



USAID
FROM THE AMERICAN PEOPLE

Locally Led Programs Indicator

October 2023

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A. OVERVIEW

This document provides the methodology for the Locally Led Programs indicator, a key metric on localization, to monitor the Agency’s progress in shifting leadership to local actors during priority setting, design, implementation, and measuring results of Agency programming.

B. BACKGROUND

In her November 2021 speech, “[A New Vision for Development](#),” Administrator Power reiterated USAID’s commitment to working more closely with local development actors by setting the goal that “by the end of the decade, 50 percent of our programming, at least half of every dollar we spend, will need to place local communities in the lead to either co-design a project, set priorities, drive implementation, or evaluate the impact of our programs.” To assess progress towards that target, USAID developed the Locally Led Programs indicator, informed by consultations with a range of stakeholders from more than 300 organizations across 48 countries, and spanning all sectors and geographic regions in which USAID works.

C. LOCALLY LED PROGRAMS INDICATOR

Definition: The **Locally Led Programs** indicator measures, in a given fiscal year, the percentage of USAID-funded activities in which local partners and/or local communities lead development efforts, including priority setting, design, partnership formation, implementation, and defining and measuring results.

Specifically, the Locally Led Programs indicator measures the percentage of USAID-funded development and humanitarian activities that are both active at any point in the fiscal year of reporting and demonstrate the use of at least two (2) good practice(s) in at least two (2) categories of good practices for local leadership in a given fiscal year.

A **good practice for local leadership** is one of a set of actions that may be taken by USAID and its implementing partners during priority setting, design, implementation, or monitoring and evaluation processes to advance one or more of the four categories listed in Table 1 below.

ADS 201 defines an **activity** as an implementing mechanism that carries out an intervention or set of interventions to advance identified development or humanitarian result(s). Activities include contracts, grants, or cooperative agreements with international or local organizations; direct agreements with partner governments, other USG agencies, or public international organizations; and partial credit guarantees that mobilize private capital, among other examples. Activities also include buy-ins under global awards (e.g., Field Support mechanisms) that generate programmatic results in a given country or region. For the purposes of this indicator, all activities count regardless of the type of implementing partner.

For the purposes of this indicator, Operating Expenses (OE) are not considered activities. This may include MEL Platforms, Personal Service Contracts, and other mission support contracts. See Table 1 below for further explanation of what counts under this indicator.

Table 1. Examples of Different Types of Mechanisms and Reporting Considerations

Type of Activity	Considerations for Reporting
Acquisition and Assistance Instruments with a single activity (Contracts, Cooperative Agreements, Grants)	Any Acquisition or Assistance activity regardless of implementing partner type should be considered so long as the activity carries out an intervention or set of interventions to advance identified development or humanitarian results.
Acquisition and Assistance Instruments with multiple activities (IDIQs, LWAs, etc.)	If the primary award - leader, IQC, BPA includes implementation of an intervention or set of interventions to advance identified development or humanitarian result(s), then the primary award may be considered as an individual activity under this indicator. Any additional awards associated with the primary award—Task Orders (TOs), Associate Awards, Purchase Orders, etc.—which carry out an intervention or set of interventions to advance identified development or humanitarian results should be considered as individual activities under this indicator.
Subawards	Subawards are not considered unique activities under this indicator. The prime award is the unit of reporting for this indicator. If a good practice is being implemented within a subaward, it is the prime award that should be counted as having used the practice.
Support Mechanisms	When support provided to an activity through a Support Mechanism such as MEL Platforms, Regional MEL Activities, Operational Support Activities, etc. results in the activity meeting the criteria for one or more of the good practices, the activity receiving the support should receive credit for the good practice, not the OE-funded award through which the support was delivered.

Data Type: Percentage

Data Source: Data on the Locally Led Programs indicator is generated from two types of data sources:

- 1) information in corporate systems, such USAID’s [Global Acquisition and Assistance System \(GLAAS\)](#); or
- 2) information provided directly by USAID Operating Units (OUs).

More detail is provided in the good practice guidance listed below.

Method of Indicator Construction

- *Numerator:* Total number of USAID-funded development and humanitarian activities that are both active at any point in the fiscal year of reporting and demonstrate the use of at least two (2) good practice(s) in at least two (2) categories of good practices for local leadership in a given fiscal year.
- *Denominator:* Total number of USAID-funded development and humanitarian activities active at any point in the fiscal year of reporting.

As noted above, Operating Expenses (OE) are not considered activities and would not be included in the denominator.

Table 2. Categories of Good Practices for Local Leadership and the Good Practices Themselves

Category	Practice	Definitions and Criteria
Direct Local Funding	1. Partnering directly with local or regional partners	Link
Creating Effective Local Partnerships	2. Co-creating with local or regional partners	Link
	3. Making descriptive, not prescriptive awards to local and/or regional partners	Link
	4. Helping local and regional partners achieve full cost recovery	Link
Recognizing, and Investing in Local Capacity	5. Using demand driven capacity strengthening approaches	Link
	6. Advancing local and regional actors’ readiness to work directly with USAID	Link
	7. Measuring programmatic success using locally defined measures	Link
	8. Making local subawards and subcontracts	Link
	9. Including the transition award process in prime assistance awards	Link
	10. Conducting evaluations with local evaluation experts	Link
Engaging Communities Directly	11. Conducting listening tours to inform activity design	Link
	12. Co-creating with stakeholders, including local communities	Link
	13. Institutionalizing feedback and accountability with local communities	Link
	14. Implementing participatory monitoring, evaluation and learning	Link

Indicator Disaggregation: Indicator will be disaggregated by Operating Unit (OU) (i.e., Washington Bureaus v. Missions/Field OUs), Standardized Program Structure and Definitions (SPSD) area, and by good practice.

Method of Data Collection and Construction: Data collection and construction for the indicator will be led by USAID/Washington [Bureau for Planning, Learning and Resource Management \(PLR\)](#) on an annual basis during the first quarter of each fiscal year. Data collection will be an agency-wide reporting exercise in which OUs submit data according to guidance provided by USAID/Washington prior to the launch of the agency-wide data collection exercise. USAID/Washington will use data submitted by OUs to construct the indicator.

For FY23, the first year of data collection, the Agency will report on a subset of activities instead of the complete Agency portfolio to support learning and adaptation before full institutionalization.

