitarian sector, is defined as a process in which humanitarian actors and local people come together to discuss a common challenge, theme, or question, with a focus on understanding the local system and potential local solutions. Participatory needs assessments:

- are designed, planned, and implemented to prioritize active and participatory voices from impacted communities, particularly vulnerable and underserved groups in all stages of the assessment process;
- generate two-way communication and open-ended conversation where the participants can take the conversation in different directions, and where they want to prioritize;
- respectfully facilitate transfer of local or Indigenous knowledge and perspectives about challenges, opportunities, and needs of people and their local/Indigenous systems between one or more participating parties.

Inclusion Criteria

To be counted under this practice, **ALL of four*** of the following criteria must be met:

* Note - *Activities awarded as the result of an unsolicited proposal/application must only meet criteria #1, #3 and #4.*

- 1) **Listening tour, participatory needs assessment, participatory systems analysis, or other participatory learning process used to inform design of the activity.** USAID, a USAID implementing partner, a partner government implementing entity, or local Innovation Incentive Prize awardee implemented a listening tour, participatory needs assessment, participatory systems analysis, or other participatory learning process with local stakeholders, including communities, to generate local and/or Indigenous knowledge about needs, approaches, solutions, and the local system, to inform the design of the activity and/or interventions. For contingency programming, this will generally happen post-award.
- 2) **Solicitation conveys expectation of a design which is grounded in local and/or Indigenous knowledge and works with/through local systems.** The solicitation conveys an expectation that the offeror and/or applicant and/or competitor should propose an Activity design, and should implement that design in ways which:
 - is grounded in local and/or Indigenous knowledge,
 - works with and through local systems.
- 3) **Proposal or application describes measures to ensure activity is grounded in local and/or Indigenous knowledge and works with and through local systems.** The proposal or application describes measures the implementing partner(s), partner government implementing entity, or local Innovation Incentive Prize awardee will take to design and implement activity approaches and interventions which:
 - a) are grounded in local and/or Indigenous knowledge,

b) work with and through local systems.

- 4) **Activity Award Document or other governing documents reflect and describe how the activity will be grounded in local and/or Indigenous knowledge and work with/through local systems.** Activity design, as described in the award document or other documents (workplans, subaward of subcontract SOWs, etc.) clearly reflects, and/or describes how the activity has and will continue to gather and use local and/or Indigenous knowledge about needs, approaches, solutions, and how they will work with the local system to achieve desired results.

EXAMPLES:

- *A Mission contracts an entity, preferably a local entity, to support the research and design of a forthcoming activity. The entity is responsible for creating a listening tour schedule, identifying key stakeholders, and drafting a listening guide. Members of the partner and USAID staff who serve on the design team collectively visit communities to conduct listening sessions with key stakeholders. The knowledge gathered was presented in the solicitation, and the solicitation clearly requested that offerors' proposals reflect how they will continue to work with local and Indigenous actors to design and implement the Activity.*
- *A Mission contracts an entity, preferably a local entity, or works through an existing activity, such as a MEL Platform, to convene local actors for one or more participatory systems analysis workshops. The Mission uses knowledge generated about the local system to develop a solicitation that conveys the information generated through the systems analysis, and requires offerors to submit applications which use local and Indigenous knowledge, generates local solutions, and works with local actors and local systems to achieve the activity development objectives.*
- *In the humanitarian sector, in an emergency drought and flood context, an NGO conducts a participatory needs assessment by identifying and convening key local stakeholders, including local authorities, community leaders, and experts, to gather knowledge on the local system for community-based early warnings and to identify local solutions for disaster risk reduction. The knowledge gathered is reflected in the NGO's unsolicited application that proposes to implement the identified local solutions, leveraging local knowledge about the local system. The applicant makes clear how they will continue to work with local actors to implement the activity that is integrated in the local system.*

Information Sources (possible sources of information to determine if the criteria have been met)

- Activity Solicitation
- Proposal/Application of the Apparently Successful Offeror/Applicant
- Award Document

