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Global Health Bureau

Local Capacity Strengthening Policy

Local Capacity Strengthening (LCS) has long been a core component of USAID’s work around the world. In 2022, USAID developed a unifying and authoritative approach to LCS, launching its [LCS Policy](#) outlining the Agency’s capacity strengthening practices to be a more effective and equitable partner. The Policy is organized around seven mutually-reinforcing principles, and the internal Global Health LCS Implementation Guide was developed to translate these principles into practice.

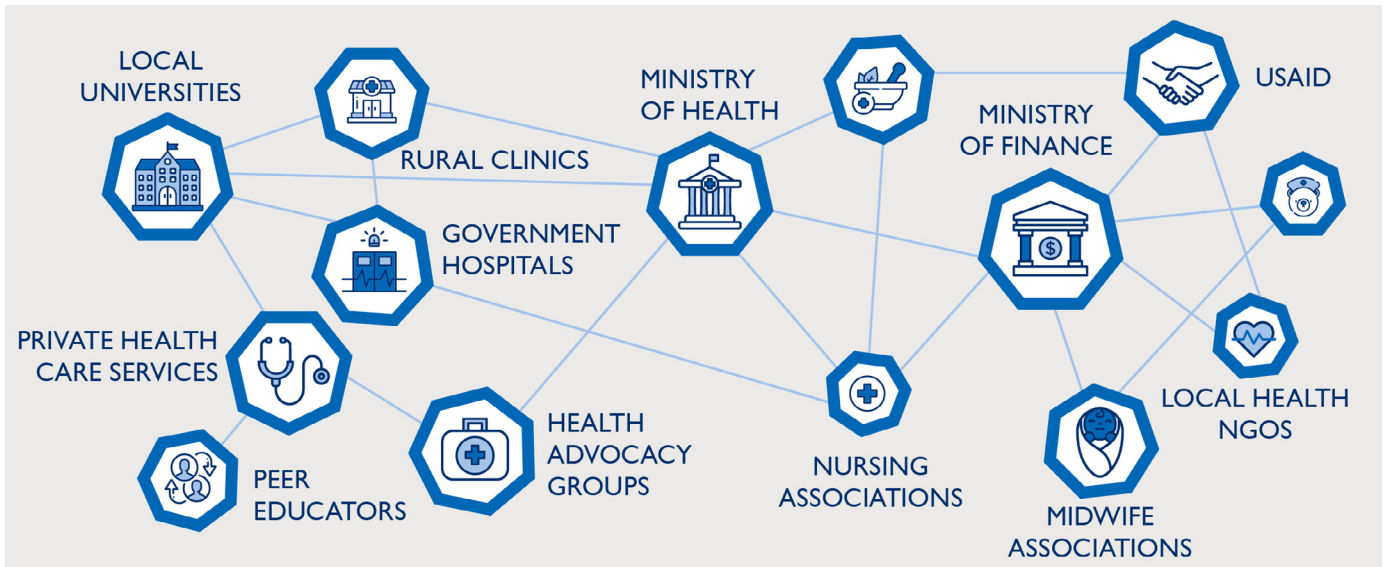
This brief illustrates what the seven LCS Policy principles look like in the Global Health sector and aligns with USAID’s internal implementation guidance.

<p>PRINCIPLES FOR EFFECTIVE PROGRAMMING OF LOCAL CAPACITY STRENGTHENING</p>	<ul style="list-style-type: none">1 Start with the local system.2 Strengthen diverse capacities through diverse approaches.3 Plan for and measure performance improvement in collaboration with local partners.
<p>PRINCIPLES FOR EQUITABLE PARTNERSHIPS IN LOCAL CAPACITY STRENGTHENING</p>	<ul style="list-style-type: none">4 Align capacity strengthening with local priorities.5 Appreciate and build on existing capacities.6 Be mindful of and mitigate the unintended consequences of our support for local capacity strengthening.7 Practice mutuality with local partners.

Principle 1: Start with the local system.

USAID defines local capacity strengthening as an investment into improving the performance of local actors—individuals, organizations, and networks—to jointly improve the performance of a system in producing valued development outcomes. Effective LCS strategically and intentionally supports all actors’ abilities to achieve their own missions, to learn and adapt to remain relevant to changing context, and to innovate and transform to sustain development outcomes over time.

USAID works with a diversity of partners in the countries in which we operate, supporting broader systems strengthening across the health sector and beyond to achieve sustainable outcomes.