Table 3. Details of the Locally Led Programs Indicator Data Collection Plan and Process

Managing OU	PLR will oversee the rollout and data collection for the Locally Led Programs Indicator. Regional and Pillar Bureaus will contribute data on the relevant activities in their OYB.
Timeline	Data collection for the indicator will occur during the first quarter of 2024.
Participating OUs	All OUs are required to report on all relevant activities, as described in the PIRS, active in the reporting year PIRS. *NOTE: For 2023, PLR will lead a focused data-call with a limited number of OUs. PLR, in coordination with relevant Bureaus, will select Missions/OUs to report.
Data Collection Process	<ul style="list-style-type: none"> • <u>Annual Reporting Launch.</u> PLR will conduct an Agency-wide Reporting Launch in October, providing an overview of the indicator, data collection process, data collection tools, and timeline. • <u>Reporting Support.</u> PLR will conduct training, establish weekly office hours, and provide additional support sessions at the request of OUs. • <u>Data Collection.</u> OUs will complete data collection following user-guides, and using templates provided by PLR and submit to PLR through a Google form between October 1 and December 1, 2023. • <u>Data Review and Finalization.</u> PLR will review data submitted by OUs and work with OUs to resolve any data issues prior to using data for analysis.
Data Quality Assessment	PLR will conduct a Data Quality Assessment (DQA) of the indicator in accordance with ADS 201 requirements. PLR will provide detailed description and guidance on the DQA process as part of Annual Reporting Launch.

Each reporting Mission/OU will assign a POC to manage data collection and reporting across all activities. AOR/COR/Activity Managers will manage data collection for their corresponding activity(ies), with support from corresponding technical offices as identified in each good practice guidance sheet.

Known Data Limitations: Data for several local leadership good practices is generated through an assessment made by individuals in OUs knowledgeable of the activity. This methodology was selected in recognition of the great diversity and nuance in how an activity team uses practices to advance local leadership, avoiding a one-size fits all approach. To ensure confidence in data produced through this indicator, the following actions will be taken:

- PLR will conduct webinars, trainings, and other information sessions;
- PLR, supported by central bureaus, will provide direct technical assistance to teams during annual indicator data collection; and
- PLR will conduct DQAs in accordance with ADS201 policy requirements.

ANNEX 1. DEFINITION SHEETS FOR EACH OF THE 14 GOOD PRACTICES

1. Partnering Directly with Local or Regional Partners

Key Definitions

For the purposes of the Locally Led Programs indicator:

The good practice of **Partnering Directly with Local or Regional Partners** is defined as when an OU makes an award directly to a local or regional partner.

An award refers to a contract, cooperative agreement, or grant.

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance; and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, government entity, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance; and
- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

A **local or regional partner** may also be a **partner country government entity** engaged through a Partner Government implementing mechanism (government-to-government assistance, or G2G) as defined in ADS 220.3.5, using the Expanded Object Class Code (EOCC) 4100510 for FARA and CR Agreements and EOCC Code 4100700 for Sector Program Assistance and General Budget Support or Balance of Payments/Cash.

Inclusion Criteria

To be counted under this practice, **ALL** of the following inclusion criteria must be met:

- Prime awardee is a local or regional partner.
- The award is directly between USAID and the local or regional partner.

Exclusion Criteria

Activities which meet **ONE OR MORE** of the criteria below should not be counted under this practice:

- The prime is not a local or regional partner.
- The award is an inter-agency agreement.
- The award is a Personal Services Contract.

Information Sources

- Office of the AO/CO
- Award Document
- SAMs Registration System
- GLAAS

Estimated Time Required
5 min
Resources
<ul style="list-style-type: none">• Direct Local Funding PIRs• Direct Local Funding Guidance

2. Co-creating with Local or Regional Partners

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Co-creating with local or regional partners** is when USAID engages local or regional partners to jointly produce a mutually-valued outcome. It is transparent, time-limited, and organized. It can be used to address a specific problem, challenge, question, or to gain further insight on a topic of interest. Co-creation focuses on generating a specific outcome.

Co-creation, as defined in alignment with USAID/M/OAA/PDT, as an intentional design approach to foster innovative approaches to address a specific problem, challenge, question, or to gain further insight on a topic of interest through a participatory process whereby participants share power and decision-making. **Co-creation** can occur at any point in the program cycle.

One of co-creation's defining characteristics is power-sharing. However, sharing power may involve a spectrum of approaches. USAID may act as convenor, facilitator, one of the key resource stakeholders, simply an observer, or all four. Co-creation recognizes that having resources to bring to bear on a problem does not mean that our perspective on it carries any particular weight. In any co-creation, USAID will always have a role but recognize that the focus of this approach is not on USAID. The nature of USAID's role should be determined in accordance with the circumstances, the partners, and the problem, recognizing co-creation's focus on adding voices to the challenge of solving a problem.

For the purpose of this Indicator, **Co-creating with Local or Regional Partners** is distinct from the good practice **Co-creating with Communities** in that the participants of the co-creation process are or will be local or regional partners, not the local communities directly affected by the programming.

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons, including representatives of a government agency, that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance, and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, government entity, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance ; and
- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business:

A **local or regional partner** may also be a **partner country government entity** engaged through a Partner Government implementing mechanism (government-to-government assistance, or G2G) as defined in ADS 220.3.5, using the Expanded Object Class Code (EOCC) 4100510 for FARA and CR Agreements and EOCC Code 4100700 for Sector Program Assistance and General Budget Support or Balance of Payments/Cash.

Inclusion Criteria

Exclusion Criteria

<p>To be counted under this practice, the following inclusion criteria must be met:</p> <ul style="list-style-type: none"> ● The activity must, or explicitly plans to have engaged local or regional partners in co-creation of outcomes, approaches, and/or interventions which became reflected in activity design or implementation. ● The co-creation process must have incorporated a participatory method with local or regional partners that went beyond 'consultative' as described in the LLD Spectrum. ● There is evidence that participants shared power and decision-making in the co-creation process, such as demonstrated through planned co-creation activities shown in the agenda and project reporting. ● The co-creation process generated outcomes, approaches, or interventions reflected in activity design, and/or activity implementation, such as: <ul style="list-style-type: none"> ○ Outcomes and Interventions Defined in the Award ○ Indicators, targets, and Monitoring Approaches defined in the MEL Plan 	<p>Activities which meet one or more of the criteria below should not be counted under this practice:</p> <ul style="list-style-type: none"> ● The co-creation process implemented did not use participatory approaches, or used participatory approaches where local or regional partners did not have the ability to listen, understand, and share with one another. ● The co-creation process implemented processes that were by-and-large consultative, as described in the LLD Spectrum. ● The co-creation process did not facilitate shared power and/or decision making in the process
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● Progress reports ● Co-creation event / process SOW, facilitation guide, report, or other documentation that describes the co-creation process and outcomes 	
<p>Estimated Time Required</p>	
<p>5–20 minutes</p>	
<p>Resources</p>	
<ul style="list-style-type: none"> ● M/OAA/PDT CO-Creation and Co-Design Definitions ● Interactive Co-creation Toolkit ● M/OAA/PDT Website 	

3. Making Descriptive, Not Prescriptive Awards to Local or Regional Partners

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Making Descriptive, Not Prescriptive Awards to Local and Regional Partners**, is when an OU designs and oversees an award that is descriptive of desired outcomes, but not prescriptive of the interventions and management. The award allows local and regional partners to take the lead in proposing, implementing, adapting, monitoring, and evaluating locally generated solutions, and in implementation, continuing to have the ability to propose, plan, and perform (e.g., meet contract objectives or deliver programming, respectively) in accordance with award requirements.