Resources

- [Local Systems: A Framework for Supporting Sustained Development](#)
- [Integrating Local Knowledge in Development Practice](#)
- [SCALE+ - System-wide Collaborative Action for Livelihoods and Environment](#)
- [Listening Tour Report - Nepal](#)
- [USAID/Timor-Leste's Youth-Led Listening Approach](#)

4. Co-designing or Co-creating Elements of Activity Implementation with Local and/or Regional Stakeholders

Description

The practice of **Co-Creating or Co-Designing Elements of Activity Implementation with Local or Regional Stakeholders** describes when one or more part of an activity which drives what is implemented and/or how it is implemented are developed, post-award, through a co-design or co-creation process with a local or regional stakeholders.

Key Definitions

For the purposes of this good practice:

Co-creation, as defined in alignment with USAID/M/OAA/PDT, is an intentional design process to foster innovative approaches to address a specific problem, challenge, question, or to gain further insight on a topic of interest. It involves a participatory process whereby participants, including USAID (if participating, rather than convening or observing), share power and decision-making. It draws on the expertise and knowledge of those local actors closer/closest to the problem at issue. If used during a procurement process, it is often used with Research and Development (R&D) procurements in generating research questions, topics, and priorities.

Co-design is defined in alignment with USAID/M/OAA PDT as a collaborative process that uses collective brainstorming and problem solving techniques to develop appropriate and suitable solutions. Co-design does not involve the sharing of power or decision making. If used during a procurement process, USAID usually convenes apparently successful partners to analyze, inform, and finalize a program description or statement of work.

An element of an activity's implementation is any part of an activity which drives what is implemented and/or how it is implemented. Examples include:

- Activity Implementation Plans or Work Plans
- Activity Strategies (Gender, Youth, Private Sector Engagement, etc.)
- Activity Analysis (SOW, tools and reports of Gender, PEA/TWP, Climate, etc.)
- Co-creating new or modified activity elements to address an unforeseen issue or problem
- Intervention Resources (Intervention plans, intervention guides, training manuals, other resources to guide implementation of a specific intervention, etc.)

Local and regional stakeholders include:

- Local partners
- Regional partners
- Partner government implementing entities
- Local Innovation Incentive Authority awardees
- Other stakeholders and/or communities

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance, and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance ; and
- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business

A **partner government implementing entity** is defined by ADS 220 as an office, organization, or body at any level of a public administration system (ministry, department, agency, service, district, or municipality) that implements activities financed or jointly programmed as a result of funds disbursed by USAID directly to a partner government's public financial management system. Partner government implementing entities include parastatals and quasi-governmental entities, including universities.

A **local Innovation Incentive Authority awardee** is defined as an individual, corporation, a nonprofit organization, government entity, or another body of persons that is the winner of an Innovation Incentive Authority award, following a competitive process as described in the annual Department of State, Foreign Operations, and Related Programs Appropriations Act in section 7034(d)(5).

A **subrecipient** is defined as an entity that receives a subaward from a recipient to carry out part of a Federal award; this does not include an individual that is a beneficiary of such award.

A **local community** is considered as a group of individuals, households, organizations, political units (e.g., a village, municipality, sub-national government entity or any organization composed thereof), private sector firms, or other partner-country based institutions, defined by shared interest or priorities and inclusive of marginalized groups (e.g., women, youth, Indigenous groups, and LGBTQIA+). Local here refers to both the level of organization of the community, and the position of that community as directly affected by the development challenge.

Inclusion Criteria

To be counted under this practice, **ALL five** of the following criteria must be met:

- 1) **A co-design or co-creation process was implemented to develop an element of Activity implementation.** Either a co-design or co-creation process was used to develop one or more elements of activity implementation, such as activity implementation plans / work plans/MEL plans, activity strategies (gender, youth, private sector engagement, etc.), Activity Analysis (SOW, tools and reports of gender, political economy analysis/thinking and working politically, climate, etc.) or other parts of an activity which drives what is implemented and/or how it is implemented.

