From Roots to Results: Enabling Sustainability through Local Ownership

Elizabeth Warfield
Local Solutions Coordinator
“Today I am announcing our new U.S. Global Development Policy - the first of its kind by an American administration.”

President Barack Obama

“And we’re rebuilding the United States Agency for International Development as the world’s premier development agency.”

President Barack Obama
USAID Forward

• The Principles:

1. Results

2. Partnerships

3. Innovation
420 development innovations & 24.5m lives affected

10,000 applicants
60% first time USAID recipients.
25% Grand Challenge applicants from developing countries

1,800 Foreign Service Officers
900 employees mentored
67% of field staff directly engaged

60 Country Development Cooperation Strategies
700 evaluations since 2012
248 Project Appraisal Documents posted

27% obligated through local systems

Over $3.2 billion leveraged since FY11 in PPPs & DCAs

2x increase in U.S. small business awards since FY2010

420 development innovations & 24.5m lives affected

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The Local Systems Framework: A Strategic Shift

- Sustainability
- Inclusive Country Systems
- Mutual Accountability

- Sustainability
- IPR -> Local Solutions
- The Program Cycle

Busan

USAID Forward

LOCAL SYSTEMS:
A FRAMEWORK FOR SUPPORTING SUSTAINED DEVELOPMENT
APRIL 2014
Achieving and sustaining any development outcome depends on the contributions of multiple and interconnected actors.
Resulting Actions

Focus on project output and outcomes

Broaden the results we seek
- Include systems characteristics
- Expect contribution rather than attribution

Measure for sustainability

Eliminate fiduciary risk

Recalibrate risk
- Recognize risk as threats to achieving sustainability
- Include all risks
- Rebalance risk and risk mitigation

Invest to maximize sustainability
Vision

Societies that plan, implement, and resource their own inclusive and accountable development.
Local Ownership Is...

1. Priorities
2. Resourcing
3. Implementation
From IPR to Local Solutions

IPR = Implementation Procurement Reform

• Focused on the **means**
• 30% as the Measure of Success
• Capacity Development as ends
• Capacity Developed
• Lengthy Assessments
• Lots of awards to local orgs

Local Solutions

• Focused on the **ends**
• Sustainability as the Measure of Success
• Sustainability of Results rather than Organizations
• Improved Performance and Effective Systems
• Assessments framed by Results
• Strategic, Cost-Effective Awards
Success.
Voices from the Field

• “We have to change the mentality of support schemes and agricultural survival and move towards investments in modern technology through financing from the banking sector. Programs like USAID’s Agrocapital made a tremendous difference in this transition.” Albania Agriculture Minister

• “USAID did not strengthen the local system, as that was not needed, USAID bought into the local system.”

• “If we really want to consider our host government as equal partners, the onus might be more on USAID to adapt to their systems.”
Local Solutions: Agency-wide Trend FY 2012 – FY 2015

- Without CT and QTF is the highest LS percentage to date
- Both with CT/QTF and without increase over FY 2014
Ghana: Poverty Reduced and Nutrition Improved for Vulnerable Households

- 6,532 women saved a quarter million cedis ($70,000) by participating in the Resiliency in Northern Ghana’s (RING) savings and loan associate programs.

- 11,329 vulnerable households also benefited from RING’s livelihoods, savings, and small-scale agriculture activities.

- RING is partnering with the Government of Ghana’s efforts to sustainably reduce poverty and improve the nutritional status of vulnerable populations in northern Ghana.

- Through this innovative G2G activity, USAID works directly with local governments to smooth vulnerable households’ consumption throughout the year by providing informal savings mechanisms that use self-selected groups of individuals to mutually pool and guarantee each other’s savings.

- These integrated activities are complemented by active nutrition messaging and behavioral change communication activities.
Dominican Republic: Increasing Rural Incomes Sustainably and At Scale

- Created by USAID in 2010, the Dominican Rural Economic Development (REDDOM) Foundation has provided direct assistance to 12,905 smaller farmers and indirectly helped 25,000 vendors, exporters, and suppliers along the value chains.

- As a result of USAID assistance, more than 800 farmers were awarded internationally recognized organic, fair trade, and good agricultural practices labels.

- REDDOM has become a financially sustainable organization, was awarded $7.9 million in contracts from the Government of the Dominican Republic, and is successfully competing in international markets for grants and contracts.
Lessons Learned

- Metric Drives Organizational Change
- From Procurement to Development Reform
- New Objectives: Sustainability and Local Ownership
- “Skin in the Game Matters”
- Risk is more than just Fiduciary and Relative to Results and Costs
- Results Determine Choice of Instrument
- Balancing Results vs. Sustainability
- International Implementing Partners Are Part of the Solution
- Collective Action: Recipe for Scale & Impact
Positive Trends – Lessons Learned from the Private Sector

Draw upon **local networks**, including accessing **local investment**

Deep familiarity with **local systems or local context**, which can lead to a **more nuanced assessment of risk**

Rooted in place; **commitment to the local market** has unique and direct benefits to a partnership

Sometimes **more flexible and responsive**

Local communities can benefit from the **demonstration effect** of committed and active local private sector partners
The Way Forward

• Telling USAID’s local story
• Revised Agency guidance will encourage sustainability & local ownership
• Deepening how we measure sustainability and local ownership
• Fostering Peer-to-peer learning internally and externally
  – Event in the fall to share what the Agency has learned
The 30% target is **ASPIRATIONAL**

Local Solutions is about **Sustainability through Local Ownership**
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