Annual Program Statement (APS) is a type of notice of funding opportunity (NOFO) that is published annually and outlines global, regional, or country-specific funding priorities, strategic themes, development outcomes, and eligibility and application procedures for submitting a request for assistance funding. An APS, like any well-structured NOFO, allows the Agency to solicit funding for a wide range of programming, with a rolling deadline for applications, and for the Agency to make multiple awards.

Broad Agency Announcement (BAA) is a type of funding announcement that may allow for co-creation methods to solicit and develop proposals for research and development (R&D); resulting R&D awards can be contracts, cooperative agreements, or grants. Instead of providing a specific SOW, a BAA presents a problem statement or challenge and solicits innovative solutions.

Co-creation is defined as an intentional, time-bound approach—that can be pursued at any point in the Program Cycle—that centers on shared power and decision-making related to priority-setting, activity design, and ownership, and typically involves Agency staff, implementing partners, program participants, and/or local communities in a collaborative design process.

Performance Work Statement (PWS) is a contractor-prepared section of a proposal, typically in response to a Statement of Objectives (SOO), that outlines how the contractor will achieve and measure performance against high-level contract objectives. It reflects a performance-based approach that links proposed activities to measurable outcomes in lieu of requiring contractors to respond to more prescriptive, traditional SOWs.

Statement of Objectives (SOO) is an Agency prepared section of a solicitation that provides the high-level objectives of a contract opportunity. It allows for contractors to propose their own solutions and performance metrics to satisfy contract objectives, opening up the acquisition to a wider range of potential solutions than a more prescriptive, traditional SOW.

Quality Assurance Surveillance Plan (QASP) is a plan for assessing contractor performance. The QASP provides a means for evaluating whether the contractor is meeting the performance standards identified in the PWS.

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance; and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, government entity, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance; and

3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

Inclusion Criteria	Exclusion Criteria
<p>To be counted under this practice, ALL of the following inclusion criteria must be met (as applicable to the legal instrument):</p> <p>Acquisition</p> <ul style="list-style-type: none"> ● The award is to a local or regional partner. ● The solicitation (e.g., BAA, RFP, RFQ) outlines the Agency’s desired performance objectives and strategic themes or priorities, if applicable, but permits the offeror(s) to propose their own solutions and approach to achieving results coupled with clear performance metrics. ● The evaluation and award decision criteria focuses on the degree to which the proposal was innovative, implementable, and likely to meet contract objectives (vs. aligning with Agency prescribed approaches or activities). ● During implementation, the contractor continues to have the ability to propose, plan, and perform (e.g., meet contract objectives or deliver programming, respectively) in accordance with its award requirements. ● USAID supports the contractor in successful performance of its locally-driven award by engaging in accordance with, but not beyond, the award requirements. <p>Assistance</p> <ul style="list-style-type: none"> ● The award is to a local or regional partner; ● The NOFO (e.g., APS, BAA, or RFA) outlines the Agency’s desired development outcomes and/or its strategic themes or funding priorities but allows the local applicant(s) to propose their own activities, solutions, and programming approaches; ● During implementation, the recipient continues to have the ability to propose, plan, and perform (e.g., meet contract objectives or deliver programming, respectively) in accordance with its award requirements; ● The evaluation and award decision criteria focuses on the degree to which the application(s) was innovative, implementable, and likely to achieve impact (vs. aligning with Agency prescribed approaches or activities); ● USAID supports the recipient in successful performance of its locally-driven award by 	<p>Activities which meet ONE OR MORE of the criteria below should not be counted under this practice:</p> <ul style="list-style-type: none"> ● The contractor or recipient is a non-local partner. ● The solicitation/NOFO and subsequent award requirements are highly prescriptive of required activities or approaches not proposed by the offeror/applicant. ● During implementation: <ul style="list-style-type: none"> ○ USAID limits the contractor or recipient’s ability to propose, plan, and perform in accordance with its award requirements; <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> ○ USAID requires engagement with or provides direction in excess of what was agreed to and captured in the award. <p><i>Examples</i></p> <ul style="list-style-type: none"> ● The Agency puts out a solicitation that prescribes activities and requires applicants to describe in the application how they will perform such activities. ● During the performance of a fixed amount award (issued as a grant, not as a cooperative agreement), Agency staff have substantial involvement in and influence decision-making related to work planning.

<p>engaging in accordance with, but not beyond, the award requirements.</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> ● Use of an SOO descriptive of high-level objectives in lieu of a traditional SOW that outlines the technical components and/or prescribed activities. ● Use of a PWS to define an activity in terms of results/outcomes that USG can monitor and evaluate progress using a Quality Assurance Surveillance Plan (QASP) ● Use of an APS to make multiple awards, on a rolling basis, to a variety of organizations with programming that varies in size, scope, and duration but collectively supports a key development priority per the CDCS. ● Use of a BAA to engage a broad range of stakeholders when targeted R&D is desirable but specific, discrete deliverables or development outcomes are hard to define. 	
<p>Additional Guidance to OUs/Missions in Assessing this Practice</p>	
<p>There are multiple ways to structure acquisitions so that they support locally led development and encourage innovative and impactful development. Taking a step back and focusing on the highest-level objectives for a procurement, then selecting a solicitation and proposal format that allows for local offerors to use their in-depth knowledge and expertise to generate effective solutions is likely to be more effective than assuming USAID “knows better.” Consider whether using an SOO and soliciting a PWS can yield higher quality proposals and result in more cost-effective achievement of development goals than a traditional RFP.</p> <p>Below are some guiding questions for the AOR/COR to consider when assessing this practice.</p> <ul style="list-style-type: none"> ● Does the solicitation make it clear that offerors/applicants should propose their own approaches and solutions? ● Does the award include descriptions of outcomes and results, but not interventions? ● Does the award include language that indicates contractors/recipients have the authority to identify, propose, implement, monitor, and evaluate their own locally led solutions? ● To what extent has the contractor/recipient been enabled to implement interventions and use approaches which they propose? <p>If there’s evidence that the award itself, and the oversight of the award by USAID CO/AO and COR/AOR has enabled the contractor/recipient to propose, implement, adapt, monitor and evaluate locally generated solutions, then the activity can qualify for having used the practice.</p>	
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● OAA, CO/AO ● Activity Solicitation ● Activity Proposal/Application ● Award 	

Estimated Time Required
30 minutes
Resources
<ul style="list-style-type: none">• Furthering Localization through Instrument Selection

4. Helping Local or Regional Partners Achieve Full Cost Recovery

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Helping Local or Regional Partners Achieve Full Cost Recovery** is when USAID works with a local or regional partner during the pre-award process to ensure full cost recovery is reflected in a direct award to a local or regional partner (regardless of instrument).

