PARTNERS IN LOCALIZATION: DESIGNING FOR CHANGE

WORKSHOP SUMMARY REPORT

JUNE 2023

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FORWARD

Those who work in the development and humanitarian sphere know that local ownership of international assistance is the route to greater equity, effectiveness, and sustainability. USAID has embraced this understanding and redoubled our commitment to shift funding and decision-making power to the people, organizations, and institutions driving change in their communities. Similar commitments are shared by actors across the development and humanitarian ecosystem, from national and local to U.S.-based or international organizations. So as USAID advances its own commitments to locally led development, we know we need to build upon, leverage, and complement the expertise, resources, knowledge, skills, and networks of all development actors in a way that elevates local leadership.

In June 2023, USAID's Bureau for Planning, Learning, and Resource Management (PLR) and Bureau for Management convened a group of over 300 partners and stakeholders from across the globe, along with USAID staff, to generate creative ideas that support USAID's efforts to advance locally led development. The workshop, "Partners in Localization: Designing for Change," drew upon the wealth and diversity of participants' experiences to collaboratively identify challenges to our localization efforts and propose solutions to overcome them.

We are pleased to share a high-level summary of the ideas proposed, as well as the full set of notes and ideas recorded during small group discussions. The views and conclusions contained in this report are primarily those of non-USAID participants and should not be interpreted as representing the views, positions, or official policies, either expressed or implied, of the U.S. Government. Nevertheless, we see enormous value in providing full transparency around the discussion that took place as we work together to explore new ways of working and reinforce our ongoing efforts to advance our localization goals.

The emphasis we heard on flexibility and accessibility underscores the importance of our efforts to reduce burdens in our Acquisitions and Assistance (A&A) processes, and reinforced commitments we've made in the Agency's A&A strategy more broadly. We recognize the barriers that many partners face, especially those who are new to working with USAID. So we are creating more ways to engage in A&A processes in languages other than English. We're taking steps to support full cost recovery for partners. And we're streamlining risk assessment requirements: we revised our pre-award survey guidance to enable greater flexibility, adaptability and burden reduction. We are encouraging staff to reduce reporting burdens for implementing partners, including limiting requests for required information, accepting more streamlined reports, and creating flexibilities in report formats. We also heard support during the workshop for co-creation approaches and are reinforcing across the Agency that co-creation is not just a procurement tool but a collaborative exercise that, if appropriate, can be used at any point in the Program Cycle, including implementation.

Another key topic of discussion centered on opportunities to empower and engage USAID staff to integrate locally led development throughout the Program Cycle, including during country strategy setting and mid-course stocktaking, activity design and implementation. We are supporting staff with updated programmatic guidance, as detailed in forthcoming revisions to ADS 201. We also developed a Localization Playbook, which captures internal guidance materials, many of which are crowdsourced from USAID Missions, that support staff to efficiently implement proven strategies to amplify local leadership in programming.

These are just a few examples of the ways that the workshop discussions resonated with ongoing reform efforts at USAID. But we do have further to go, and the conversation that took place during the workshop will inform next steps.

We view the Partners in Localization workshop as just one conversation of many. We hope future discussions can follow up on some of these key recommendations while continuing to engage partners and stakeholders around ways that the development and humanitarian industry at large can advance locally led development. Our international and U.S.-based partners play a key role in helping us to realize USAID's vision for localization. As we move toward a target of 25 percent of our funding going directly to local partners, we look to the international community to help mentor and facilitate local organizations to be successful. Similarly, as we aim for 50 percent of our programming to put local actors in the lead, we look to our partners to creatively identify and propose approaches that elevate local voices and knowledge, engage local leadership and decision-making, and shift the power to local actors and local communities who will continue to work toward more prosperous futures well beyond our partnership together.

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On June 12-13, 2023, USAID's Bureau for Planning, Learning, and Resource Management, in partnership with the Bureau for Management, hosted a workshop to engage partners in the development of new strategies and ideas to accelerate USAID's localization goals.

The workshop, entitled Partners in Localization: Designing for Change Co-Creation, gathered participants from all over the globe, including local partners and local organizations not currently working with USAID, U.S.-based partners, and USAID/Washington and Mission staff. More than 200 participants joined virtually, and 120 attended in-person each day.