- 2) **Local and/or Regional Stakeholder co-design/co-creation.** The co-design or co-creation process brought together one or more of the following:
 - USAID and the activity’s local/regional implementing partner, partner government implementing entity, or local Innovation Incentive Authority awardee;
 - a local, regional, or international implementing partner, partner government implementing entity and local/regional subrecipient(s)
 - a local, regional, or international implementing partner, partner government implementing entity or local Innovation Incentive Prize awardee, and local stakeholders/communities.
- 3) **The co-design or co-creation process occurred after the award was made.**
- 4) **The co-design or co-creation process is documented.**
- 5) **The co-design or co-creation led to substantive contributions to WHAT is implemented and/or HOW it is implemented.**

EXAMPLES:

- *An activity implementing partner organized a co-design process which brought together USAID representatives, local government representatives, community health workers, and community members to design a series of interventions informed by local and indigenous knowledge about local systems, relationships between local government and the community, and contextual factors relevant to the the implementation of the interventions. Preferences and priorities from the participants were documented, and participants worked with the implementing partner staff to reflect these preferences and priorities in the intervention objectives and implementation plan.*
- *An activity implementing partner recruited local community farmers to co-design a new farmer field school curricula, integrating local and Indigenous knowledge and practices into the curricula and training materials.*

Information Sources (possible sources of information to determine if the criteria have been met)

- Co-creation/co-design workshop agendas, facilitation guides, plans)
- Subaward/subcontract SOWs (if contracted another entity to organize/facilitate the co-creation process)
- Quarterly/annual reports
- Case stories or other learning products
- For Innovation Incentive Authority awards, the Intent to Use the Innovation Incentive Award Authority memo

Resources

- [Locally Led Development Spectrum](#)
- [M/OAA/PDT CO-Creation and Co-Design Definitions](#)
- [M/OAA/PDT Co-Creation Interactive Guide](#)

5. Using Demand-Driven Capacity Strengthening Approaches

Description

The practice of **Using Demand-Driven Capacity Strengthening Approaches** is when a USAID-funded activity provides demand-driven capacity strengthening support in alignment with USAID's [Local Capacity Strengthening \(LCS\) Policy](#) to one or more local actors. Specifically, this means providing capacity strengthening support which is deliberate and resourced, responds to the specific priorities identified and/or requested by the local actor(s) is intended to help them achieve one or more performance goals identified by the local actors themselves, and is monitored using indicators or another method for monitoring progress towards performance goals.

Key Definitions

For the purposes of this good practice:

A **demand-driven capacity strengthening approach** is one whereby decisions about

- which capacities to strengthen,
- which methods can be most effective, and/or
- what performance improvement targets will be set

are grounded in the aspirations, goals, and needs that have been communicated by and mutually agreed upon with local actors or partners.

Capacity encompasses the knowledge, skills, and motivations, as well as the relationships, that enable an actor—an individual, an organization, or a network—to take action to lead on design and implement solutions to local development challenges, to learn and adapt from that action, and to innovate and transform over time.

Local Capacity Strengthening (LCS) as defined in USAID's [Local Capacity Strengthening Policy](#) is a strategic and intentional investment in the process of partnering with local actors or partners—individuals, organizations, and networks—to jointly improve the performance of a local system to produce locally valued and sustainable development and humanitarian outcomes.

A **local actor** is defined as individuals, organizations, and networks that originate from and are led by people within a given country or region, inclusive of government at national and sub-national levels.

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance, and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance ; and

- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

A **partner government implementing entity** is defined by ADS 220 as an office, organization, or body at any level of a public administration system (ministry, department, agency, service, district, or municipality) that implements activities financed or jointly programmed as a result of funds disbursed by USAID directly to a partner government's public financial management system. Partner government implementing entities include parastatals and quasi-governmental entities, including universities.

