LESSONS IN LOCALLY LED DEVELOPMENT:
USAID/DRG's SHIFTING APPROACH

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GOVERNANCE

USAID's Bureau for Democracy, Human Rights, and Governance's (USAID/DRG) long-term emphasis on locally led development has allowed staff from across its subsectors to learn a number of lessons on how to more effectively operationalize this practice over the years. Indeed, the nature of the work undertaken by the DRG Bureau makes locally led development inextricably linked to much of its programming. Using a "then versus now" format, this document profiles some of the changes implemented by USAID/DRG's Governance subsector in response to these lessons. It should be noted that neither the "then" nor the "now" categories highlighted in this document refer to a fixed time frame. Rather, these labels are intended to simply reflect staff perceptions of how things have changed over time. Moreover, the "now" category should not be viewed as being set in stone, keeping in mind that improving development programming is an ongoing process. Additional documents from this series profiling other USAID/DRG subsectors can be found [here](#).

GOVERNANCE'S SHIFTING APPROACH TO PROGRAM DESIGN

SHIFTING TOWARD LOCAL LEADERSHIP

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Diagnostic assessments, like the Public Expenditure and Financial Accountability (PEFA) framework, that underline public financial management (PFM) strategies and thereby program designs **are undertaken by teams of external experts.**
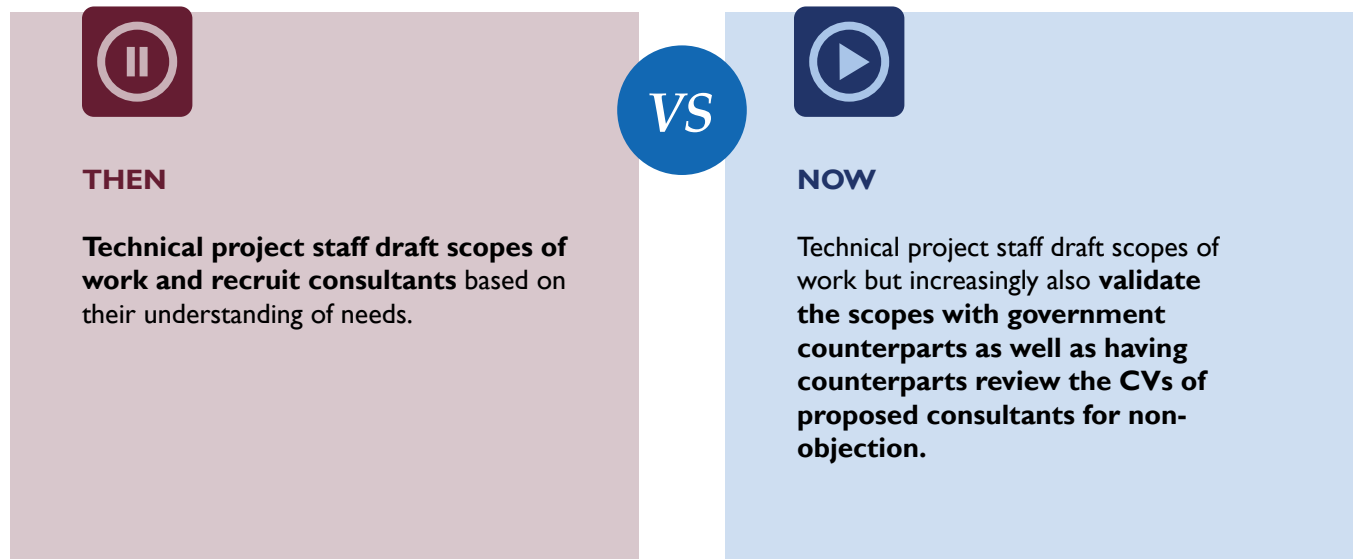
VS

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Diagnostic teams are increasingly led by local stakeholders - either by hybrid teams including government officials and experts, or by partner governments in the lead.

Lesson learned: rather than being led by external experts, the diagnostic assessments that help shape the design of public financial management (PFM) programs are increasingly led or jointly-led by partner governments, supporting greater understanding and ownership.