1. OBJECTIVES

The two-day workshop was designed with the following intended outcomes:

- Shared understanding of USAID's localization goals **and** the roles partners can play **in achieving them.**
- **Identification of** high priority challenges, **which impede localization but offer ample** opportunity for partnership to support solutions.
- **Development of** specific actions **that partners might take, in the short, medium and long term, to help USAID continue to accelerate its** progress toward achieving localization goals.

2. KEY OUTCOMES

After creating a shared understanding of USAID's localization goals, efforts, and current progress, participants collectively identified **key challenges to localization** for three groups of actors: USAID, local partners, and U.S.-based and international partners. For USAID, the primary identified challenges centered around procurement, staffing/culture, and risk. For local partners, the main categories of challenges were complexity and time, capacity, funding, and lack of access to information. For U.S.-based and international partners, challenges included business models, contracting and risk management, and local partner relationships. Additional information on challenges can be found in Annex 1.

Participants then brainstormed possible solutions in small groups, answering the question: **how might we tackle one or more of these priority challenges to help USAID meet its localization goals?** In-person and virtual attendees reviewed ideas together, then voted on five ideas to move forward, providing feedback on and adding detail to each idea. The next section summarizes the key elements of the five selected ideas, noting that some ideas contained more than one element and some elements were common across multiple ideas. Additional ideas proposed during the workshop can be found in Annex 2.

Proposed Ideas to Respond to Localization Challenges

Disclaimer: The statements below are shared in the spirit of transparency and to promote ongoing exchanges of ideas about ways to advance localization efforts. The views and conclusions are primarily those of non-USAID participants and should not be interpreted as representing the views, positions, or official policies, either expressed or implied, of the U.S. Government.

Idea: Expand phased procurement models that pay for project design

What it would mean:

- A phased approach to procurement, with the partner compensated at all stages: phase one pays for program research and design, including participation in a co-creation process, phase two pays for implementation.

What it would accomplish: Local partners would not have to make significant investments in procurements with an uncertain outcome.

Idea: Expand, improve, better define co-creation

What it would mean:

- Implement co-creation at different phases of the Program Cycle so that local organizations may participate similar to primes.
- Improve communication from USAID about the role of and process for co-creation.
- Create an advisory group of local orgs to decide who is at the table for co-creation and frame co-creation priorities.

What it would accomplish: Local organizations lead on design.

Idea: Enhance access and support for local organizations

What it would mean:

- Dedicated funding for local organizations.
- Limit competition to local partners.
- Pre-qualify local partners.
- Accept concept notes in local languages.
- Reduce administrative and reporting requirements.

What it would accomplish: Significantly increase the number and diversity of local organizations receiving USAID funding.

Idea: Flexible, unrestricted funds for unsolicited proposals from local organizations with

effective solutions

What it would mean:

- Sector-agnostic country-level fund without set priorities; unrestricted funding.
- Country Missions have the flexibility to choose funding approach and model.
- Flexible awards that are descriptive of outcomes.
- Funding dedicated to local organizations with reduced administrative and reporting requirements.
- Appropriate selection committee approves grants/contracts - three to six month timeline from application to decision.

What it would accomplish: Quick, flexible, innovative financing for local organizations; ability for local organizations to learn by doing.

Idea: Equitable cost recovery for local organizations

What it would mean:

- Fund participation in co-creation.
- Make a de minimis rate that is uniformly acceptable: increase to 20 percent.

What it would accomplish: Organizations do not have to make significant investments that are not paid for by USAID.

3. WORKSHOP FEEDBACK

Participant feedback on the workshop was solicited through an online survey and also through the chat discussion in the online forum. Key takeaways reported by participants through the survey included:

- **A stronger understanding of the USAID co-creation approach and the importance of solutions coming from local leaders.** Respondents generally felt that the workshop helped them learn by doing, and that they better understood how co-creation supports USAID efforts to generate solutions from local partners. Participants appreciated the co-creative aspect of the workshop and were eager to be involved in future co-creations.
"USAID is increasingly open to learning from partners about practical ways of making localization work."