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance; and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, government entity, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance; and
- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

A **local or regional partner** may also be a **partner country government entity** engaged through a Partner Government implementing mechanism (government-to-government assistance, or G2G) as defined in ADS 220.3.5, using the Expanded Object Class Code (EOCC) 4100510 for FARA and CR Agreements and EOCC Code 4100700 for Sector Program Assistance and General Budget Support or Balance of Payments/Cash.

Final proposal/application budget means the final detailed budget and supporting documentation agreed upon between the CO/AO and the local partner referenced in the signed contract, cooperative agreement, or grant.

Full cost recovery means a local partner (contractor or recipient) is able to recover all allowable costs associated with delivering on a contract or implementing a program funded by USAID. This may include both direct and indirect (also referred to as overhead or administrative) costs, if applicable. Full cost recovery does not include any profit/fee which is negotiated separately under contracts.

Full cost recovery option means the specific approach to budgeting and reimbursement of all allowable costs in a specific award. Options include:

Acquisition & Assistance Instruments

- *Direct cost allocation* – pricing methodology used with cost-reimbursement instruments that allows for all direct costs and an allocable proportion of indirect costs to be budgeted and recovered; the basis for allocating indirect costs must be clearly defined, reasonable, and captured in the final proposal/application budget. Once established, the methodology must be consistently applied throughout the period of performance.
- *Negotiated Indirect Cost Rate Agreement (NICRA)* – pricing methodology used with cost-reimbursement instruments that allows for full cost recovery via a formal indirect rate agreement; NICRAs require regular audits, advanced financial management capacity, and substantial upfront and ongoing effort by the Agency and the implementing partner to negotiate, update, and maintain in compliance with applicable federal regulations.

Acquisition Only

- *Firm fixed price (FFP)* – contract that allows for fixed payments against defined milestones (e.g.,

deliverables, outputs, or outcomes); direct and indirect costs are estimated upfront and built into milestone-based payments. One alternative is a fixed price contract with an economic price adjustment (EPA), which allows for changes in the price, either positive or negative, under certain circumstances or market fluctuations.

- *Time and Materials (T&M)* – contract that allows for fixed, fully burdened labor rates and the reimbursement of other direct material costs; indirect costs are built into the labor rates. (See FAR 16.601)
- *Commercial* – contract that may employ either FFP or T&M pricing based on catalog or market prices (see definitions in FAR part 2) for the acquisition of commercial products or services. Commercial contracts follow streamlined contracting procedures (see FAR parts 12 and 13) and Cost Accounting Standards (CAS) do not apply to commercial FFP contracts.

Assistance Only

- *Fixed amount award* – cooperative agreement or grant that allows for fixed payments against defined milestones (e.g., deliverables, outputs, or outcomes); direct and indirect costs are estimated upfront and built into milestone-based payments.
- *De minimis rate* – pricing methodology used with cost-reimbursement awards that allows the recipient to recover indirect costs via the use of the de minimis rate (as defined in 2 CFR 200.414(f)); this rate is applied to modified total direct costs, does not require supporting documentation, and is not subject to audit.
- *Negotiated fixed amount for indirect costs* – pricing methodology used with cost-reimbursement awards that allows the recipient to propose a fixed amount for estimated indirect costs (see ADS 303mab, RAA4); can only be used by recipients that have never negotiated a NICRA and have elected not to use the de minimis rate. The basis for the estimated fixed amount must be clearly defined, reasonable, and captured as part of the final award budget. Once established, the fixed amount is generally not subject to adjustment and costs included in the estimated fixed amount cannot be subsequently included separately as direct costs.

Inclusion Criteria	Exclusion Criteria
<p>To be counted under this practice, ALL of the following inclusion criteria must be met:</p> <ul style="list-style-type: none"> ● The contractor or recipient is a local or regional partner. ● The pre-award process, final proposal/application, and final award reflect good faith efforts by the CO/AO to incorporate the recovery of all reasonable, allocable, and allowable costs (whether requested by the partner or identified by the CO/AO) via one of the full cost recovery options itemized in this guidance. ● The contractor or recipient invoices or requests for payments during implementation in accordance with the full cost recovery option approved in the final award. ● USAID makes payments during implementation in accordance with the full cost recovery option approved in the final award. <p><i>Examples</i></p> <ul style="list-style-type: none"> ● <i>Pre-award process</i> – solicitation identifies and directs offerors/applicants to budget using a full cost recovery option appropriate to the 	<p>Activities which meet ONE OR MORE of the criteria below should not be counted under this practice:</p> <ul style="list-style-type: none"> ● The contractor or recipient is a non-local partner. ● The pre-award process, final proposal/application, and final award do not reflect: <ul style="list-style-type: none"> ○ one of the full cost recovery options itemized in this guidance; <p>OR</p> <ul style="list-style-type: none"> ○ good faith effort by the CO/AO to support recovery of all reasonable, allocable, and allowable costs (whether requested by the partner or identified by the CO/AO). <ul style="list-style-type: none"> ● Payments are not made in accordance with the full cost recovery option approved in the final award because: <ul style="list-style-type: none"> ○ the contractor or recipient does not invoice or request payments during implementation in accordance with the full

<p>activity and award type; negotiation memoranda/discussions documentation capture efforts to achieve full cost recovery, such as requests for clarification or adjustments to proposals/applications; etc.</p> <ul style="list-style-type: none"> ● <i>Final proposal/application</i> – includes detailed budget and accompanying narrative and/or documentation to explain and support the selected full cost recovery option (e.g., fixed amount/fixed price payment schedule and supporting milestone-based payment(s), build-up calculations, and/or evidence of market or catalog pricing; direct cost allocation methodology description and supporting calculations; negotiated fixed amount for indirect costs methodology description and supporting calculations; current NICRA, etc.). ● <i>Final contract, cooperative agreement, or grant</i> – explicitly includes indirect cost line item(s), the de minimis rate, or current NICRA rates and ceilings, if applicable (cost-reimbursement awards only). 	<p>cost recovery option approved in the final award;</p> <p>OR</p> <ul style="list-style-type: none"> ○ USAID does not make payments during implementation in accordance with the full cost recovery option approved in the final award. <p><i>Examples</i></p> <ul style="list-style-type: none"> ● <i>Pre-award process</i> – solicitation does not identify or direct offerors/applicants to budget using a full cost recovery option appropriate to the activity and award type; negotiation memoranda/discussions documentation do not capture any efforts to request adjustments to proposals/applications to reflect full cost recovery; competitive range/negotiation discussions/documentation demonstrate excessive focus on cost-cutting, etc. ● <i>Final proposal/application</i> – neither detailed budget nor accompanying narrative and/or documentation explain or support the use of a full cost recovery option. ● <i>Final contract, cooperative agreement, or grant</i> – does not explicitly include any indirect cost line item(s), the de minimis rate, or current NICRA rates and ceilings, if any (cost-reimbursement awards only).
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Notes