The PEFA methodology is used to assess the performance of a country's PFM system at a specific point in time. It is an important diagnostic tool that is often used by the USAID/DRG Governance team to inform the direction of PFM programming. While originally undertaken by a team of external experts, **use of the tool has increasingly been led by local partners or by hybrid assessment teams that include both government officials and international experts**. This has been codified in the guidance for commonly used assessment tools used by DRG. In the case of PEFA, the original 2005 framework did not include any specific requirements regarding government participation in the assessment process, nor did the field guide released following the 2011 update. By the time of the fully updated second edition of the framework in 2018, the field guide required the establishment of a government oversight team for the assessment process. It also, for the first time, established a formal process for governments to conduct self-assessments and have them be externally validated by the PEFA Secretariat. Self-assessments have now been done in several countries including, among others, Georgia, Nepal and Na-uru. A similar process is now also used for the OECD Methodology

for Assessing Procurement Systems (MAPS), which is used to assess the strengths and weaknesses of countries' public procurement systems. This shift underscores that government ownership and commitment, facilitated by strengthened government leadership, are equally as crucial as tailoring effective PFM practices to suit local conditions.

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Technical project staff draft scopes of work and recruit consultants based on their understanding of needs.

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Technical project staff draft scopes of work but increasingly also **validate the scopes with government counterparts as well as having counterparts review the CVs of proposed consultants for non-objection.**

Lesson learned: involving government officials in key decisions, such as the validation of program scopes of work or the hiring of consultants, supports greater collaboration and, in turn, the likelihood of sustainable results.

USAID recognizes that local leadership and ownership are essential for fostering sustainable results across its development work. As DRG's Governance subsector shifts to operationalize this concept, it has **increasingly adopted a partnership approach to designing program scopes of work and hiring consultants, whereby government officials must validate these items before USAID can proceed with their implementation.** This partnership approach was adopted, for example, by the USAID Fiscal Accountability and Sustainable Trade (FAST) project, implemented by DevTech Systems. FAST's "Effective Public Procurement for Kyrgyzstani Taxpayers" activity supports the Government of the Kyrgyz Republic (GoK) to improve efficiency, effectiveness, and transparency in the public procurement system through technical assistance and capacity strengthening targeting the Department of Public Procurement, the Training Center at the Ministry of Finance (MoF), the Chamber of Accounts, and civil society organizations. In addition to utilizing diagnostic tools like MAPS, the Transparent Public Procurement Rating (TPPR) methodology, and the UNCITRAL Model Law on Public Procurement to inform the design of project activities, FAST engaged in a co-design process (described in more detail in the next section) to work with the GoK on determining what public procurement challenges and solutions they hoped that FAST could help support. In addition to other activities, the FAST team and the GoK jointly identified an activity focused on updating the basic and advanced public procurement certification courses. The public procurement certification is administered by the Training Center and required for procurement specialists. Moreover, the GoK requested assistance with training instructors to deliver the updated module trainings. FAST, in collaboration with the MoF's Training Center, identified local experts, mobilized them, and successfully completed the activity.

![USAID logo - FROM THE AMERICAN PEOPLE]

THEN

USAID takes a **top-down approach to program design**, requiring partners to implement activities that have been developed by USAID, informed by local expertise and experience, but with decisions made by USAID alone.

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Program design is often guided by partner priorities, recognizing that they are best placed to know the activities needed to operate sustainably in their unique contexts. USAID utilizes tools like **requests for information (RFIs), listening tours, co-creation and co-design** to ensure ownership during the program design phase and to adapt activities throughout implementation.