- **The importance of collaboration and partnership.** The workshop reinforced and informed participants about the role of communication and collaborative problem-solving across and within organizations. It highlighted the need for sharing experiences and best practices among organizations to address shared challenges collectively.

"I learned a lot about the perspectives of other stakeholders that I had not appreciated previously, which is key as we try to think about our approach."

- **Role of management, systems, and communication improvements in creating positive outcomes.** Participants reported learning about the procurement process, funding application systems, and shared challenges in business strategy. Much of the feedback highlighted the difficulty of the funding application process for local organizations, with many local partners learning that these are shared obstacles requiring strong inter-organization communication systems.

  "There is a real need for collaborative approaches, ways of strengthening local actors to be able to meet and respond to USAID funding, and the need to run organizations as businesses."

ANNEX 1: CHALLENGES TO LOCALIZATION

This Annex captures the full range of notes and ideas about the challenges to localization, generated by workshop participants during brainstorming and small group discussions. The views and conclusions contained in this annex are primarily those of non-USAID participants and should not be interpreted as representing the views, positions, or official policies, either expressed or implied, of the U.S. Government.

USAID

Challenges around Risk

- Very low risk appetite; using taxpayer dollars and always the possibility of being audited.
- USAID staff are generally risk averse; Mission directors 'claim they have little power to change things'. Puts USAID at reputational risk - if Mission directors don't run Missions, who does?
- International partners are treated as less risky partners than local organizations despite significant comparative weaknesses, namely less country-specific experience and knowledge and less incentive to stay engaged in the long-term.

Challenges around Program Implementation

- Unrealistic timelines for USAID staff, especially for getting outside capital to meet local organizations, producing deliverables, and building capacity among local partners.
- Working with USAID entails much more than funding, but these additional elements are not adequately discussed and addressed.

Challenges around Relationships with Local Partners

- Power imbalances in USAID's contractual relationships with local partners.
- Regional organizations that can and should play a greater role in USAID's localization agenda tend to be excluded from relevant partnerships and networks.
- Limited inclusion of local partners and leaders at every stage of projects; limited inclusion of diverse local partners from different segments of a country's population and different areas (rural and urban) in-country.
- USAID's goal to elevate local actors in procurement, implementation, and localization on equal footing with international partners is impeded by the financial and logistical challenge of convening local partners in-person, resulting in representation by proxy.

Challenges around Accountability

- International partners undermine USAID's localization agenda by registering themselves locally and citing local partners in proposals to which they ultimately do not allocate funds during implementation.
- Many localization challenges named and recommendations made to USAID during these sessions have long been on USAID's radar, suggesting that USAID has not adequately held itself accountable to its own goals.
- There is an inherent conflict of interest between USAID's reliance on seasoned international partners intent on maintaining their income and status quo, and USAID's intention to devolve more funding and power to local organizations.

Challenges around Staffing and Culture

- USAID is understaffed and existing staff are under-trained and under-resourced.
- Foreign Service Officer system in which staff move post to post inhibits gains in local knowledge.
- USAID staff are burdened by the obligation to meet competing targets (i.e. balancing localization targets with other federal targets).
- Too little emphasis is placed on understanding why local organizations must play a bigger role in USAID projects.
- The distribution of relevant risks, responsibilities, and opportunities between USAID/Washington and Missions do not optimize localization: too many are centered on USAID/Washington and too little flexibility and ownership are afforded to Missions.
- Competition with China skews priorities and approaches.
- ADS 203's definitions of 'locally led' and the 25 percent localization goal metric are unclear, inconsistent, and not well understood by USAID staff.
- There is a persistent narrative and tacit understanding that international organizations will always exist as intermediaries between USAID and local partners, contradicting the core goal and premise of USAID's localization agenda.

LOCAL PARTNERS

Challenges around Procurement

- Complex application processes and strict requirements deter and intimidate local partners with limited experience and capacity.
- Exclusivity on bids.
- Few opportunities to serve as primes.
- System for Award Management (SAM) registration is very difficult for small, non-U.S.-based entities with little experience.