Under the Paperwork Reduction Act, USAID must receive approval from the Office of Management and Budget (OMB) for an information collection that surveys contractors and recipients regarding (1) whether or not they consider their contracts, cooperative agreements, or grants to reflect full cost recovery at time of award, or (2) whether they are achieving cost recovery during implementation when invoicing or otherwise receiving payments in accordance with their award terms. Additionally, inquiries regarding the actual profit/loss related to fixed amount/fixed price awards are inappropriate/immaterial as payments are not linked to costs incurred. *Individuals responsible for reporting against this best practice must refrain from requesting or requiring contractors or recipients to provide direct feedback.*

Additionally, most internal efforts and/or documentation that demonstrates efforts to support full cost recovery are not captured in or easily pulled from an existing Agency system (e.g., ASIST). This means that responsible individuals tasked with evaluating any award against this best practice will have to evaluate information pulled from potentially multiple sources, both Agency staff and documents. The determination as to whether an award meets the criteria for this best practice is ultimately subjective, based on the best judgment of the responsible individual upon considering all available information.

Information Sources

- Award documentation (e.g., Neg Memo/cost review documentation, final proposal/application budget, etc.)

Estimated Time Required

Between 30 minutes and 2 hours

Resources:

- [USAID's Indirect Cost Recovery Guide](#)

5. Using Demand Driven Capacity Strengthening Approaches

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Using Demand Driven Capacity Strengthening Approaches** is when a USAID funded activity provides demand driven capacity strengthening support as defined by USAID's Local Capacity Strengthening Policy to one or more local or regional partner(s) and/or local actor(s).

Demand driven capacity strengthening approach is one whereby decisions about:

- which capacities to strengthen;
- which methods can be most effective; and
- what performance improvement targets will be set.

Are grounded in the aspirations, goals, and needs that have been communicated by and mutually agreed upon with local actors or partners (individuals, organizations, and/or networks).

Capacity encompasses the knowledge, skills, and motivations, as well as the relationships, that enable an actor—an individual, an organization, or a network—to take action to design and implement solutions to local development challenges, to learn and adapt from that action, and to innovate and transform over time.

Local Capacity Strengthening (LCS) as defined in USAID's [Local Capacity Strengthening Policy](#) is a strategic and intentional investment in the process of partnering with local actors—individuals, organizations, and networks—to jointly improve the performance of a local system to produce locally valued and sustainable development and humanitarian outcomes.

A **local actor** is defined as individuals, organizations, and networks that originate from and are led by people within a given country or region, inclusive of government at national and sub-national levels.

A **local partner** is defined as an individual, a corporation, a nonprofit organization, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of the same country where it is providing USAID assistance; and
- 3) has its principal place of business or operations in the same country where it is providing USAID assistance.

A **regional partner** is defined as an individual, a corporation, a nonprofit organization, government entity, or another body of persons that:

- 1) is in an acquisition or assistance partnership with USAID;
- 2) is legally organized under the laws of, and has as its principal place of business in a country which is part of the same region as a country(ies) it is providing assistance; and
- 3) is providing assistance in one or more countries in the same region where it is legally organized and has its principal place of business.

A **local or regional partner** may also be a **partner country government entity** engaged through a Partner Government implementing mechanism as defined in ADS 220.3.5, using the Expanded Object Class Code (EOCC) 4100510 for FARA and CR Agreements and EOCC Code 4100700 for Sector Program Assistance and General Budget Support or Balance of Payments/Cash.

Performance refers to the extent to which an actor is able to achieve its intended outcomes effectively and consistently. It is the key consideration in determining whether capacity has been changed.

<p>Performance improvement is a programmatic approach that refers to a deliberate process undertaken to improve an actor’s realization of their goals.</p>	
<p>Inclusion Criteria</p>	<p>Exclusion Criteria</p>
<p>To be counted under this practice, ALL of the following inclusion criteria must be met:</p> <ul style="list-style-type: none"> ● Activity must have implemented, or plans to implement, interventions that support demand-driven capacity strengthening to a local actor(s)/local partner(s) that supports a deliberate process undertaken to improve an actor’s realization of their goals. ● Activity MEL Plan must include: <ul style="list-style-type: none"> ○ F indicator CBLD-9 if activity is strengthening the capacity of organizations; and/or ○ An indicator that the individual or network performance priorities were identified with local actor input, if the activity is strengthening the capacity of networks or individuals. (Refer to CBLD-9 PIRS point b,i-iv.) ● Activity theory of change, award documents, work plan, capacity strengthening plan, or other relevant documentation must reflect that resources (human, financial, and/or other) were intentionally allocated for capacity strengthening at the individual, organizational, or network level. <p><i>Examples</i></p> <ul style="list-style-type: none"> ● A local municipality requests support strengthening its health information system. ● A local partner implementing a basic needs programming activity expresses a desire to expand into livelihood programming. ● An informal network of activists is looking for support with drafting an advocacy strategy to focus messaging. ● During community engagement, there is a call for better disaster risk planning by supporting the professionalization of community first responders 	<p>Activities which meet ONE OR MORE of the criteria below should not be counted under this practice:</p> <ul style="list-style-type: none"> ● Activities that do not meet the inclusion criteria. ● Activities that meet one but not both inclusion criteria. <p><i>Examples</i></p> <ul style="list-style-type: none"> ● Capacity strengthening support is solely initiated as a result of Non-U.S. Pre-award Survey (NUPAS) findings, a G2G risk assessment, or USG-led risk-based tool or process. ● Capacity strengthening support focused solely on understanding donor-specific requirements, such as U.S. government rules/regulations or USAID-specific requirements. ● Donor or implementing partner imposed capacity strengthening as a requisite for engaging in implementation activities. ● Training that is not linked to capacity strengthening objectives.
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● Award Document ● Annual Work Plan 	

- MEL Plan

Estimated Time Required

5 minutes

Resources

- [Local Capacity Strengthening Policy](#)
- [Guide for Missions implementing the Local Capacity Strengthening Policy](#)
- [Guide for Distinguishing Tools Used for Local Capacity Strengthening](#)
- [CBLD-9 Indicator Resource Page](#)
- Locally Led Development Initiatives (LLDI) – Team
- New Partnerships Initiative – Team
- Cross-Bureau Local Capacity Strengthening Policy Implementation team
- Cross-Bureau CBLD-9 Working Group

6. Advancing Local Actors' Readiness to Work Directly with USAID

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Advancing Local and Regional Actors' Readiness to Work Directly with USAID** is defined as structured assistance delivered through an activity to help a current or prospective local partner or sub-awardees:

- understand how to apply for funding to work with USAID;
- understand USAID and US Government rules and regulations and award management requirements (either pre- or post-award activities); and
- comply with USAID and U.S. government rules and regulations and (either pre- or post-award activities).