PRINCIPLE 1 IN ACTION:

Local Government Units (LGUs) can be used to support health systems strengthening, while improving maternal and child health and tuberculosis outcomes. One example comes from USAID Philippines, who supported the multi-level capacity strengthening of local chief executives, such as provincial governors and city or municipal mayors, and regional Department of Health officers. The locally-led Department of Health team used leadership training and coaching, which was effective due to collaboration with competent local trainers, coaches and mentors - who were already respected by health leaders and local academic partners. Quarterly meetings ensured regular communication and a feedback loop. With improved leadership and governance, partner LGUs have strengthened their family planning and TB programs, and a number of cities established a multi-sectoral coordination mechanism to address teen pregnancy, maternal and child health, and TB elimination.

KEY RESOURCES:

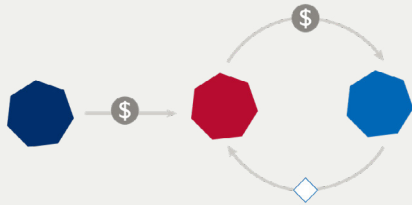
[Local Systems Framework](#), [5 Rs Framework](#), [Why differentiating between health system support and health system strengthening is needed](#)

Principle 2: Strengthen diverse capacities through diverse approaches.

The GH LCS Implementation Guide puts forth five models for supporting LCS in USAID-funded health activities. The models illustrate both the 1) transfer of funds through assistance or acquisition and 2) provision of capacity strengthening technical assistance, with varying relationships to USAID as the donor. The principle of mutuality (LCS Policy Principle 7) applies to all of the models as capacity strengthening is not unidirectional; programs should seek opportunities to learn from local partners and capacity strengthening providers.

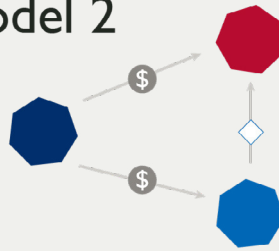
The five models shown here demonstrate situations in which USAID is intentionally entering into an award with at least one partner to carry out or receive local capacity strengthening services, and are not meant to be exhaustive. These models encourage activity designers and managers to be intentional about power dynamics when supporting local capacity strengthening activities.

Model 1



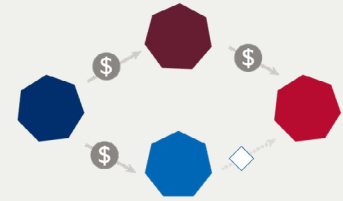
This model confers the most agency to local partners since they are able to subcontract or subaward the services they require in line with their organizational needs; the local partner should determine whom to bring on, following specific written criteria, to support ongoing strengthening. This model is best-aligned to the principles of local ownership.

Model 2



In this model of three-way accountability, USAID has a direct award with a local partner AND a direct award with an LCS provider, who then provides LCS support for the local organization. This model relies on a clear work plan, created jointly by the local partner and the LCS provider, based on findings from an assessment of baseline capacity.

Model 3



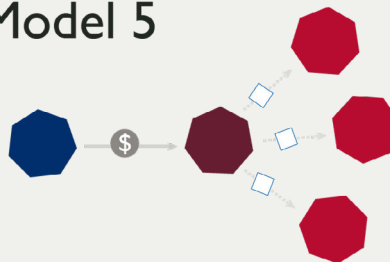
This approach provides LCS support to a local partner subawardee through a USAID-prime LCS provider. It can be used when specific capacity interventions are required for the local partner subawardee that were not part of the original scope or budget of the prime partner. This model requires strong coordination between the two prime entities and the local partner subawardee.

Model 4



This approach acknowledges that sometimes local partners, including government partners, require direct support from USAID. This model may be selected regardless of whether USAID is directly funding the local partner. The local partner receiving capacity strengthening support should be intimately involved in the development and review of the Activity Description.

Model 5



This is the most traditional format whereby a prime partner (likely international) provides funding and/or LCS support to local partners through a subaward. If used, it is important to ensure that the work plan includes clear objectives around monitoring, evaluation, and learning. Build in accountability structures such as feedback and evaluations from subawardees directly.