A **local Innovation Incentive Authority awardee** is defined as an individual, corporation, a nonprofit organization, government entity, or another body of persons that is the winner of an Innovation Incentive Authority award, following a competitive process as described in the annual Department of State, Foreign Operations, and Related Programs Appropriations Act in section 7034(d)(5).

A **subrecipient** is defined as an entity that receives a subaward from a recipient to carry out part of a Federal award; this does not include an individual that is a beneficiary of such award.

Performance refers to the extent to which an actor is able to achieve its intended outcomes effectively and consistently. It is the key consideration in determining whether capacity has been changed.

Performance improvement is a programmatic approach that refers to a deliberate process undertaken to improve an actor's realization of their goals.

Inclusion Criteria

To be counted under this practice, **ALL three** of the following criteria must be met:

- 1) **Implementation of interventions that support demand-driven capacity development.** Activity must have implemented interventions that support demand-driven capacity strengthening to a local/regional actor(s), partner(s), and/or partner government implementing entity.
- 2) **Monitoring of contribution to performance change.** Activity MEL plan or other documents which describe activity monitoring include one of the following:
 - F indicator CBLD-9 or BHA Resilience Food Security Activity (RFSa) indicator PM.40 if the activity is strengthening the capacity of organizations;
 - An indicator equivalent to CBLD-9 that reflects the same monitoring approach (capturing both a process that includes local actor/partner input and a performance change metric) at the individual or network level (refer to [CBLD-9 PIRS point b,i.-iv.](#) as a model to determine if an equivalent indicator meets this criteria);
 - For emergency awards or agreements with bespoke reporting requirements, narrative reporting must indicate that (1) the capacity strengthening support provided was linked to performance improvement goals defined by local actors and (2) performance changes are being monitored.
- 3) **Documentation that the implementation of demand-driven capacity strengthening interventions was intentional and resourced.** Activity theory of change, award documents, work plan, capacity strengthening plan, or other relevant documentation must reflect that resources (human, financial, and/or other) were intentionally allocated for capacity strengthening at the individual, organizational, or network level.

EXAMPLES:

- A local municipality requests support for strengthening its health information system and the activity uses CBLD-9 to track performance towards better case management.
- A local partner implementing a basic needs programming activity expresses a desire to expand into livelihood programming and the activity uses CBLD-9 to track performance towards community-appreciated livelihood interventions offered by the partner.
- An informal network of activists is looking for support with drafting an advocacy strategy to focus messaging and the activity uses a variation on CBLD-9 (for networks instead of organizations) to track performance towards effective advocacy campaigns.
- In an emergency drought situation, local authorities, communities, and NGOs identified capacity strengthening needs to develop community contingency plans and strengthen community-based early warning systems and the activity monitoring and reporting tracks performance changes towards the goals defined by local actors.

Information Sources (possible sources of information to determine if the criteria have been met)

- Award Document
- Annual Work Plan
- MEL Plan
- Routine implementation reporting
- For Innovation Incentive Awards, the Intent to Use the Innovation Incentive Award Authority memo

Resources

- [Local Capacity Strengthening Policy](#)
- [Guide for Distinguishing Tools Used for Local Capacity Strengthening](#)
- [CBLD-9 Indicator Resource Page](#)
- [USAID BHA Indicator Handbook](#)

6. Making Subawards and Subcontracts to Local and/or Regional Actors

Description

The practice of **Making Subawards and Subcontracts to Local and/or Regional Actors** describes when an OU and implementing partner or partner government implementing entity take intentional actions to make subawarding to local and/or regional subrecipients, or subcontracting to local and/or regional subcontractors, a significant element of the award's programmatic design and/or management approach. To be considered a significant element, the final application/proposal and/or budget reflects the expectation of subawarding/subcontracting at least 50% of the total dollar value of all subawards to local and/or regional subawardees.

Key Definitions

For the purposes of this practice:

Subaward is defined in 2 CFR 200.92 as an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program award or subaward.