Structured assistance is defined as work performed as part of activity implementation and which was indicated in award documents or work plans and has associated deliverables.

A local actor is defined as individuals, organizations, governments, and networks that originate from and are led by people within a given country or region, inclusive of government at national and sub-national levels.

Inclusion Criteria

To be counted under this practice, **ALL** of the following inclusion criteria must be met:

- Intended recipient of the support must be a local or regional actor.
- Support must qualify as 'Support to work directly with USAID' as defined above for this practice
- Support is 'structured' as per the indicator definition, in that it is clearly indicated and included in work plans, even if not yet implemented.
- Support is as a result of Non-U.S. Pre-award Survey (NUPAS) findings, a G2G risk assessment, USG-led risk-based tool or process or another USG-led capability assessment.
- Support is from USAID staff, activity staff, or contracted actor.

Examples

- Support to financial staff in a local actor to develop an indirect cost policy and consistent cost accounting system the work plan indicated the need and series of engagements that would support a sub-national government agency to improve understanding of USAID Monitoring, Evaluation and Learning (MEL) Requirements

Exclusion Criteria

Activities which meet **ONE OR MORE** of the criteria below should not be counted under this practice:

- Support to an actor that is not a local or regional actor (for example, support to U.S. or international actors/partners would not count).
- Support not directly intended to assist a local or regional actor understand and/or comply with USAID award eligibility and award management requirements (for example, capacity support for a local actor/partners to develop a strategic plan would not count).
- Support not 'structured' as per the indicator definition (for example, inviting local actor to an industry day, pre-award conference, or RFI event, would not count).
- Support not from USAID staff, activity Staff, or contracted actor (for example, directing a local actor to online trainings would not count).

<p>and to develop activity MEL Plans</p> <ul style="list-style-type: none"> ● USAID Mission staff worked with a local actor to revise company policies identified as potential risks during a Non-US Pre-Award Survey (NUPAS) 	
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● FM, CFO and/or AO/CO risk or capability assessment tool or process findings ● Award document or work plan 	
<p>Estimated Time Required</p>	
<p>15 minutes</p>	
<p>Resources</p>	
<ul style="list-style-type: none"> ● Guide to Distinguishing Tools Used for Local Capacity Strengthening ● Acquisition & Assistance (A&A) Instruments & Localization Guide ● Midpoint Reflections on USAID HIV Local Partner Transition Efforts 	

7. Measuring Programmatic Success Using Locally Defined Measures

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Measuring Programmatic Success using Locally Defined Measures** is when USAID, and/or the activity prime implementing partner engage local actors who are directly affected by the programming in articulating locally valued programmatic results, selecting, adapting, and/or developing new indicators which measure locally valued programmatic results, in the Activity MEL Plan.

A locally led monitoring indicator is an indicator that was developed by or with local actors which measures locally valued programmatic results.

Local Actor is defined as individuals, organizations, and networks that originate from and are led by people within a given country or region, inclusive of government at national and sub-national levels.

Inclusion Criteria

To be counted under this practice, **AT LEAST ONE** of the following inclusion criteria must be met:

Activity MEL Plan must include **AT LEAST ONE**:

- One or more custom indicators that measure locally valued programmatic results **AND** were developed with local actors who are directly affected by the programming.
- One or more standard F Indicators **selected by local actors** that measure locally valued programmatic results.

Examples

- An implementing partner convenes community members to develop a new, custom indicator to monitor changes in social cohesion in the community.
- An implementing partner engages local entrepreneurs in developing a set of indicators to monitor resilience of businesses – one of the results in the Activity TOC developed with the entrepreneurs. One of the indicators is an F indicator, but it did not quite fit the entrepreneurs' vision. The IP works with the entrepreneurs to customize the F indicator to align with their vision for what the indicator should capture.
- An implementing partner identifies and chooses to report on an existing Standard

Exclusion Criteria

Activities which meet **ONE OR MORE** of the criteria below should not be counted under this practice:

- The MEL plan does not include indicators selected by or developed in collaboration with local actors affected by the programming.
- The MEL plan includes indicators developed in collaboration with local actors, but they measure success based on results defined by non-local actors (e.g. USAID).

Examples

- One or more custom indicators in the MEL Plan is from a national development strategy which may have been developed in collaboration with local actors, but not by the specific USAID activity.
- One or more custom indicators in the MEL Plan were developed by a different USAID activity, that measures programmatic success based on results defined by those local actors directly affected by the programming.
- One or more indicators developed by a predecessor activity (not the current activity) working with the same local actors as the current activity that measures programmatic success based on results defined by the local actors directly affected by the programming.

<p>Framework indicator that measures programmatic success based on results defined by the local actors who are directly affected by the programming. USAID has not requested or required the implementing partner report on this indicator.</p>	
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● MEL Specialist that worked with implementing partners on the MEL plan ● Activity monitoring, evaluation and learning plan 	
<p>Estimated Time Required</p>	
<p>15 minutes</p>	
<p>Resources</p>	
<p></p>	

8. Making Local Subawards and Subcontracts

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Making Local Subawards and Subcontracts** captures activities in which a significant element of the award's programmatic design and/or management approach includes subawarding to a local subrecipient, or subcontracting to a local subcontractor.

Subaward is defined in 2 CFR 200.92 as an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program award or subaward.

Subrecipient is defined as an entity that receives a subaward from a recipient to carry out part of a Federal award; this does not include an individual that is a beneficiary of such award.

Subcontract is defined as any agreement (other than one involving an employer employee relationship) entered into by a Federal Government prime contractor involving supplies or services required for performance of a contract.

For the purposes of this indicator, a **Local Subrecipient** and a **Local Subcontractor** is defined as an entity (individual, organization, network, or government) that is led by people within a given country or region, is legally organized under local laws, and that meets the definition of Subrecipient or Subcontractor.

Major subcontractor is defined as one whose proposed cost exceeds 20% of the prime's total proposed cost.

Inclusion Criteria

To be counted under this practice, **AT LEAST ONE** of the following inclusion criteria must be met:

Assistance

- The Activity Monitoring, Evaluation, and Learning Plan (AMELP) tracks the value of subawards to local subrecipients as a percent of total subawards. The AMELP must include a target of 50% or more local subawards.
- The final application and/or budget reflects the expectation of subawarding at least 50% of the total subawards to local subrecipients.

Acquisition

- At least one major subcontractor is a local subcontractor.
- The AMELP tracks funding to local subrecipients as a percent of total subaward and subcontracting. The AMELP must include a target of subawarding or subcontracting at least 50% of total subaward/subcontracted amounts to a local subcontractor.

