

2020

# Local Works Guidance

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Bureau for Economic Growth, Education, and Environment

Office of Local Sustainability

February 2020



[localworks@usaid.gov](mailto:localworks@usaid.gov)



**USAID**  
FROM THE AMERICAN PEOPLE



*We provide development assistance to help partner countries on their own development journey to self-reliance. We look at ways to help lift lives and build communities.”*

-USAID Administrator Mark Green

## I. OVERVIEW

To achieve sustainable outcomes and advance the Journey to Self-Reliance, USAID is shifting its relationships with local development actors. Local actors – individuals, communities, networks, organizations, private entities, governments – are increasingly setting their own development agendas, developing solutions, and bringing the capacity, leadership, and resources to make those solutions a reality. **This is locally led development.**

Since 2015, USAID’s Local Works program has enhanced the Agency’s ability to empower local actors to lead their own development. Local Works does this by providing technical support and transferring funds to Missions to expand and deepen relationships with local actors throughout the Program Cycle, to invest in the ability of local actors to sustainably resolve development challenges, and to facilitate learning that benefits the whole Agency.

USAID’s Bureau for Economic Growth, Education and Environment, Office of Local Sustainability (E3/LS), works with Missions to operationalize the Local Works program. Local Works has five-year discretionary funds, which provide Missions more time and greater freedom to pursue locally led programming and experiment with innovative operational approaches that may be challenging under typical institutional constraints.

Local Works provides funding and technical support for a wide range of innovative and experimental approaches to locally led development.

With Local Works funds, Missions can:

- Launch **new** programming with local partners that tests approaches to locally led development;
- Adapt **existing** programming to be more locally led and sustainable;
- Apply systems approaches to enable local actors to achieve sustainable outcomes and self-reliance;
- Develop and test flexible approaches to acquisition and assistance to facilitate partnerships with local and non-traditional organizations;
- Troubleshoot management and operational challenges to locally led development through creative solutions (e.g., staffing, branding and marketing, and event logistics);
- Build strong relationships and promote collaboration with and among local actors; and
- Empower local networks of community-centered actors to initiate and lead development efforts.

## LOCAL WORKS AT A GLANCE

### Eligibility

Open to all USAID Missions

### Facilitated by

USAID Office of Local Sustainability (E3/LS)

### FY 2019 Anticipated Global Budget

\$50 million

### Discretionary Five-Year Funds

FY 2019 funds do not expire until the end of FY 2023 and may be used in any sector

**\*\*UPDATED\*\***

### Letters of Interest Due

5 p.m. (DC time) Wednesday, May 6, 2020

### Questions?

localworks@usaid.gov

## 2. PRINCIPLES

E3/LS' efforts align with the [Agency's Journey to Self-Reliance](#), the [USAID Policy Framework](#), the [Local Systems Framework](#), the [5Rs Framework in the Program Cycle](#), and [ADS 201 "Program Cycle Operational Policy,"](#) all of which promote sustainability through local ownership, resilience, and innovation. The Journey to Self-Reliance begins with locally led development, and the five overarching principles below inform E3/LS' work in this regard:

**1. Listen to Local Actors.** With humility, actively listen to people, communities, civil society, the private sector, academia, and the host country government. Give special attention to marginalized populations, including the poorest of the poor, women, girls, indigenous groups, and other marginalized communities. Create mutually beneficial feedback loops between USAID and local actors to learn and adapt together.

**2. Understand Local Systems.** Identify key local actors, understand relationships and interdependencies, and support local actors in developing and leading their own development solutions that positively transform systems. Recognize the roles that donor organizations like USAID play in shaping development outcomes, including unexpected or unintended outcomes. Respect and work to strengthen existing positive networks and relationships by building upon local initiatives, ideas, resources, and capacity.

**3. Be Patient.** It takes time to understand local systems, build relationships, and support enduring positive systemic change. Take the time to understand power dynamics among local actors, understand the root causes of development challenges, and focus on achieving long-term, sustainable outcomes.

**4. Support Local Leadership.** Shift priority-setting, decision-making, leadership, and power to local actors. Support local actors in identifying, achieving, and measuring their own priorities. Align with local priorities, leverage local resources, and increase locally led implementation to sustain results over time.

**5. Experiment, Learn, and Share.** Consistent with USAID's [Risk-Appetite Statement](#), the [Acquisition and Assistance Strategy](#), and commitment to [Collaborating, Learning, and Adapting](#), take thoughtful programmatic risks and experiment with innovative approaches. Measure what matters to local actors - and measure whether and how locally led collaboration results in systemic change, including unexpected outcomes. Share learning so that the Agency, other donors, partner organizations, and local actors all benefit from our investments.