Subrecipient is defined as an entity that receives a subaward from a recipient to carry out part of a Federal award; this does not include an individual that is a beneficiary of such award.

Subcontract is defined as any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime contractor involving supplies or services required for performance of a contract.

A **local subrecipient** and a **local subcontractor** is defined as an entity (individual, organization, network, or government) that is led by people within a given country, is legally organized under local laws, and that meets the definition of subrecipient or subcontractor.

A **regional subrecipient** and a **regional subcontractor** is defined as an entity (individual, organization, network, or government) that meets the definition of subrecipient or subcontractor; is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance; and is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

Inclusion Criteria

Assistance Awards

AT LEAST one (1) of the following two criteria must be met:

- 1) The final application and/or budget reflects the expectation of subawarding at least 50% of the total subaward funding to local or regional subrecipients.
- 2) The Activity Monitoring, Evaluation, and Learning Plan (AMELP) or other document that governs activity monitoring tracks the value of subawards to local or regional subrecipients as a percent of total subawards. The AMELP or other document that governs activity monitoring must include a target of at least 50% of the total subaward funding to local or regional subrecipients.

Acquisition Awards

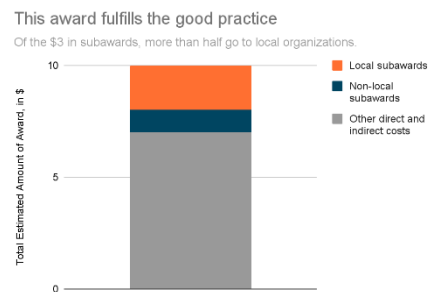
AT LEAST one (1) of the following two inclusion criteria must be met:

- 1) The final proposal and/or budget reflects the expectation of subawarding at least 50% of total subawarded amounts to a local or regional entity.
- 2) The Activity Monitoring, Evaluation, and Learning Plan (AMELP) or other document which describes Activity monitoring tracks funding to local or regional subawardees as a percent of total subawards. The AMELP must include a target of subawarding at least 50% of total subawarded amounts to a local or regional entity.

*** NOTE - Field Support Mechanisms and other mechanisms with multiple awards.** The practice applies to any Activity that has a unique award number. For example, for a global IDIQ award with the IDIQ award and one or more Task Orders, the OU should report on the IDIQ and each Task Order issued as separate Activities, and make determinations for each whether they meet the criteria for the practice.

EXAMPLES:

The total estimated amount of a cooperative agreement is \$10 million. In the award budget, \$7 million is allocated to the prime recipient. In the application budget (or associated notes) the recipient anticipates subawarding an estimated \$1 million to non-local organizations and an estimated \$2 million to local organizations (see chart below). With more than half the anticipated subawards going to local partners (\$2 M of a total \$3 M in subawards), the award qualifies for this good practice.



Notes

In developing the measurement approach for this good practice, a limiting factor was the lack of a systematic and comprehensive method for tracking passthroughs across the Agency. Requesting this information from USAID contractors and recipients could require undertaking Paperwork Reduction Act processes, which would further delay data collection on the indicator. The AMELP and award documentation provide a reasonable proxy for identifying activities' intention to maximize subawards.

Moreover, there is an opportunity to leverage the AMELP in particular to define the programmatic rationale as one that transmits a significant portion of the activities resources to local and regional entities. It creates a programmatic opportunity for the AOR/COR to track progress toward a targeted amount of subawards.

Information Sources (possible sources of information to determine if the criteria have been met)

- Activity Monitoring, Evaluation, and Learning Plan (AMELP)
- Award
- Application budget/final proposal
- Consent to subcontract, if applicable
- ASIST

Resources

[Advancing Equitable Partnerships: Subawards](#)

7. Providing Direct Monetary Transfers to Individuals, Households or Microenterprises

Description

The practice of **Providing Direct Monetary Transfers** means the provision of assistance funding as unconditional monetary transfers directly to targeted individuals, households, or microenterprises as a means to achieve one or more development objective(s) of the activity.