- Stringent USAID requirements (such as prior USAID experience) preclude local organizations from applying for awards or render competition difficult.
- Cost of responding to solicitations is too high; co-creation is time-consuming and costly at local levels.
- Restrictive and controlling contracting mechanisms hinder local organizations' participation due to limited financial and other administrative capacities.

Challenges around Reporting and Compliance

- Due diligence and compliance requirements are incredibly burdensome for small and medium local organizations that are unable to apply for awards whose compliance requirements they cannot meet, and lack accessible opportunities to develop the skills needed to successfully pursue USAID opportunities.
- USAID reporting requirements act as barriers to entry because they are too complex and onerous for local partners with limited capacity.

Challenges around Funding

- Lack of funding, particularly compared with international partners.
- Exchange rate volatility.
- USAID grants are too large for local partners, who lack capacity to manage these funds and cannot compete with international partners for larger sums.
- Funding commitments are too short, preventing local organizations from planning for the long-term.
- The current de minimis rate is too low for local partners.

Challenges around Capacity

- Staffing
- Trained and skillful local staff are driven away from local organizations towards international partners that can offer higher salaries, resulting in the loss of skilled personnel in local organizations.
- Turnover between emergencies in fragile contexts.
- Inertia: lack of experience inhibits local partners from building skills and experiences.
- Time: timelines are too short for local partners with limited capacity.
- Complexity of USAID projects and bureaucracy: working with USAID requires high levels of skill and complex management systems in which local organizations are not capable of investing to competitively develop.

Challenges around Accessibility

- Difficulty accessing important information, including resources to inform competitive proposal development and relevant information from other organizations.
- Language barriers inhibit localization because applications and best practice resources are not always available in local languages, and reporting is not accepted in most non-English languages.

Challenges around Communication

- Communication between USAID and local partners is limited and tends to be inconsistent and unclear.
- USAID provides little feedback on proposals to local partners, preventing them from improving their applications and becoming more competitive.
- USAID provides little or inadequate guidance on the paths that local organizations can take to receive funding.
- USAID shares information that tends to be too complex and difficult for smaller and inexperienced local partners to digest.

Challenges around Competition

- Local organizations must compete with one another for limited funding opportunities in the same spaces.
- Local organizations struggle to compete with well-established international partners with long-standing connections to USAID.

Challenges around Local Context

- Local priorities do not win.
- Solicitations do not reflect what local organizations want to address.
- USAID needs to invest in developing deeper and more nuanced understandings of local demand, priorities, and cultural context, including intercultural dynamics and DEIA, to avoid imposing a top-down, one-size-fits all localization agenda that overlooks local needs and desires.
- Lack of flexibility in funding, reporting, and compliance renders it difficult for Missions and USAID contract mechanisms to adapt to and accommodate local partners' differing contexts and capacities.

Challenges Related to Trust

- Many local partners do not trust U.S. organizations to build sustainable capacity or capital.
- Many USAID projects start with local organizations but they get little funding as implementation progresses or they are cut out of budgets completely.

INTERNATIONAL PARTNERS

Challenges to the Business Model

- International organizations have business models that make localization challenging, especially without direct USAID support for it. International organizations fear no longer being funded, although the validity of this fear is unproven. A paradigm shift and change in operating model is required in resources, mindset, and financial incentives.
- Lack of incentives for international organizations to partner with local organizations–specifically lack of requirement to sub to local partners; in contrast metrics of success typically include revenue generation, acting as a disincentive to sub-contract.
- International organizations have to consider what happens to their local staff. How can international partners help them shift their role as localization advances?

Challenges for Procurement

- Hard to know the best local partners or skill sets needed for the implementation phase.
- Limits in Request for Proposals (RFPs) on the amount of funding prime contractors can set aside for local partners.
- Need to identify pre-financing or other methods to underwrite contracts for local actors/consortium.
- Contractual requirements make it difficult to partner with local organizations–USAID wants international organization contract compliance but with local partners who may not have the systems required.
- Lack of flexibility and innovation in contracting; can be difficult bringing in local partners under various contracting mechanisms (especially if they are not registered).
- USAID expects international organizations to carry the compliance risks of working with local partners–that acts as a major financial and reputational disincentive.