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### THINK ABOUT HOW YOUR PROPOSED APPROACH:

- shifts relationships from being driven by international donor funds and priorities to ones driven by local priorities;
- shifts leadership and decision-making to local actors and organizations;
- facilitates listening, feedback, and downward accountability among USAID, its local partners, and the constituents they serve;
- promotes self-reliance; and
- transitions from partnerships with international actors to partnerships with local actors.

### 3. LEARNING PRIORITIES

Missions participating in the Local Works program contribute to learning that addresses key challenges and opportunities we face as an Agency in supporting locally led development.

As part of its Research and Learning Agenda for Locally Led Development, E3/LS facilitates knowledge capture, exchange, and learning among Missions doing locally led development.

The following is not an exhaustive or definitive list, and we expect it to grow and change in response to Mission and Agency learning priorities. Mission submissions that seek to address challenges in one or more of these priority learning areas will be viewed favorably; however, Missions should not feel compelled to address every priority area. Rather, letters of interest (LOIs) must respond strategically to the local context, priorities, and potential ways in which development challenges may be addressed by empowering local actors.

- **Acquisition and assistance**, which includes a broad set of issues ranging from reducing management burden (for both USAID and local awardees) and barriers to entry for new and local partners, to mechanisms that might be more responsive to changing needs. A focus on this area might include developing, testing, and learning from procurement processes and mechanisms that expand the range and quality of our local partnerships, including modular/iterative contracting, windows of

opportunity, fixed amount awards, pay-for-results models, simplified grants, public-private partnerships, and other approaches that are both creative and meet compliance requirements.

- **Feedback mechanisms** that improve the flow of information among local constituents, partners, and USAID to improve program effectiveness and to strengthen accountability to local constituents for achieving and sustaining results.
- **Systems-based analytical approaches**, which may allow us to better understand the complex environments in which we operate and the role USAID plays (or should play) in local systems.
- **Participatory decision-making**, which includes locally led priority-setting, collaborative design, and other means of shifting decision-making power and control to local actors and ensuring inclusive local leadership.
- **Mobilizing local resources**, which includes community philanthropy; partnerships that leverage resources from the local private sector, faith-based organizations, government, civil society, and academia; and other sources of local skills and finances to replace those of international donors.
- **Strengthening local networks**, which may include understanding and supporting existing networks of local actors, supporting the work of local organizations, developing new networks of local organizations, market facilitation, collective action, collective impact, and other demand-driven approaches to connecting local needs with local resources.
- **Locally led approaches to design, monitoring, evaluation, and learning** that prioritize local definitions of success and enable USAID to enhance local actors' role in managing and using data and learning related to development solutions, the development process, and the sustainability of results achieved.

### SUSTAINING RESULTS

Local Works supports programs that strengthen the performance of local actors and local systems to achieve and sustain demonstrable results. This is not about just building an individual organization's ability to receive and manage U.S. funding directly, but rather strengthening the system of local institutions and actors to interact and function effectively to drive system change and become more self-reliant over time.

- **Flexibility in Mission operations**, which could include anything from experimenting with adaptive management techniques to exploring novel approaches to Mission organization, procedures, and incentives to better support locally defined efforts.
- **Supporting strategic transitions**, which includes strengthening the role of local institutions and actors to sustain development outcomes with an eye toward ending the need for foreign assistance.

#### 4. THE OPPORTUNITY

Local Works was launched in 2015 in response to [legislation](#) enacted by Congress to integrate locally led development practices into Agency operations and programs. Local Works selects a cohort of Missions to support each year through an annual competition.

#### Funding

Up to \$50 million in FY 2019 is expected to be available for USAID Missions to support these efforts. Missions may award grants and contracts of up to \$2 million each to local, international, and/or U.S.-based organizations that have not received more than \$5 million from USAID in the past five years. This legislative requirement is meant to encourage support for local, new and/or nontraditional partners.

Awards may be made through any means allowed by the Federal Acquisition Regulations (FAR), the Code of Federal Regulations (CFR), and the USAID Automated Directives System (ADS). All solicitations and awards must be made and managed by the Mission.



*The sustainability and long-term success of development assistance ultimately requires local ownership and strengthening the capacity of local systems to produce development outcomes at the regional, national, sub-national, or community levels, as appropriate. USAID should seek out and respond to the priorities and perspectives of local stakeholders, including the partner country government, beneficiaries, civil society, the private sector, and academia. These processes should be inclusive of the poorest, most marginalized populations, and women and girls. USAID assistance should be designed to align with the priorities of local actors; leverage local resources; and increase local implementation to sustain results over time.”*

ADS 201.3.1.2C

E3/LS transfers funding to Missions in multiple tranches over the life of a Mission's Local Works program via operating year budget (OYB) transfers. OYB transfer requests are linked with planned activities in a Mission's Local Works Program Plan to ensure rational alignment of funding with need. When possible, funds will be transferred on a "first-in-first-out" basis: older funds that expire prior to 2023 may be substituted if a Mission is ready to obligate.