Lesson learned: *in contrast to a top-down approach, leveraging participatory approaches to municipal or community-level program design ensures that programs are guided by and adapted on an ongoing basis in line with partner priorities, facilitating increased partner ownership and enhancing the longevity of results.*
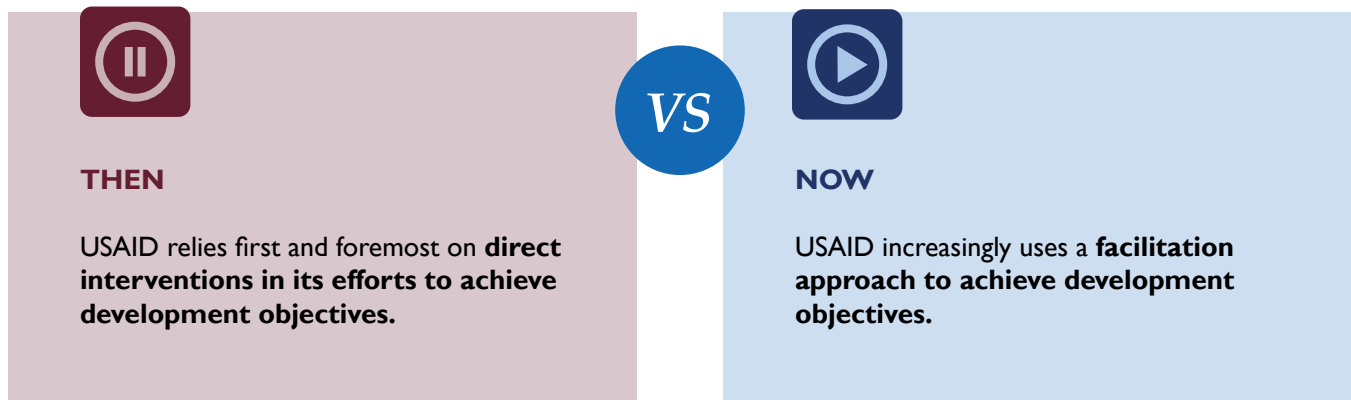
Placing local actors in the driver's seat of the program design process means recognizing the **need for more flexibility to meet changing demands and requires the use of participatory approaches such as listening tours and co-design**. These tools help ensure that local voices are central to the design of development solutions. However, the greatest shift in the use of these participatory approaches is that of going beyond simply consulting partners during the program design phase to truly emphasizing collaboration with and between local actors on an ongoing basis to identify issues and promising solutions that will allow them to be the drivers of change.

KEY DEFINITIONS

Listening tours are a way for development practitioners to gather information and feedback from stakeholders in the communities where they are working. This can be done by holding meetings, conducting interviews, and participating in focus groups. The goal of a listening tour is to understand the needs and priorities of stakeholders, and to build relationships with them.

Co-design is a collaborative approach to problem-solving and innovation that involves bringing together different stakeholders to work together to design solutions. This can be done through workshops, design sprints, and other participatory methods. The goal of co-design is to develop solutions that are more likely to be successful, as they will have been developed with the input of the people who will be using them.

In Nepal, the USAID Public Financial Management project is working to strengthen inclusive democracy and prosperity by supporting more participatory public financial management, particularly at the provincial and local levels. To achieve its objectives of enhancing the transparency, equity, and legitimacy of public finance and service delivery, USAID and its implementing partner Deloitte develop each year's programmatic activities through a co-design process to support the co-ownership of project results. Specifically, every year, the project organizes a co-design workshop co-led by the Government of Nepal and attended by federal and provincial government representatives. The outputs from the workshop are used to inform the creation of the annual work plan. While workshop participants are tasked with identifying issues and solutions related to pre-determined priority activities established during one-on-one consultations prior to the workshop, they are free to (and do) provide input that is not directly related to these activities.[1]

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USAID relies first and foremost on **direct interventions in its efforts to achieve development objectives.**	**VS**	USAID increasingly uses a **facilitation approach to achieve development objectives.**