Challenges around Diversity of International Partners

- Diversity within the international organization community means that challenges for international partners are different; this is often not understood or addressed in discussion of solutions. International partners need to be segmented to better understand and target challenges.
- Cooperative agreements that are used to advance localization hinder small business utilization.
- Local organizations may prefer partnerships with large international organizations that bring larger resources (e.g. business development capacity), reducing opportunity for smaller international organizations.

Challenges around Local Partner Relationships

- It can be challenging to find local partners and a limited number of local partners makes partnership challenging in an environment of high international partner competition (e.g. non-exclusive teaming agreements).
- International partners don't have funding specifically to incubate/accelerate local partners.
- The cost of doing capacity development - financial, administrative capacity - is not included in scope of required implementation issues; this includes issues like funds to invest in local talent to meet rigorous Chief of Party requirements.
- Speed of implementation required by USAID makes local partnership challenging; there is little time to build capacity of local organizations when working under aggressive work plans.

ANNEX 2: IDEAS TO ADVANCE LOCALIZATION

This Annex captures the full range of notes and ideas to address localization challenges, generated by workshop participants during brainstorming and small group discussions. The views and conclusions contained in this annex are primarily those of non-USAID participants and should not be interpreted as representing the views, positions, or official policies, either expressed or implied, of the U.S. Government.

USAID

Ideas to Increase Collaboration

- Institutionalize consistent local partner input through co-creation.
- Require co-creation with local partners post-award and regular pause and reflect sessions with local organizations.
- Invest in and set aside funds for co-creation with local organizations and international partners to build consortia and collaboratively develop new approaches; extend invitations to local organizations that have not won bids, ensuring time is fully compensated and travel costs are reimbursed.
- Foster prime-sub collaboration and support.
- Redefine the role of international partners to provide coaching to local organizations, setting aside funds that allow international organizations to embed coaching into projects. Ensure that primes help local partners budget for operational costs during application processes, and set aside the time needed to staff up.
- Create prime-sub mentoring arrangements and require primes to involve subs in proposal development and meetings with USAID regardless of exclusivity/non-exclusivity.
- Create an accessible database of local organizations in which USAID has already invested.
- Facilitate inter-donor contracting collaboration.
- Adopt a USAID policy to accept other donors' pre-award surveys for local partners (i.e. Gates, GAVI, etc.).
- Do away with SAM, and streamline mechanisms with other OECD Development Assistance Committee (DAC) members.

Ideas to Manage Risk

- Adopt a higher risk appetite.
- Train international partners, USAID staff, and local partners on managing risk aversion and where they can exercise greater flexibility.
- Operationalize risk tolerance by publishing risk levels, justifications, etc.
- Eliminate Negotiated Indirect Cost Rate Agreement (NICRA) or standardize (at 25 percent) for all.

Ideas to Facilitate Procurement

- Make procurement easier and more accessible for local organizations.
- Financially support international partners to develop a common/universal vetting questionnaire for local partners to simplify the process of local organizations joining bid teams.
- Simplify SAM registration.
- Make procurement timelines longer to allow for new partnership building, co-creation, and to give local organizations adequate time to prepare application materials.
- Simplify selection processes and lower barriers to entry through relaxed and/or simplified rules and regulations that enable more local organizations to compete; this includes removing onerous requirements such as prior USAID experience.
- Provide applications in different languages and change USAID regulations to allow proposal submission in the official language of a country.
- Ban exclusive partnerships on bids (as the U.K.'s Foreign, Commonwealth & Development Office, FCDO, has done).
- Create more flexible procurement models that factor in local input.
- Co-design RFPs with local organizations.
- Use Annual Program Statements (APS), including concept note and application, instead of Request for Applications to ensure solutions match an actual locally-identified constraint.
- Subsidize local organizations' engagement in procurement.
- Fund proposal development and make pre-award costs allowable for local partners.
- Guarantee that a certain amount can be recovered and local partners will be compensated for their advisory role in shaping procurement, and for any focus group participation.

Ideas to Support Contracting and Award Implementation

- Prioritize local partner friendly contracting mechanisms.
- Eliminate large contracts in favor of smaller programs and cooperative agreements with built-in partnership requirements.
- Move towards pay for performance funding.