A minimum of 80 percent of Local Works funds globally must be used for program implementation in partnership with eligible entities. Up to 20 percent globally may be used for operations and program support (including staffing, operating expenses (OE) and program-funded travel, training, and events). Program design and learning (PD&L) expenses can also be supported using Local Works funds, and when awarded to organizations that have not received more than \$5 million from USAID in the past five years, does not count against the 20 percent program support limit.

Program support funds are available to Missions on a first-come, first-served basis as needs are identified over the course of the project. This 80-20 ratio is a limitation imposed by the Local Works [legislation](#) at the global level. The actual breakdown of program funding to program support will vary from Mission to Mission. The specific amount of total funding available to each selected Mission will be based on the size and scope of the proposed activities and the needs of each Mission.

### Programming Types

#### **FY 2019 Local Works funds may be used for awards in any sector that is a local priority.**

Missions are not required to propose a fully designed activity or set of activities for Local Works. Missions may propose anything from a nascent concept articulating a challenge or opportunity that they want to address to a

more fully fleshed-out proposal. This is not an opportunity to fund a Mission-conceived and designed idea that will be vetted with local actors for their buy in. The idea should originate from local actors and advance locally led development.

E3/LS envisions supporting a wide range of funding levels. A Mission may choose to focus on a discrete issue and request a modest amount of funding – or it may choose to tackle a broad portfolio of challenges through a number of new awards and/or adapt a range of Mission activities to be more locally led, requiring more funding.

Ideally, a Local Works activity or set of activities will support the Mission Country Development Cooperation Strategy (CDCS), and as such be integrated into an existing project. However, a Local Works activity may stand alone outside of the Mission strategy, address previously unaddressed local priorities, initiate programming in a new region, pilot activities inform a new Mission strategy, etc. Missions may also focus on removing internal operational barriers to support locally led programming.

Remember: Five-year funds remove the pressure to program quickly and allow the time necessary for thoughtful design, partnership, and analysis. Five-year funds also provide Missions with time for both an iterative design process and adaptive management during implementation.

**Local Works activities are owned and led by local actors and are overseen by Missions, not by Washington.** Within the broad boundaries of the program, Missions have a great deal of flexibility to advance local leadership and self-reliance.

## 5. APPLICATION GUIDELINES

Local Works invites Missions that are committed to doing development differently and empowering local actors to submit an LOI of no more than five pages **by 5:00 p.m. Washington DC time on Wednesday, May 6, 2020 (an updated deadline) to [localworks@usaid.gov](mailto:localworks@usaid.gov)**. The LOI provides a basis for Missions and E3/LS to discuss basic principles and potential approaches for a long-term Local Works partnership.

### LOI Format

1. Overview - One to two paragraph summary of the challenge and approach. The overview will not be considered as part of the evaluation criteria, does not count towards the five page limit, and cannot include any information not included in the required components.
2. Required Components:
  - a. The Challenge
  - b. Locally Led Development Approach
  - c. Operational Innovation to Support Locally Led Development
  - d. Contribution to Learning about Locally Led Development
  - e. Feasibility

### Letter of Interest Evaluation Criteria

Successful LOIs will address the following, equally weighted, components:

#### **A. The Challenge**

Thinking about the broader system, what is the development challenge being addressed, and how could this challenge be transformed through local ownership and leadership? How might the current system change so that outcomes achieved can be sustained and future challenges addressed by local actors without foreign assistance? Explain how the development challenge reflects locally articulated development needs and priorities.

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## TECHNICAL SUPPORT TO MISSIONS

As part of its engagement with selected Missions, E3/LS will:

- Assign a DC-based POC for each Mission
- Provide strategic technical support as needed through TDYs, connections to Agency and external contacts and resources, training, facilitation, and other support as agreed
- Facilitate funds transfers to Missions
- Ensure programming is compliant with Congressional intent
- Capture learning to strengthen both the Local Works program and USAID's ability to support locally led development

**Selection Criteria:** LOI articulates a specific development challenge(s) that the Mission will address through Local Works, explains why this challenge reflects local priorities, and identifies how the Mission made that determination.