Key

- USAID
- LCS Provider
- Local Partner
- (International) Prime Partner
- Embedded LCS Provider
- LCS Support
- Funding

PRINCIPLE 2 IN ACTION:

As a subrecipient under the USAID-funded *Linkages across the Continuum of HIV Services for Key Populations Affected by HIV* (LINKAGES) project in 2019, the Pakachere Institute of Health and Development Communication received capacity support from its prime aimed at strengthening Pakachere's capacity to manage U.S. Government funds and implement HIV programs (Model 5). In addition to financial and organizational management, the LCS support also strengthened areas such as subaward management; peer outreach and clinical services; M&E; and data collection, quality,



LINKAGES peer educator participating in 2018 World AIDS Day activities in Mzuzu, Malawi
Photo by Moses Msiska

and use. Over time, this support strengthened Pakachere's program design and management capacity allowing them to expand their programs. As a result of their excellence as a subrecipient under LINKAGES, and after conducting a pre-award survey using the [Non-US Organization Pre-Award Survey \(NUPAS\)](#), USAID Malawi determined that Pakachere was able to manage and implement a direct award. Critical to this successful transition award has been the continued mentorship of Pakachere by LINKAGES and its sister project *Meeting Targets and Maintaining HIV Epidemic Control* (EpiC) during Pakachere's first year of implementation (Model 2). With this support, Pakachere has continued to show strong performance while also taking on new functions and serving their community with quality health services as a USAID direct awardee, as captured in [The Growth of Pakachere](#) and [Preparing for Prime success](#) stories.

KEY RESOURCES:

[Process for Transition Awards ADS Reference 303mbb](#), [How to Work with USAID: Preparing for the NUPAS](#), [Illustrative Procurement Language for Facilitating Successful Transitions for USAID Missions and Operating Units](#), [South to South Mentoring Toolkit for Key Populations](#)

Principle 3: Plan for and measure performance improvement in collaboration with local partners.

It is through performance, or the exercise of capacity—and not through training, plans, or procedures—that local actors demonstrate the achievement of their LCS activities. There are three distinct types of approaches and/or tools USAID uses to assess local capacity strengthening efforts: risk mitigation tools, capacity action planning tools, and performance measurement tools or indicators, each serving a unique function across the spectrum of LCS support.

The GH LCS Implementation Guide further encourages the use of six steps for monitoring and measuring the extent of LCS-supported performance improvements, working together with local actors:

Step 1: Understanding common capacity assessment tools

Capacity assessments—institutional or technical—are non-mandatory assessments that can be conducted at any stage of the program cycle, and can be used to determine the most appropriate partnering approach, ensuring that local entities receive the necessary capacity strengthening services. In addition to reviewing the tools outlined in the [Guide to Distinguishing Tools for LCS](#), there is opportunity for decision-makers to explore health-specific tools like the PEPFAR-produced [Non-US Organization Pre-Award Survey Plus \(NUPAS+\)](#), a risk mitigation and capacity assessment tool that expands on the Agency's NUPAS pre-award survey, or the [Advocacy Capacity Review](#) process, a capacity action planning tool, for family planning and reproductive health, process for family planning and reproductive health.

Step 2: Defining what to measure

USAID and the LCS Provider should work together to assist organizations to select indicators that measure performance improvement, collaboratively develop indicators, and agree on the best use of key localization indicators including [CBLD-9](#) and [CBLD-11](#).

Step 3: Engaging local actors in the monitoring process

Partnering with local actors in monitoring, learning, and adapting may take a variety of forms, from collaboratively measuring change and jointly analyzing and interpreting data, to prioritizing areas for program adaptation. By moving the locus of monitoring and evaluation closer to local stakeholders, intentional mutual learning can bolster local capacity strengthening and support locally led learning and adaptation.

Step 4: Reporting on LCS

Partners should report, in accordance with the terms and conditions of their specific award, on their capacity strengthening efforts on a regular basis – such as through periodic project management meetings, quarterly MEL plan updates, and semi-annual reports. The New Partnerships Initiative Expanding Health Partnerships (NPI EXPAND Project) recently implemented close-out surveys for its short term COVID-related subawards to collect feedback on potential gaps through the support it is providing subawardees. Learning from this survey was shared with the USAID Agreement Officer's Representative (AOR) and informed the development of future subawards and the LCS support provided. EXPAND has now made this survey an annual recurrence.

Step 5: Measuring the outcome of LCS through participatory program evaluation

Involving local youth, women and gender, faith/religious, and indigenous experts (inclusion of all community members) to evaluate the success and lessons learned from a program improves USAID's capacity and critically demonstrates successes to be achieved through the increased co-creation of locally led activities and projects in the future. YLabs' CyberRwanda project, funded out of USAID's Office of Population and Reproductive Health, used a [human-centered design approach](#) involving engagement with over 1,000 community stakeholders in Rwanda, including youth, teachers, parents and religious leaders, from the start of the project to both inform the design of a digital intervention to improve adolescent reproductive health, and to also clarify intermediate objectives, outcomes, and indicators of success to inform the evaluation protocol. This process helped improve both the intervention and the evaluation to ensure activities were meeting local priorities and needs.