- Increase fixed price contracts for locals, define targets with local partners.
- Use a less formal, less complex means of gaining local input, screening and sourcing local ideas (co-creation through APS, etc.).
- Focus on assistance, as it is much easier and more accessible, with fewer regulations.
- Prioritize awards that require 50-75 percent of total award funding to be subbed to new, underutilized and local partners.
- Decrease time between program idea and funding.
- Facilitate local organizations as primes on contracts.
- Make local organizations primes, with requests for partnerships with international organizations.
- Have awards transition legally to local subs halfway through implementation (i.e. prime partners shift to sub); make it standard to allow a change in award prime from international partner to local partner during an award.
- Accommodate local organizations' needs during award implementation.
- Lengthen start-up period (six months) to establish meaningful partnerships and better support new local partners.
- Increase flexibility for reasonable changes, such as budget amendments, extending projects, recognizing that local context may require adaptations.

Ideas to Expand Funding

- Leverage additional, alternative sources of funding.
- Partner with foundations to expand grant-making.
- Engage other funders in-country.
- Use blended finance mechanisms to mitigate financial risk incurred by taxpayers.
- Support local funders, particularly country-based foundations and accelerators that can sub to local organizations.
- Incentivize small businesses to support localization, engaging the private sector by making the business case for localization as a value proposition.
- Create long-term, flexible funding structures.
- Increase timelines for funding agreements and programs to five to ten years to facilitate systems change and allow local actors to better plan for the long term.
- Give block grants to local organizations so they can freely decide how to spend funds, eliminating earmarks as a basis for determining what countries and local contexts need.
- Create a spigot of funding for international or national NGOs to incubate local organizations and build leadership, capacity, and other infrastructure; utilize large NGOs as fund managers with a mandate to equip and empower local partners to pursue their own scopes of work.
- Develop funding streams specifically for global south actors and proactively identify global south-led networks and organizations.

- Institutional support grants for unrestricted funding for local organizations.
- Make funding more simple and small.
- Offer a greater number of smaller awards to allow new partners to grow incrementally, and lower procurement floor to local levels (i.e. hundreds of thousands, not millions of dollars). Numerous smaller grants can be more widely distributed among multiple local partners, and better align with their capacity. This will help more local partners gain USAID experience and encourage collaboration and coordination rather than competition.
- Develop small grants that allow USAID to test the waters with new partners and provide capacity building, due diligence, and compliance support.
- Help local partners cover costs.
- Increase de minimis rates (from 10 percent to 20-25 percent) and expand eligibility to allow local partners to adequately recover costs.
- Allow local NGOs to propose their own overhead rates to better support their internal development; pay a greater proportion (up to 100 percent) of local organizations' overhead costs; require established partners to provide overhead and pay a certain percentage of allocated grants to local organizations.
- Offer letters of credit to local organizations.
- Mandate that 70-80 percent of USAID funds go to the field to incentivize changes in USAID's business model and concentrate job creation internationally rather than domestically.

Ideas to Support Accountability

- Clarify and standardize the definition of "localization."
- Clarify eligibility criteria and clearly define "local" and "local voices" to ensure appropriate engagement at each level.
- Consider quality, not just quantitative indicators, by asking: Why does localization matter? Is it more inclusive? Does it lead to more sustainability?
- Establish a global localization monitoring, evaluation and learning (MEL) framework.
- Make evidence-based policy the norm.
- Generate evidence that co-creation increases local voices and local input during design.
- Hold international partners accountable.
- Monitor budgets international organizations allocate to local partners, ensuring they align with what was originally submitted in proposals.
- Ensure international partners do not block localization by registering themselves locally and competing with organizations in-country.
- Better train prime (and USAID) staff on managing power differentials, localization, respectful collaboration, communication, fair and reasonable processes, respecting the time and expertise of local organizations, racial and cultural equity, encouraging humility and mutual respect.