Exclusion Criteria

Activities which meet **ONE OR MORE** of the criteria below should not be counted under this practice:

- There are subawards or subcontracts to local recipients, but which are not tracked in the AMELP or otherwise established in the proposal/award documentation.
- The total funding (subawards/ subcontracts) in the final proposal and/or budget that is directed to local subrecipients/subcontractors is less than 50 percent of total subawards/ subcontracts.
- The local subcontractor does not meet the definition of a major subcontractor.

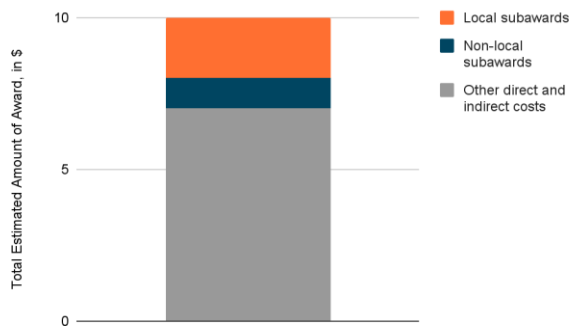
- The final proposal and/or budget reflects the expectation of subawarding or subcontracting at least 50% of total subcontracted/subawarded amounts to a local subcontractor.

Example

- The total estimated amount of a cooperative agreement is \$10 million. In the award budget, \$7 million is allocated to the prime recipient. In the application budget (or associated notes) the recipient anticipates subawarding an estimated \$1 million to non-local organizations and an estimated \$2 million to local partners (see chart below). With more than half the anticipated subawards going to local partners (\$2 M of a total \$3 M in subawards), the award qualifies for this good practice.

This award fulfills the good practice

Of the \$3 in subawards, more than half go to local organizations.



Notes

Making—and maximizing—subawards to local partners is a key way that USAID supports local organizations performing important development work. In developing the measurement approach for this good practice, a limiting factor was the lack of a systematic and comprehensive method for tracking passthroughs across the Agency. Requesting this information from USAID contractors and recipients could require undertaking Paperwork Reduction Act processes, which would further delay data collection on the indicator. The AMELP and award documentation provide a reasonable proxy for identifying activities’ intention to maximize subawards.

Moreover, there is an opportunity to leverage the AMELP in particular to define the programmatic rationale as one that transmits a significant portion of the activities resources to local entities. It creates a programmatic opportunity for the AOR/COR to track progress toward a targeted amount of subawards.

Information Sources

- Activity Monitoring, Evaluation, and Learning Plan (AMELP)
- Award

- Application budget/final proposal
- Consent to subcontract, if applicable
- ASIST

Time Required

15 min

Resources

- [Advancing Equitable Partnerships: Subawards](#)

9. Including the Transition Award Process in Prime Assistance Awards

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Including the transition award process in prime assistance awards** helps USAID leverage transition awards to increase local engagement, foster and strengthen local sustainability, and enhance the quality of the Agency’s relationship with local partners. The transition award process, outlined in ADS 303mbb, is designed to assist local subrecipients to enhance their capabilities and become more capable of receiving direct assistance awards from USAID.

A transition award is an assistance award to a local entity or locally established partner (collectively referred to as local subrecipients) that is or has been a subrecipient under a USAID assistance award. A transition award can only be made when the following conditions have been met:

- The recipient of the transition award is a local subrecipient that has not previously received a direct award from USAID;
- The initial award required the recipient to develop the capacity of the local subrecipient(s) to become more capable of receiving a direct award from USAID or other donors; and
- The initial award recipient recommended the local subrecipient for a potential transition award based on explicit criteria contained in the initial award.

After the local subrecipient is recommended for a potential transition award to USAID, the Agreement Officer (AO), in consultation with the Planner or Agreement Officer’s Representative (AOR), may make a new, separate assistance award (the “transition award”) only if USAID has a new programmatic need and available funds.

*Note a transition award is NOT transferring or switching work, or an award, from a prime recipient to a local partner, who was previously a subrecipient under the assistance award. It is instead the result of an intentional process as laid out in [ADS 303mbb, Process for Transition Awards](#). This process is an activity design consideration, meaning that it is first addressed during activity design and then is included in the solicitation and the resulting assistance award.

Inclusion Criteria

To be counted under this practice, **ALL** of the following inclusion criteria must be met:

- The prime assistance award to a recipient includes the transition award process highlighted in [ADS 303mbb](#).

Example

- A new cooperative agreement is made to an organization for a distinct, sector-specific activity and also requires the recipient to strengthen the capacity of the local subrecipient(s) to become more capable of receiving a direct award from USAID. This award also includes criteria that local subrecipient(s) must satisfy before the

Exclusion Criteria

Activities which meet **ONE OR MORE** of the criteria below should not be counted under this practice:

- Award is not a federal financial assistance award.
- Award is a federal financial assistance award, but does not include the mandatory transition award process outlined in [ADS Mandatory Reference 303mbb - Process for Transition Awards](#).
- Subawards or new assistance awards that are a result of the transition award practice.

<p>recipient can recommend the local subrecipient to USAID for consideration as a possible, future direct recipient.</p>	
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● Offices - OAA, either the AO or Agreement Specialist ● Documentation - Prime award filed in ASIST 	
<p>Estimated Time Required</p>	
<p>15 minutes</p>	
<p>Resources</p>	
<ul style="list-style-type: none"> ● ADS 303mbb, Process for Transition Awards 	

10. Conducting Evaluations with Local Evaluation Experts

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Conducting Evaluations with Local Evaluation Experts** is when USAID and/or a USAID contracted entity intentionally fills one or more positions on the Core Evaluation team of a Performance or Impact Evaluation inclusive of the types identified in ADS 201.3.6.4 with Local Evaluation Experts.

Local Evaluation Expert is defined as an individual who is a permanent resident in the country or region in which programming is implemented and that has knowledge and/or experience with:

- design and implementation of evaluations within the context of the specific country in which the programming is implemented;
- the participant groups, stakeholder groups, and/or other contextual factors relevant to the activity programming and evaluation; and/or
- fluency in one or more local languages relevant to the evaluation locations.

Core Evaluation Team is defined as the Evaluation Lead / Principal Investigator, Lead Technical Specialist, or similar roles that include substantial oversight over evaluation design, analysis, and reporting. Enumerators, translators, and/or data collectors that do not have substantial oversight over evaluation design, analysis and reporting are not considered members of the core evaluation team.

Inclusion Criteria

To be counted under this practice, **ONE** of the following inclusion criteria must be met:

- An independent third-party entity, including an individual and/or organization, carried out work during or before the reporting year under a formal agreement with USAID, as part of a performance or impact evaluation inclusive of the types identified in ADS 201.3.6.4. (such as baseline assessments, mid-term, developmental, and other evaluations) for which at least one member of the core evaluation team of the independent third party meets the criteria of a Local Evaluation Expert as defined for this practice.
- There is an approved SOW for a performance or impact evaluation inclusive of the types identified in ADS 201.3.6.4 which includes the requirement that one more position in the Core Evaluation Team be filled with Local Experts.