## **B. Locally Led Development Approach**

Reflecting on the illustrative locally led approaches described in Section 1 and the principles outlined in Section 2, explain your proposed approach(es), and how they will be designed to advance locally led and sustained development. LOIs may reflect on past efforts, successes, and challenges the Mission has experienced in fostering locally led development. Describe how you will engage with existing in-country resources (including but not limited to local expertise, the local private sector, local/national government(s), universities, think tanks, associations, philanthropy, etc.) to bring new ideas and resources to bear on local development priorities.

**Selection Criteria:** LOI proposes an approach or approaches that contribute to the Local Works goals to advance locally led development and enhance the Agency's ability to empower local actors to take the lead in addressing development challenges. The key question is, how locally led is the approach?

## **C. Operational Innovation to Support Locally Led Development**

Describe how your Mission will work differently – in its operations – to make development efforts more locally led and increase USAID's flexibility and capacity to empower local actors to lead their own development. This does not refer to technological innovation, unless it is designed to support/enable locally led development.

**Selection Criteria:** LOI proposes creative operational practices to enable local actors to lead the development process, which build upon or go beyond existing practice at USAID. LOI clearly and thoughtfully articulates why the proposed practices are expected to enable more locally led and sustainable development outcomes as compared to existing operational practice in the Mission.

## **D. Contribution to Learning about Locally Led Development**

Describe what your Mission, your local partners, and the broader Agency expect to learn through your proposed approach. How will this effort contribute to USAID learning and becoming better able to support locally led development? You may address the learning priorities articulated in Section 3, or propose new learning topics. Include a few illustrative learning questions to be addressed through your program.

**Selection Criteria:** LOI responds to Section 3 of the guidance and articulates how learning generated through the Mission's Local Works programming, including through failure and iteration, will contribute toward USAID being better able to support locally led development.

## **E. Feasibility**

Identify what resources (human, knowledge, funding, networks, others) the Mission can dedicate to this approach. What additional resources (financial, human, etc.), technical assistance, and other support do you need in order to try this approach? LOIs must

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## **TOO MUCH OR TOO LITTLE?**

Missions are not expected to propose a fully designed activity or set of activities for Local Works in the LOI. Instead, Missions are encouraged to discuss the steps, types of analyses, and design processes/approaches they anticipate undertaking with Local Works funding to work towards increased local leadership in-country.



consider the enabling context for locally led development, which may include the country context; the Mission's autonomy to pursue novel and experimental operational and programming approaches; support for the proposed approach across Mission offices including the front office; and local security and access considerations. Local Works encourages efforts in challenging environments, but please note likely constraints and potential mitigation approaches.

Please include a notional budget range.

**Selection Criteria:** The LOI provides a realistic assessment of the resources available and needed to carry out the proposed approach in the given country context and makes good use of the unique resources available through Local Works. The LOI provides a notional budget.

## 6. SELECTION PROCESS

All LOIs will be reviewed by E3/LS according to the criteria contained in this guidance, with participation from others in USAID/Washington on a case-by-case basis. Mission selections will be made based on the LOIs, with possible follow-up questions (over email or via teleconference) for clarification from finalists.

Successful Missions will enter into a partnership with E3/LS for ongoing design and implementation. Mission Directors are expected to sign a [Mutual Expectations Agreement](#) regarding program guidance, requirements, and commitments to maintaining the legislative intent of the program.

E3/LS may invite one or more Missions to co-design their program together with E3/LS. This would involve approximately one year of deeper engagement with E3/LS to strengthen the proposed approach, share examples, and participate as needed in assessment and design efforts.

For example, E3/LS engagement may include:

- Training to socialize locally led development across the Mission and/or on specific topics or methods, designing and supporting studies, stakeholder engagements, or listening exercises
- Co-creating a program plan for ongoing programming
- Providing technical assistance in design, adaptive management, and MEL for locally led development

Details of this deeper E3/LS engagement will be described in the Mutual Expectations Agreement.

For all selected Missions, E3/LS plans to develop a set of short web-based learning modules on common Local Works design and learning approaches to complement the onboarding process.

After this guidance is released, E3/LS will hold conference calls open to all Missions to answer questions from prospective applicants. Please direct all questions to [localworks@usaid.gov](mailto:localworks@usaid.gov).

**Have a question that isn't answered here?** Check the extensive [frequently asked questions](#) or send an email to [localworks@usaid.gov](mailto:localworks@usaid.gov) anytime.

Keep current on Local Works and E3/LS by subscribing to our newsletter [here](#).

Provide feedback on any aspect of Local Works [here](#), including ideas for improvement. Input welcome from all.



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**2020 TIMELINE:**

**February 3**

Guidance released

**Week of March 2**

Q&A conference calls

**\*\*UPDATED\*\***

**May 6**

LOI submission deadline

**June 8 - June 19**

Follow-up with finalists

**July 17**

All Missions that submitted LOIs will be notified of their selection status