Step 6: Collaborating, Learning, and Adapting

Information on the Agency's Collaborating, Learning and Adapting (CLA) approach is incorporated in [ADS 201](#) (see ADS 201.3.7). Global Health strives to promote opportunities for learning and peer-to-peer knowledge exchange. For example, USAID's Bureau for Global Health and the NPI EXPAND Project hosted a webinar series in 2021 that provided a collaborative learning platform to facilitate discussions across regions and countries on best practices, challenges, and current trends in LCS and global health:

- [Webinar 1: Past Lessons and Future Directions](#)
- [Webinar 2: Transition Awards](#)
- [Webinar 3: Listening Closely, Using Feedback Wisely](#)
- [Webinar 4: Strengthening Civil Society's Role in Resilient Health Systems](#)

PRINCIPLE 3 IN ACTION:

Approaches such as community-led monitoring (CLM) provide space for key community stakeholders to lead and engage in Monitoring, Evaluation, and Learning (MEL) processes, not as objects of observation or respondents, but as subjects and active drivers in MEL design, data collection, analysis, and dissemination. Through CLM, communities own the information collected about them and are inspired to implement community-led initiatives



Staff members from the organization Swasti conduct a focus group with female sex workers in India for the CLM activity in India.
Photo by Swasti

independently. Marginalized and vulnerable community members have the opportunity to influence the design and delivery of projects through regular reviews of CLM findings and proposing recommendations. CLM activities can be implemented as part of a larger project or a standalone activity. While CLM has many forms and names, the practice has recently been mandated by PEPFAR-funded programs and also adopted by many tuberculosis programs, and can be adapted for any type of USAID-funded initiative.

KEY RESOURCES:

[Guide to Distinguishing Tools](#), [CBLD-9](#) and [CBLD-11](#), [CLA for Evaluation Use](#), [Guide to Measuring Capacity-Development Interventions in the Health Sector in Developing Countries](#)

Principle 4: Align capacity strengthening with local priorities.

Missions have a number of strategic opportunities to incorporate more locally led development efforts, additional local partners, and targeted LCS across their health portfolios. At the project design phase, for example, the co-creation approach in particular brings people together to collectively produce a mutually valued outcome using a participatory process.

Find below suggestions and resources provided by the GH LCS Implementation Guide for developing localization strategies or similar planning documents to guide USAID’s country-driven approach to locally led development (LLD):

Strategy Document Description	Alignment to Local Priorities
<p>Country Development Cooperation Strategies (CDCS). The CDCS process is critical to LLD and LCS because it lays out a roadmap to ensure the Mission’s investments contribute to sustained positive health outcomes.</p>	<p>When done well, the stakeholder engagement process should encourage local ownership of mutual Mission’s priorities, elevating the incorporation of local voice. Understand how CDCS can support Principle 4 in reviewing the USAID/ Zambia 2019-2024 CDCS.</p>
<p>Health Implementation Plans (HIP), Malaria Operating Plans (MOP), PEPFAR Country Operational Plans (COP), and Tuberculosis Roadmaps. Through these health programmatic planning efforts, Missions can capture investments and engagement of local actors and capacity strengthening priorities.</p>	<p>In the OP Implementing Partner Mechanism Narratives, Missions should address if the prime or sub-partners are local partners and if capacity strengthening toward operational independence is part of the theory of change or a key aspect of the work plan. For G2G investments, there is a specific mechanism type that can be tagged to capture local capacity strengthening with governments (i.e., Implementing Mechanism Type: Host Government Managed). Missions should refer to GH guidance released on an annual basis for these planning processes to respond to questions about when and how they support local capacity strengthening priorities. See the linked MOP, COP, and TB Roadmaps.</p>
<p>Health Portfolio Localization Strategy. The purpose of this technical office strategy is to identify recommendations for the short, medium, and long term for improving health outcomes using a localization approach.</p>	<p>Missions are encouraged to intentionally and strategically apply a localization lens (local systems, LCS, and LLD) to their current portfolio, taking stock of previous and planned investments.</p>

PRINCIPLE 4 IN ACTION:

USAID/Mali facilitated a two-week co-creation workshop to design a health project that built on the contributions and perspectives of a range of stakeholders – funders, implementers, experts, partners, and target audiences for shared ownership, outcomes, and accountability. The top two successful applicants participated in consultation meetings with the USAID/Mali team to co-design the agenda, structure, and facilitation plan. USAID/Mali coordinated closely with the Malian Ministry of Health (MOH), USAID/Africa Regional Bureau, and USAID/West Africa Regional Mission, and over 160 representatives participated from youth, women’s and other civil society groups and associations; donors; and service providers and managers. From start to finish, the whole co-creation process took 5 weeks (2 weeks planning, 2 weeks for the workshop, and 1 week for the follow-up co-creation with the technical team). Overall, the co-creation workshop was an inclusive and collaborative process, with simultaneous interpretation in both Bambara and French, that incorporated feedback from across existing power structures into the eventual project.

KEY RESOURCES:

[CDCS Overview](#), [Institutional and Context Analysis - Guidance Note](#), [Effective Partnering and Procurement Reform Co-Creation Field Guide](#)

Principle 5: Appreciate and build on existing capacities.

USAID recognizes that there is extensive existing capacity among local actors including among local organizations. As GH seeks to partner more with diverse local organizations, we recognize that each organization has different experiences and expertise that can be leveraged. Furthermore, GH should support local organizations in their identified areas of priority, whether this be organizational or technical capacity strengthening. The GH LCS Implementation Guide describes best practices for designing health projects with clear LCS sustainable programming goals as either a component of or as the central outcome for USAID’s health program. Some tools for this work are outlined below:

Stakeholder mapping and analysis.

Stakeholder mapping takes an inventory of all actors working in the health sector while analysis can be done to understand these actors’ interactions and how they influence (positively, negatively, or not at all) health outcomes. Stakeholder mapping and analysis serves to better target USAID programming and identify entities that work with or serve disempowered or underserved populations which fosters more inclusive development. Any mapping should include sources and actors such as USAID centrally-funded organizations, organizations funded by other donors, private sector and venture philanthropy, foundations, or other types of funders active in the country to support health outcomes and localization. Once the local organizations have been identified, consider validation exercises with civil society, community- or faith-based groups, or government stakeholders, or launching listening tours with community-led groups in the local language to get a deeper understanding of needs.

Market research.

Market research can help identify local talent that may be able to contribute to the health outcomes the project or activity is trying to achieve. Local partner responses to USAID-published requests for information (RFIs), presolicitation or sources sought notices, or draft notice of funding opportunities (NOFOs) or scopes of work (SOWs) can help Global Health gain a deeper understanding of local partner capabilities while concurrently help to more clearly define programs.

PRINCIPLE 5 IN ACTION:

Survey-based [Request for Information \(RFI\) and/or Sources Sought Notice](#) can be a lower-barrier way for local organizations to identify themselves to USAID, providing information about their technical areas of expertise, geographic coverage, organizational characteristics, and relationships with other donors. The information gleaned from the results of an RFI can help with justifications for restricting eligibility (assistance) or competition (acquisition) later in the award process. For example, with its limited budget, USAID Sierra Leone reviewed the local market's ability to produce researchers capable of doing the work they wanted to fund, justifying restricting the competition for a Request for Proposals for desk research on local female genital mutilation practices and perspectives to a limited group of local researchers. Once identified, organizations can then be supported through varying LCS interventions to become more effective in achieving their goals.

KEY RESOURCES:

[Social Networking Analysis](#), [Collaboration Mapping](#), [Influence Network Maps](#), [Listening for Program Design](#), [Listening and Learning Toolkit](#), [Time to Listen: Hearing People on the Receiving End of International Aid](#)

Principle 6: Be mindful of and mitigate the unintended consequences of our support for local capacity strengthening.

Like other development interventions, capacity strengthening approaches can cause unintended harm. Paying attention to how power shapes decision-making and political or agenda setting can help us support partnerships that are based on mutual respect and trust and help balance power asymmetries through local capacity strengthening programming.