Lesson learned: adopting a "light-touch" approach to activity implementation, whereby USAID limits their involvement in a system, including the provision of funding, and instead acts as a facilitator, including by facilitating constructive dialogue between local actors, can support local ownership and the sustainability of results.
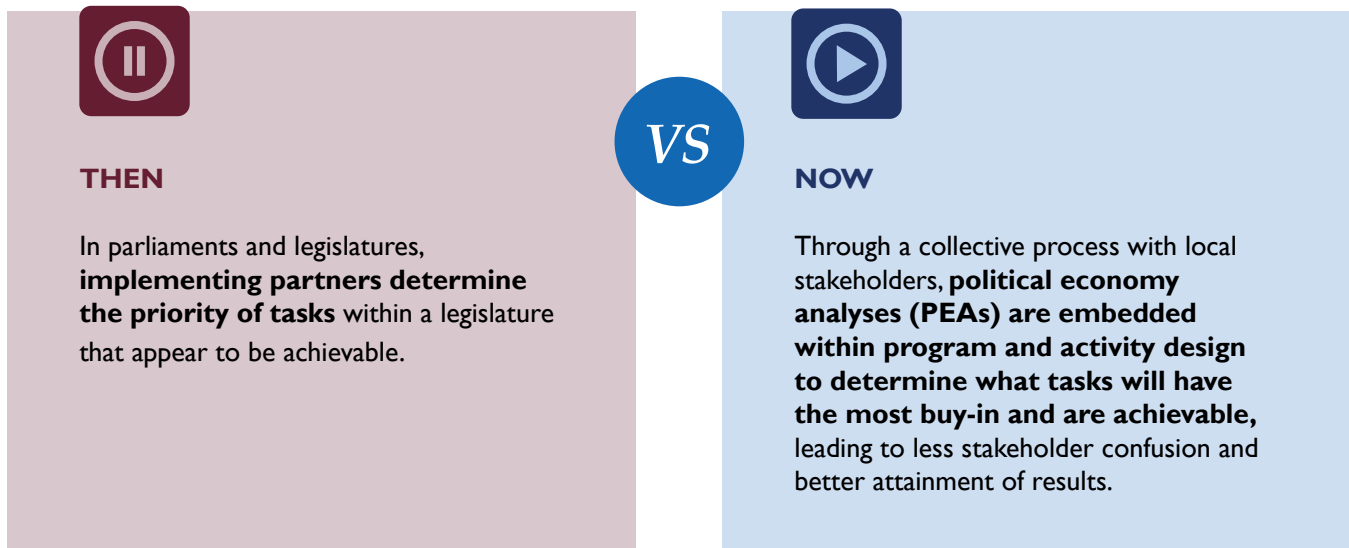
While direct intervention, such as the provision of funding, material goods, services, or expertise remains a widespread approach to development programming at USAID, the DRG Bureau's Governance subsector is increasingly utilizing a facilitation approach in complement to or in place of direct intervention. **This type of approach might focus on connecting stakeholders from different areas of a system to engage in constructive dialogue** (e.g., government officials, business leaders, and community members) **or encourage behavior change through non-financial incentives** (e.g., developing value chains by offering to facilitate introductions between partners, suppliers, and clients). USAID's Governance for Local Development (GoLD), implemented by RTI, represents a prime example of this shift. The project sought to improve resource mobilization at the municipality level and enhance the services provided to citizens using a locally led development approach that relied on listening tours and continuous engagement within communities. This served as the catalyst to the incremental, ongoing process of developing trust and understanding. Specifically, GoLD worked to scale up communication between a broad range of local actors who may not normally have been connected, taking on a facilitating role in encouraging dialogue between differing

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1. Deloitte Consulting LLP. 2023. "Public Financial Management: Quarterly Performance Report (FY23 Q2)". Accessed on 10/17/2023. https://pdf.usaid.gov/pdf_docs/PA0211TG.pdf

levels of authority (central and local), differing sectors of practices (e.g., education, health), and community members regarding community development. Such community dialogue shifted power and responsibility to local partners who agreed upon and designed activities to better their communities.

The responsibility and involvement of local partners, as facilitated by community dialogue, created a type of social contract governed by expectations. For example, the municipality of Tambacounda had long struggled to recover taxes from the Jakarta motorcycle taxis (composed of over 3,000 motorcycles). After a series of awareness meetings, supported by GoLD and the regional public treasury, the drivers agreed to pay taxes; in return, the municipality provided the drivers with vests, helmets, license plates, trainings on road traffic, and a room for their association.

SHIFTING TOWARD A SYSTEMS APPROACH

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In parliaments and legislatures, **implementing partners determine the priority of tasks** within a legislature that appear to be achievable.

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Through a collective process with local stakeholders, **political economy analyses (PEAs) are embedded within program and activity design to determine what tasks will have the most buy-in and are achievable,** leading to less stakeholder confusion and better attainment of results.