- Do not allow primes to change formats and processes mid-grant; this is a major source of frustration, wasted resources, and feeling that small organizations are being disrespected.
- Annually evaluate and publish performance of primes against awards.
- Score international primes and intermediaries on their subgrantees' feedback; for example, through a grant perception survey like the one conducted by the Center for Effective Philanthropy.
- Establish feedback loops from local organizations to primes and USAID to hold both accountable when they violate stated values around localization.
- Demand exit/transition strategies from international partners, ensuring all USAID projects include transition plans.
- Share agency notices with international partners so USAID can hold Contracting Officers (COs) and Award Officers (AOs) accountable to push best practices.
- Institutionalize USAID's accountability to its localization goals.
- Factor localization costs, time, and resources into every facet and stage of projects.
- Create a special localization fund to offset costs of co-creation exercises.
- Require one local sub new to USAID funding on each award.
- Require greater transparency and accountability by making public reporting a condition of funding.

Ideas to Support Localization through the Mission and Country-level Strategy

- Increase Mission authority, responsibility, and ownership of localization.
- Require Missions to include steps to operationalize localization in their Country Development Cooperation Strategies.
- Harmonize the risk between USAID/Washington and Missions.
- Allow Missions flexibility to react to their communities.
- Require Missions to hold monthly training to address USAID funding mechanisms and transparency issues.
- Require Missions to hold self-assessments on their capacity to manage additional responsibilities and facilitate regional operations.
- Decentralize USAID procurement to Missions for the majority of funds, increasing Mission authority to partner directly with local and new organizations in response to ministry requests.
- Make Mission MEL platforms responsible for engaging local voices and creating resourced spaces.
- Have Missions hold regular co-creation sessions on localization with local partners.
- Institutionalize localization in country-level strategies and priorities.
- Set localization targets for each Mission, addressing associated staffing challenges at regional and local levels.

- Establish Advisory and Decision-Making Councils composed of local organizations in each country to set the priority for USAID in that country, and provide input on country budgets, strategy, and USAID spending priorities.
- Set goals for each Mission to have local primes, not just local sub-awardees.
- Monitor awardees to ensure Missions work with diverse swathes of local actors, including actors and partners in rural areas outside urban centers.

Ideas to Increase Capacity of Local Partners

- Offer long-term, capacity-building funds and resources to local organizations.
- Allocate five to ten percent of an award to capacity building on every project.
- Offer transitional grants after a few years of co-implementation to incentivize and help local partners apply newly acquired capacities and skills.
- Hire dedicated USAID, project, and expert staff to help local partners navigate USAID procurement and implementation, such as a Localization Desk officer in each country to advise local organizations on how to work with USAID and other international partners.
- Leverage experience and capacity of small businesses in support of local organizations on growing and managing their programs.
- Staff an accessible USAID help desk.
- Boost local partners' operational capacity.
- Decrease the compensation gap between local and international actors to allow local partners to better compensate and retain trained staff.
- Fund or contract international organizations to provide capacity building sessions/services for local organizations, focusing on "back office" functions such as organizational development, financial management, budgeting, HR procurement, governance, and MEL to support viable and sustainable local organizations.
- Fund extra admin/finance/operations support on all grants to offset the burden of USAID's complex bureaucratic processes on local partners.
- Fund at least three months pre- and post-award (ideally six months) for local partners, providing training, processes, expectations, communications, materials, baseline data collection support before project initiation dates.

Ideas to Support Reporting and Compliance

- Make reporting more streamlined, flexible, and locally adaptive.
- Simplify tools used to assess local partners, including Non-U.S. Organization Pre-Award Survey (NUPAS) and other reporting tools.
- Accept reporting in local languages.
- Design success indicators with local organizations.

- Make USAID staff available to help smaller organizations understand and meet compliance and regulatory requirements pre- and post-award.
- Help local partners feel empowered, confident to lead and innovate while being transparent with USAID, donors, and communities by working with local intermediaries capable of managing large sums and complex reporting, allowing them to work directly with local partners with less capacity.