Key Definitions

For the purposes of this good practice:

- **Monetary transfers** are defined as the transfer of funds from USAID, or a USAID recipient, partner government implementing entity, or subawardee to individuals, households, or microenterprises. Monetary transfers, in this context, do not include vouchers or scholarships that restrict how recipients benefit from monetary support. Monetary transfers may be made independently of, through, or in collaboration with government social protection systems.
- **Unconditional**, in relation to a monetary transfer, is defined as a monetary transfer made without the recipient having any further obligation to account for the funds or to do anything other than meet the intervention's targeting criteria to receive the payment.
- **An individual** is defined as a person.
- **A household** is defined as persons who usually live and eat together.
- **A microenterprise** is defined as a formal or informally operating small-scale business with 10 or fewer workers, including the owner (the "microentrepreneur") and any unpaid family workers.

Inclusion Criteria

To be counted under this practice, **ALL three** of the following criteria must be met:

- 1) **The monetary transfers are unconditional;**
- 2) **The monetary transfers are a planned and documented element of the activity.** The monetary transfers are a planned element of an activity, documented and approved in the Activity Award Document.
- 3) **Funds originate from USAID.** The funds transferred through the monetary transfer originate from USAID via one of the methods below:
 - Direct transfer from USAID
 - Transfer of USAID funds by an implementing partner, subawardee, PIO, or partner government implementing entity

Information Sources (possible sources of information to determine if the criteria have been met)

- Award Documentation
- Award Budget
- Activity Reports

Resources

For more information and the latest resources on monetary transfers and their use at USAID, please contact the Office of the Chief Economist.

8. Implementing Participatory Monitoring, Evaluation and Learning

Description

Participatory Monitoring, Evaluation, and Learning is when an activity OU or prime awardee directly and meaningfully engages local and/or regional stakeholders to develop and/or implement elements of Monitoring, Evaluation and Learning (MEL) which are used to drive what is monitored and/or evaluated, and/or how it is monitored and/or evaluated.

Key Definitions

For the purposes of this good practice:

Elements of monitoring and evaluation are defined as any plan, approach, method, or tool used to drive what is monitored and/or evaluated, and/or how it is monitored and/or evaluated. Examples include (but not limited to):

- Activity monitoring, evaluation and learning plans (AMELP) or other documents that govern what is monitored and/or evaluated, and/or how it is monitored and/or evaluated;
- Custom activity indicators based on locally defined measures of success;
- Monitoring and evaluation implementation resources, such as guides, training manuals, or other resources used to guide implementation of a monitoring or evaluation approach, exercise, or method.

Co-creation, as defined in alignment with USAID/M/OAA/PDT, as an intentional design approach to foster innovative approaches to address a specific problem, challenge, question, or to gain further insight on a topic of interest through a participatory process whereby participants share power and decision-making.

Co-design is defined in alignment with USAID/M/OAA PDT as a collaborative process that uses collective brainstorming and problem solving techniques to develop appropriate and suitable solutions. Co-design does not involve the sharing of power or decision making.

Local and regional stakeholders include:

- Local partners
- Regional partners
- Partner government implementing entities
- Local Innovation Incentive Authority awardees
- Other stakeholders and/or communities

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance, and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance ; and
- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

A **partner government implementing entity** is defined by ADS 220 as an office, organization, or body at any level of a public administration system (ministry, department, agency, service, district, or municipality) that implements activities financed or jointly programmed as a result of funds disbursed by USAID directly to a partner government's public financial management system. Partner government implementing entities include parastatals and quasi-governmental entities, including universities.

A **local Innovation Incentive Authority awardee** is defined as an individual, corporation, a nonprofit organization, government entity, or another body of persons that is the winner of an Innovation Incentive Authority award, following a competitive process as described in the annual Department of State, Foreign Operations, and Related Programs Appropriations Act in section 7034(d)(5).

Subrecipient is defined as an entity that receives a subaward from a recipient to carry out part of a Federal award; this does not include an individual that is a beneficiary of such award.