Lesson learned: *DRG staff have increasingly turned to PEAs to help inform program or activity design as these help to uncover hidden social and political dynamics and provide a clearer picture of the key stakeholders and their incentives, supporting greater local ownership and better attainment of results.*
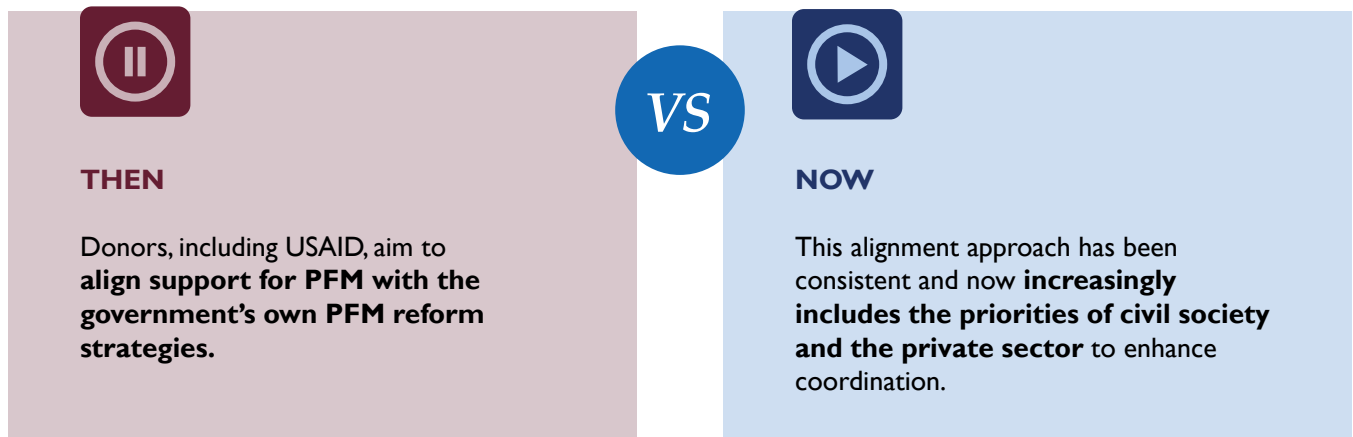
USAID/DRG's local partner-centric approach to development in the governance space is part of **a wider shift toward the adoption of a systems approach,** which emphasizes solutions that take into account the interconnectedness of all the elements in a system. **The use of PEAs to inform and adapt program and activity design exemplifies this shift.** Indeed, PEAs are a "structured approach to examining power dynamics and economic and social forces" that make up the systems where USAID works.[1,2] In doing so, they help identify sustainable, locally generated solutions. PEAs are

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1. U.S. Agency for International Development (USAID). 2018. "USAID's Policy, Program, and Learning Framework for Sustainable Development (PEAF)." Accessed September 26, 2023. https://www.usaid.gov/sites/default/files/2022-05/PEA2018.pdf

2. For more information on PEAs and context-driven approaches more broadly, review USAID's Context-Driven Adaptation Collection, Thinking and Working Politically through Applied Political Economy Analysis - Guide and Supporting Materials, and Local Systems: A Framework for Supporting Sustained Development.

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especially effective at informing and adapting program design when the stakeholders participating in PEAs are probed on their views of the feasibility and desirability of project activities. Such discussions can help shed light on the expected impact and sustainability of anticipated project results.

In Zambia, the USAID Accountable Governance for Improved Service Delivery (AGIS) project, implemented by RTI, supported the Zambian government and people in strengthening the skills of government employees in financial practices and auditing procedures to improve management and utilization of public funds allocated to health and education. Early on in the project, the AGIS team conducted a PFM assessment with an embedded PEA for the health and education sectors across six districts in Zambia. Findings from this assessment guided the development of capacity strengthening strategies for the Ministry of Health and Ministry of General Education. For example, the project discovered that in a particular district, men were attempting to dominate the top leadership positions in women's clubs. However, with increased awareness about their rights, the women successfully safeguarded their positions. Subsequent to this PEA with a gender lens, the project managed to persuade both ministries to incorporate gender-related initiatives into their forthcoming planning phases.[3]

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Donors, including USAID, aim to **align support for PFM with the government's own PFM reform strategies.**

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This alignment approach has been consistent and now **increasingly includes the priorities of civil society and the private sector** to enhance coordination.