Ideas to Support Local Inclusivity and Context

- Institutionalize local involvement at every stage of projects.
- Include local partners in the co-creation of projects to actively engage local stakeholders in the program design process, and not just as key informants.
- Require projects to have management structures that include local experts and leaders in decision making management roles.
- Make community consent, consultation, and design mandatory for all programs, including it in budget and built into procurement (i.e. FCDO model).
- Involve and include local organizations and community leaders in developing funding strategies and opportunities to ensure local context and community needs are better considered for long-term shared success.
- Assess and prioritize local demand, priorities, and cultural context.
- Examine inter-cultural dynamics and DEIA within countries, recognizing that a one-size-fits all approach to localization is inadequate given the diversity among local partners and contexts.
- Learn from different local environments by listening to local partners regarding new development challenges rather than imposing a top-down agenda.
- Award funding for using existing local approaches based on evidence.
- Set aside funding for local unsolicited proposals.
- Creatively shift power to diverse local stakeholders at every level.
- Expand the definition of local organizations to include government entities, and work through local ministries and procurement systems to help strengthen these systems.
- Develop a means for local communities to select or weigh in on the selection of winning proposals.
- Engage local partners with diaspora presence; leverage the bridging power of diaspora communities with both local and international experience by expanding eligible 'local' entities to include natives - not just citizens - of a given country.
- Consider relevant regional issues, leaders, and organizations: seek thought leadership from regional leaders and examine new evidence generated by regional partners.

Ideas to Address Staffing

- Boost staffing and training.
- Hire more staff to facilitate the management of multiple smaller awards and support local community engagement.
- Prioritize project managers and USAID procurement offices over technical staff.
- Hire partnership officers to train on local partnerships.
- Provide more guidance to COs and AOs on how to work with local organizations.
- Train USAID staff on managing power differentials, localization, respectful collaboration, communication, fair and reasonable processes, respecting the time and expertise of local organizations, racial and cultural equity, encouraging humility and mutual respect.

Ideas for Better Communication

- Communicate clearly and consistently with local organizations.
- Rely on easy-to-use platforms.
- Reducing the complexity of information conveyed to render content more accessible to and digestible by local partners.
- Establish open and transparent communication channels, including ones between local partners and USAID without primes as intermediaries.
- Consistently provide feedback, especially on proposals.
- Engage in sustained dialogue with potential partners.
- Communicate the easiest paths available to local partners.
- Discuss agreements with local organizations, clause by clause, before contracts are signed.
- Devise a communications strategy and make it available to partners before contracts are signed.
- Have Missions host open meetings with local organizations to improve communication and transparency around localization, help inform a better localization process, and build positive relationships to achieve mutual goals. Ensure Mission and USAID/Washington staff attend convenings and visit projects.

INTERNATIONAL PARTNERS

Ideas to Support Collaboration

- Build and expand networks.
- Introduce USAID to local partners to expand USAID's network.
- Help local partners meet other local organizations to build networks and facilitate information exchange.

Ideas to Address Capacity

- Build USAID capacity.
- Help build capacity among Contracting Officer's Representatives (CORs) and Agreement Officer's Representatives (AORs) and Mission staff in general.
- Work closely with USAID/Washington and Missions to identify USAID needs that international partners can help fill.
- Increase information sharing around experience working with local organizations.
- Build local partner capacity.
- Provide technical support.
- Share best practices with local partners, playing a facilitating role in project implementation.
- Increase information sharing regarding opportunities available to local organizations.

Ideas to Address Accountability

- Drive localization independently of USAID mandates and requirements.
- Develop internal localization goals.
- Advance and normalize evidence-based policy.
- Design and implement the Capacity Building Indicator 9 (CBLD-9) metric to measure capacity strengthening; this metric must be co-designed with local partners and is part of New Partnerships Initiative action plans, but is currently underutilized by international partners.

Ideas to Support Reporting and Compliance

- Reduce burden of local partner due diligence.
- Coordinate on a shared, universal vetting system; alternatively use a facilitated self-assessment for due diligence. Currently, all international organizations have their own vetting questionnaires; a common and reciprocal questionnaire developed in partnership with USAID and local organizations would eliminate redundancy and support cost/time saving for local partners. Ten organizations are already on board; Humentum is willing to convene and manage this undertaking with consultant support.
- Develop a guiding typology for different kinds of organizations with different needs and limitations by creating archetypes in collaboration with international partners and local organizations.