A **local community** is considered as a group of individuals, households, organizations, political units (e.g., a village, municipality, sub-national government entity or any organization composed thereof), private sector firms, or other partner-country based institutions, defined by shared interest or priorities and inclusive of marginalized groups (e.g., women, youth, Indigenous groups, and LGBTQIA+). Local here refers to both the level of organization of the community, and the position of that community as directly affected by the development challenge.

A **program participant** is considered as any foreign national who is a recipient of, derives advantage from, or is helped by USAID development assistance. Such individuals are not employees of USAID nor providers of USAID development assistance. (This definition aligns with USAID's official definition of "beneficiary.")

Inclusion Criteria

To be counted under this practice, **AT LEAST one** of the following criteria must be met:

- 1) **Participatory engagement of local or regional stakeholders in developing activity monitoring activity MEL.** The activity engaged local/regional partners, partner government implementing entities, local/regional subrecipients, stakeholders, program participants and/or communities to develop elements of activity MEL which are used to drive what is monitored and/or evaluated, and/or how it is monitored and/or evaluated;
- 2) **Participatory engagement of local or regional stakeholders in implementing activity MEL.** The activity engaged local/regional partners, partner government implementing entities, local/regional subrecipients, stakeholders, program participants and/or communities to implement elements of activity MEL.

EXAMPLES:

- *An implementing partner organizes a co-design workshop with USAID, local stakeholders and subrecipients to develop the AMELP.*
- *An implementing partner organizes a co-creation process with community members to define what success would look like for the communities engaged in an activity, and to develop custom indicators to monitor those results.*
- *USAID contracts their MEL Platform to develop an evaluation scope of work for a performance evaluation of an activity. The MEL Platform convenes a co-design workshop with USAID, local/regional partners, community members and program participants to develop the scope of work.*
- *As part of the AMELP, the implementing partner trains local health workers to implement community based monitoring of WASH facilities.*

Information Sources (possible sources of information to determine if the criteria have been met)

- Activity MEL Plan
- Co-creation/co-design workshop agendas, facilitation guides, plans
- Quarterly/annual reports
- Case stories or other learning products

Resources

- [Locally Led Development Spectrum](#)
- [Guidance Note - Participatory Evaluation](#)
- [M/OAA/PDT CO-Creation and Co-Design Definitions](#)
- [M/OAA/PDT Co-Creation Interactive Guide](#)

9. Conducting Evaluations with Local Evaluation Experts

Description

The practice of **Conducting Evaluations with Local Evaluation Experts** is when USAID and/or an entity commissioned by USAID intentionally fills one or more positions on the core evaluation team of a performance or impact evaluation with a local evaluation expert.

Key Definitions

For the purposes of this good practice:

Performance or impact evaluation refers to the types of evaluations described in ADS 201.3.6.4.

Local evaluation expert is defined as an individual who is a permanent resident in the country or region in which programming is implemented and that has knowledge and/or experience with:

- design and implementation of evaluations within the context of the specific country in which the programming is implemented;
- the participant groups, stakeholder groups, and/or other contextual factors relevant to the activity programming and evaluation; and/or
- fluency in one or more local languages relevant to the evaluation locations.

Core evaluation team is defined as the evaluation lead/principal investigator, lead technical specialist, or similar roles that include substantial oversight over evaluation design, analysis, and reporting. Enumerators, translators, and/or data collectors that do not have substantial oversight over evaluation design, analysis and reporting are not considered members of the core evaluation team.

Inclusion Criteria

To be counted under this practice, **ONE** of the following criteria must be met:

- 1) An independent third-party entity, including an individual and/or organization, carried out work during or before the reporting year under a formal agreement with USAID, as part of a performance or impact evaluation inclusive of the types identified in ADS 201.3.6.4. (such as baseline assessments, mid-term, developmental, and other evaluations) for which at least one member of the core evaluation team of the independent third party meets the criteria of a local evaluation expert as defined for this practice.
- 2) There is an approved SOW for a performance or impact evaluation inclusive of the types identified in ADS 201.3.6.4 which includes the requirement that one more position in the core evaluation team be filled with local experts.