Lesson learned: *program design must consider all key stakeholders that impact and/or are impacted by PFM reform given that their support (or lack thereof) can influence the attainment and sustainability of results.*

Getting buy-in from civil society and the private sector is essential for the design and implementation of successful PFM reform. **By aligning support with the priorities of the government as well as these stakeholders, DRG programming can better ensure that the reforms are responsive to the needs of the people and the economy** and that they have the support of a broad range of stakeholders. In Kosovo, the USAID Economic Governance Activity, implemented by Chemonics, is designed to support the Government of Kosovo, with the involvement of the private sector and civil society, to strengthen institutional policy development and intergovernmental coordination. An

3. RTI International. 2018. "Thinking and Working Politically: A Guide for Development Practitioners." Accessed September 27, 2023. https://dpjh8al9zd3a4.cloudfront.net/rti-press-publication/thinking-working-politically/fulltext.pdf

example of such involvement pertains to the project's efforts to improve Kosovo's business enabling environment by reducing opportunities for abuse of power and corruption. Under this activity, the project has been supporting the Ministry of Trade and Industry to review the Draft Law on Internal Trade (DLIT). As part of its review of the DLIT, the project held several rounds of consultations with public and private sector stakeholders, including representatives of business associations and wholesalers. The representatives from business associations and wholesalers raised concerns over the level of regulation envisaged in the DLIT. This feedback helped inform the project's recommendations to the Ministry regarding how best to proceed with the DLIT. Namely, the project advised the Ministry to withdraw the law from the legislative program as "it does not address the growing shift of retail and wholesale trade activities to e-commerce, burdens the trade activities of the private sector with new and unnecessary regulations that in some instances conflict with existing laws, and overall requires further consultations within the Government of Kosovo and with private sector stakeholders."[1]

GOVERNANCE'S SHIFTING APPROACH TO MONITORING AND EVALUATION

SHIFTING TOWARD A MORE LOCAL-CENTRIC APPROACH TO PROJECT MONITORING

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Parliamentary projects develop **indicators around programming** and report results to USAID.

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Indicators are jointly developed by partners and parliament, using widely accepted indicators for a democratic legislature, which creates a common point of reference and shared objectives that are not necessarily donor driven.
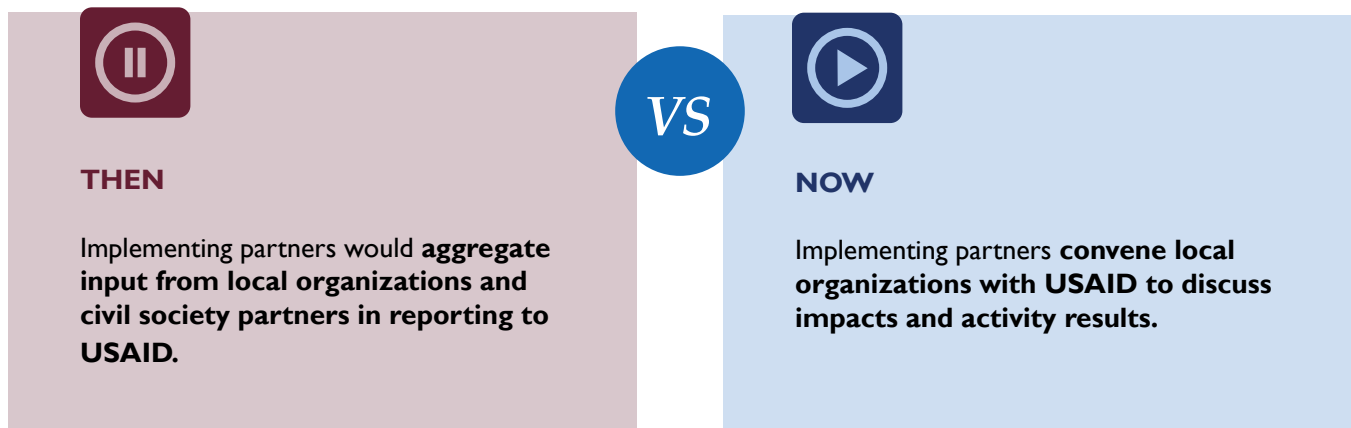
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1. Chemonics International, Inc. 2021. "USAID/Kosovo Economic Governance Activity 3rd Quarterly Performance Report (Year 2) October-December 2020". Accessed October 17, 2023. https://pdf.usaid.gov/pdf_docs/PA00X76N.pdf