Local health organizations do not always have the same experience working with USAID as international organizations. The requirements and steps in the solicitation process and in activity implementation are often new to local organizations and this can be a challenge to working with USAID for the first time. There are many internal steps that can be taken during activity planning stages to help facilitate a more equitable process for local organizations once the solicitation is released. For example:

- When planning for participatory activities like co-creation, a key consideration is the **cost for participants** to attend and the cost to their organizations, particularly for smaller organizations, of having their staff called away from critical work. Virtual and half-day workshops are one way to keep the cost lower for organizations, and therefore can be more inclusive.
- USAID has a primary role in enabling the partner's successful management of an award. A key component of fulfilling this role is ensuring that a partner has the **funds available** to implement the activity throughout the life of the award. The structure and specific cost line items for local partners may vary substantially from those that USAID staff typically see when working with international partners. However, ensuring full cost recovery is critical to successful programming, sustainable development outcomes, and strengthening local capacity.
- Particularly in the case of assistance awards, it is important to remember that the **data collected belong to the local partner and the community** and that there may be sensitivities around evaluation and what information may be collected and shared. Consider using tools such as co-creation, limiting competition for monitoring, evaluation and learning (MEL) in contracts to local organizations (if USAID chooses to use an external evaluator); including MEL capacity strengthening investments for local partners; and/or requiring local partners are prioritized to lead evaluations.

PRINCIPLE 6 IN ACTION:

USAID Global Health programs acknowledge and seek to address the historical and inherent power dynamics at play. Global Health, through its [Inclusive Development guidance](#), recognizes that every person, regardless of their identity, is instrumental in the transformation of their own societies and their inclusion throughout the development process leads to better outcomes. As such, USAID adapts our perspectives, processes, and systems to support and learn from local organizations as we support local organizations' transitions to working directly with USAID.

KEY RESOURCES:

[Phased Acquisition Guidance](#), Use of “three month rolling advances” to support operating liquidity for local award startup via [ADS 636.3.3.1](#), Use of the [Birches Industry Standard](#) or the FSN Local Compensation Plans to confirm project/activity salaries are based on the local market, [Decolonize Data articles](#)

Principle 7: Practice mutuality with local partners.

Successful local capacity strengthening inherently involves working together to identify objectives, strengthen capacities, and measure change over time. To facilitate a positive partnership and therefore, effective local capacity strengthening, USAID and its partners should approach local capacity strengthening from a mindset of mutual respect and trust.

For example, when developing Government-to-Government (G2G) agreements, USAID and partner governments identify mutually agreed-upon objectives and implementation activities that can be delivered through national and sub-national systems and institutions and commit to advancing these objectives through mutual accountability plans. By going beyond traditional donor-grantee relationships, G2G partnerships support inclusive country ownership and strengthen public sector capacity to better deliver and sustain services that are responsive to the needs and aspirations of all citizens.

Practicing mutuality is an ongoing process and an attitude shift - one that unites all parties to the common objective of improving a local partner's ability to deliver on health outcomes. Global Health has been working to exemplify this through its annual Local Organization Meetings, the last of which took place in South Africa in 2022. The objectives of these meetings are two-fold: first to hear directly from partners on their successes and challenges implementing USAID health programming through technical panel and direct-feedback discussion; second, to strengthen relationships among attendees such as those between USAID-partners and partner-partner. Through these feedback sessions specifically, USAID gains a better understanding of the operational and technical challenges local partners face and can hear from partners on suggested solutions. Local partners likewise are given a sense of agency to have their voices heard and addressed. For example, following the feedback from the 2022 meeting, Global Health is planning on moving forward with more regionally-focused local organization meetings to better align with the needs of partners with similar language, cultural and geographic backgrounds.

PRINCIPLE 7 IN ACTION:

USAID's G2G agreement with Senegal stands out because of the long-term and multi-modal commitment USAID Senegal invested to ensure success. Over a three-year period, the Mission paired G2G agreements with capacity strengthening plans, a capacity strengthening mechanism, intense USAID Mission involvement, and funded regional verification committees. These efforts improved the Government of Senegal's capacity to manage and monitor health sector programs, and led to better health outcomes,

including increasing assisted births from 58 percent to 82 percent and decreasing malaria transmission in children under-five from six percent to less than one percent. USAID Senegal collaboratively adapted their implementation process to Senegal’s context, adapting the timelines for agreements to take into account local events that could affect implementation and management, such as the election cycle and seasonal flooding. To ensure further sustainability, USAID and partners jointly funded accountant positions at the central and regional levels to strengthen the Government of Senegal’s financial management capacity. At the provider level, USAID co-developed recruitment and training efforts, which successfully extended health service coverage into remote areas. Another way the Mission and the Government of Senegal practiced mutuality was through matching funds



Photo by Sam Phelps/RTI International

efforts, with the Government co-resourcing the agreements using local health budgets.

KEY RESOURCES:

[Guide for USAID Implementing Partners on Collecting Feedback from Development Program Participants, Listening to Local Voices, Accountability and Feedback Plans, Senegal Ministry of Health and Social Action G2G Case Study, 2022 Local Partner Meeting Resources](#)