EXAMPLES:

- *A Mission has recently finalized a contract with a US-based university to conduct a performance evaluation of an activity in East Tambour. The proposed and approved evaluation team is composed of a US-based evaluation team lead, and two evaluation specialists who are citizens and residents of East Tambour.*
- *A developmental evaluation is being conducted in Floriana by a US-based contractor, and the embedded evaluator hired by the contractor is a citizen of Floriana.*

Information Sources (possible sources of information to determine if the criteria have been met)

- COR/AOR of evaluation award with knowledge of the core evaluation team members
- Approved Evaluation SOW
- Data from the evaluation registry

Resources

- [USAID Evaluation Policy](#)

10. Adapting Programming Based on Participant Feedback

Description

The **Practice of Adapting Programming Based on Participant Feedback** describes actions that can be taken as part during activity implementation to ensure that the activity's programming is regularly reviewed and adapted as needed during implementation so that it continues to be relevant to and reflective of the perspectives, desires and needs of program participants, and that it benefits from the local and Indigenous knowledge of program participants and the target community(ies). Adaptations may include changes to the results an activity is designed to achieve, the targeted participants of the activity, how participants are engaged in the activity, what interventions are implemented, how interventions are implemented, or other changes as requested / identified by programming participants.

Key Definitions

For the purposes of this practice:

Program participant is considered any foreign national who is a recipient of, derives advantage from, or is helped by USAID development or humanitarian programming. Such individuals are not employees of USAID nor providers of USAID development assistance. (This definition aligns with USAID's official definition of "beneficiary.")

Feedback refers here to the perceptions, reactions, requests, and/or recommendations voluntarily communicated by participants in USAID programming about the USAID programming they are affected by. In cases where an organization receives program benefits, feedback refers to the perceptions, reactions, requests and/or recommendations that individuals within that organization voluntarily communicate about the programming they are affected by.

Inclusion Criteria

To be counted under this practice, **ALL four** criteria must be met:

- 1) **Documented, approved plans for collection and use of participant feedback.** The activity must have a document, approved by USAID, which describes plans for how the activity will collect and use participant feedback. The plan may be included as part of the activity monitoring, evaluation, and learning plan (AMELP), an accountability and feedback plan (AFP), or as a separate plan.
- 2) **Closing the loop.** The approved plan describes how the implementing partner will "close the loop" and report back to providers of feedback about how their feedback was used.
- 3) **Plan for using feedback to adapt.** The plan describes how the feedback will be used to adapt activity design, implementation or management.
- 4) **Evidence the activity has been adapted to respond to participant feedback.** There is evidence in the form of written description in activity reporting (quarterly, annual, special) or some other document such as case stories of adaptive management, etc. of how the activity made changes to programming based on feedback from participants.

EXAMPLES:

- *An activity is operating in a context where local buy-in is critical and a particular ethnic group is regularly marginalized and excluded. The activity has a participant/beneficiary feedback plan outlining learning questions related to these issues and plans for regular feedback collection. Over the course of the activity the implementing partner reports to USAID what they learn from the feedback, how they are adapting their implementation approach based on feedback, and when they close the loop with feedback providers.*

Information Sources (possible sources of information to determine if the criteria have been met)

- Activity Monitoring, Evaluation and Learning Plan (AMELP)
- Activity Accountability and Feedback Plan
- Other documents which describe plans for activity monitoring, evaluation and learning
- Activity quarterly and/or annual reports, or other documents which articulate what accountability and feedback processes were used, and documents feedback, course corrections, and “closing the loop.”

Resources

- [Listening to Local Voices: Accountability and Feedback Plans](#)
- [NPI Accountability and Feedback Planning Job Aid](#)
- [ADS201](#)
- [Collecting Feedback from Development Program Participants](#)