Lesson learned: co-creating indicators and outcome expectations with partners is an important step in the process of better emphasizing partner priorities and supports partner buy-in.

USAID/DRG's approach to monitoring has shifted to mirror the Bureau's efforts to emphasize partner priorities in the project design process. **Indicators are increasingly co-designed with partners, supporting partner buy-in and project sustainability given that project milestones reflect partner priorities.**

USAID's Local Governance program in Georgia offers an example of this shift. The Local Governance program, implemented by Tetra Tech, aims to support the country's decentralization and public administration reform and enhance the effectiveness, accountability, and citizen responsiveness of target local governments in Georgia by strengthening accountability across the local governance ecosystem, enhancing the delivery of inclusive and user-centered public services at the subnational level, and supporting central-level institutions to manage the implementation of decentralization and public administration reform. As part of the project, USAID has been working with municipal-level government counterparts to co-create annual work plans that reflect the unique local needs and priorities of each partner municipality. The participatory co-creation sessions held to support the development of the annual work plans have covered all aspects of municipal operations—municipal systems, public finance management, inclusive, accessible, and citizen-responsive public services, and citizens' effective participation in local self-governance activities. Importantly, these sessions have also focused on designing key performance indicators and target setting, with a view to ensure partner ownership of the activity and its outcomes.[1]

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Implementing partners would **aggregate input from local organizations and civil society partners in reporting to USAID.**

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Implementing partners **convene local organizations with USAID to discuss impacts and activity results.**

Lesson learned: participatory processes in monitoring and evaluation, such as convening local partners to discuss program impacts and activity results, can help partners feel more invested in the monitoring and evaluation process and its findings as well as more motivated to act on them. They can also ensure that evaluations are responsive to the priorities of partners.

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1. Tetra Tech. 2023. "USAID Local Governance Program: Quarterly Report (January 2023 - March 2023)." Accessed October 17, 2023. https://pdf.usaid.gov/pdf_docs/PA0211SV.pdf

In addition to **working toward co-designing indicators to ensure partner priorities are reflected in project milestones,** USAID/DRG's Governance team has also sought to centralize the priorities of partners by increasingly turning to **participatory processes to review and discuss program impacts and activity results.** This approach both helps increase the credibility and usefulness of findings and helps increase partner trust in findings and their willingness to act on them.

USAID Senegal found this to be true when it implemented this approach in response to evaluation findings pertaining to its government-to-government (G2G) work. USAID Senegal has a wide range of G2G programs. In 2018, when two of these programs had already been evaluated, and the Mission was approaching its third G2G evaluation, USAID Senegal and its implementing partner MSI decided to organize a recommendations workshop in coordination with the Government of Senegal in order to create actionable recommendations to guide the next phase of programming. This workshop gave stakeholders with a deep understanding of the local context the opportunity to provide their thoughts on feasible solutions to address the evaluation findings. The action plan developed during the workshop informed the development of the next phase of USAID Senegal's G2G programming. Additionally, both members of the USAID Health Team and staff from the Senegalese Ministry of Health found the workshop to be very helpful in terms of ensuring that all stakeholders were on the same page about changes that would affect the next chapter of their partnership.[1]

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1. Slifer-Mbacke, L.; Calendar, E. 2018. "Improving Evaluation Use in Senegal through Recommendations Workshops". Accessed on 10/17/2023. https://usaidlearninglab.org/sites/default/files/resource/files/improving_evaluation_use_in_senegal_through_recommendations_workshops.pdf