Exclusion Criteria

Activities which meet **ONE OR MORE** of the criteria below should not be counted under this practice:

- The activity did not employ any local evaluators on the evaluation team.
- The activity only employed local staff in roles on the evaluation team where they did not oversee the management, design, and implementation of the evaluation, such as data collection, enumeration, and translation.
- There is an approved SOW for a performance or impact evaluation inclusive of the types identified in ADS 201.3.6.4 which does not include the requirement that one or more positions of the Core Evaluation Team be filled with Local Experts.

Examples

- A US based university is contracted to conduct a performance evaluation of an activity in East Tambour. The university's evaluation team consists of all American evaluation and subject matter experts that have studied and traveled to the activity implementation region where the evaluation will be conducted. The university

<p><i>Examples</i></p> <ul style="list-style-type: none"> ● A Mission has recently finalized a contract with a US based university to conduct a performance evaluation of an activity in East Tambour. The proposed, and approved evaluation team is composed of a US-based Evaluation Team Lead, and two Evaluation Specialists who are citizens and residents of East Tambour. ● A developmental evaluation is being conducted in Floriana by a US-based contractor, and the embedded evaluator hired by the contractor is a citizen of Floriana. 	<p>works with a local company that hires enumerators to administer a household survey of participants in the activity implementation region.</p>
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● COR/AOR of evaluation award with knowledge of the core evaluation team members ● Approved Evaluation SOW 	
<p>Estimated Time Required</p>	
<p>15 minutes</p>	
<p>Resources</p>	

11. Conducting Listening Tours to Inform Activity Design

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Conducting Listening Tours to Inform Activity Design** is when USAID, either directly, or through contracted implementer conducts a listening tour, as defined below, with one or more communities as part of the design phase for a new activity. A listening tour is often, but not always an element of co-creation with local communities (see co-creating with local communities practice).

For the purpose of this Indicator, **Conducting Listening Tours to Inform Activity Design** is distinct from the good practice **Co-creating with Communities** in that:

- The listening tour must occur as a part of the activity design phase.

A listening tour is defined, in alignment with USAID Local Systems Policy, as an intentional, deliberative, and considerate process in which development practitioners and local people come together to discuss a common theme or question. Listening tours:

- are structured processes;
- use methods and tools of qualitative research;
- are less formal data gathering or research, more mutual-scoping and sensemaking exercises;
- prioritize voices of participants;
- generate two-way communication;
- generate an open-ended conversation where the person(s) being listened to can take the conversation in different directions, and where they want to prioritize;
- facilitate transfer of information between one or more participating parties; and
- lend to building relationships between the program donor and/or implementer and individuals affected by that programming.

Inclusion Criteria

To be counted under this practice, **ALL of the** following inclusion criteria must be met:

- A listening tour was conducted **before** the award was made during the activity design phase.
- One or more USAID staff persons from the activity design team participated in the listening tour.
- Individual(s) listen to communities and stakeholders in their own context or in a neutral, third location that creates a safe space for effective two-way communication.
- Listening session(s) were intentionally designed to generate two-way communication and open-ended conversation.

Examples

Exclusion Criteria

Activities which meet **ONE OR MORE** of the criteria below should not be counted under this practice:

- A listening tour was not conducted.
- A listening tour was conducted **after** the award was made, such as during the inception or monitoring phases.
- A listening tour was conducted before the award was made, during the activity design phase, but no members of the activity design team participated;
- Community members and stakeholders are invited to the USAID Mission or IP's offices to share their insights.
- The activity design team conducted research to generate information to inform activity design, not to catalyze and facilitate two-way communication, open-ended conversation, mutual scoping, sensemaking, or build

<ul style="list-style-type: none"> • A Mission hires a partner to support the research and design of a forthcoming activity, who is responsible for creating the listening tour schedule, identifying key stakeholders, and drafting a listening guide. Members of the partner and USAID staff who serve on the design team collectively visit communities to conduct listening sessions with key stakeholders. 	<p>relationships between USAID and individuals affected by that programming.</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> • A Mission contracts with a firm to conduct a preliminary assessment of community priorities in X region. Members of the firm conduct a series of interviews, focus groups, and broad-based listening sessions with stakeholders across X region, analyze their findings, and share them back to USAID in a report. USAID staff approve the assessment design and review and approve the report, but do not participate in any interviews or listening sessions.
<p>Information Sources</p>	
<ul style="list-style-type: none"> • Activity Design Team • USAID MEL POC for the activity • MEL PPlan • Listening Tour SOW, Facilitation Guide, or other Document • Quarterly or Annual Report 	
<p>Estimated Time Required</p>	
<p>20 minutes</p>	
<p>Resources</p>	
<ul style="list-style-type: none"> • ProgramNet Listening Page • Example Listening Tours: USAID/Philippines Nationwide Listening Tour, USAID/Malawi Listening Tours, USAID/Dominican Republic Listening Tour 	

12. Co-creating with Stakeholders, Including Local Communities

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Co-creating with Local Stakeholders, Including Local Communities** is when USAID and/or the Prime Implementing Partner and communities engage in a co-creation process to design one or more elements of the USAID activity.

Co-creating with Local Stakeholders, Including Local Communities is distinct from **Co-creating awards with local or regional partners** in three primary ways:

- The participants of the practice of **Co-creating with Local Stakeholders, Including Local Communities**, are local communities directly affected by the programming of the Activity.
- The practice of **Co-creating with Local Stakeholders, Including Local Communities** is not limited to being conducted during the design phase of an award, but can be conducted during implementation.

Co-creation, as defined in alignment with USAID/M/OAA/PDT, as an intentional design approach to foster innovative approaches to address a specific problem, challenge, question, or to gain further insight on a topic of interest through a participatory process whereby participants share power and decision-making.

Co-creation efforts often include the following features:

- convened actors representative of the diversity, inclusive of, but not limited to sex, gender, ethnicity, age, religion, socio-economic class, from a local community who are connected to the development challenge;
- used participatory approaches with conditions where participants have the ability to listen, understand, and share with each other;
- shared power and/or decision-making during the process; and
- engaged all participants in generating outcomes, approaches, interventions, and/or adaptations to existing activity approaches, interventions.

For the purposes of this practice, a **Participatory Approach or process** is an approach to the design, implementation, and management of an activity, project or strategy where stakeholders, particularly the participants and/or others directly affected by the activity, project, or strategy are engaged in meaningful, long-term, decision-making roles in determining the design, implementation, and/or management of the activity, project, or strategy.

Local community is considered as a group of individuals, households, organizations, political units (e.g., a village, municipality, sub-national government entity or any organization composed thereof), private sector firms, or other partner-country based institutions, defined by shared interest or priorities and inclusive of marginalized groups (e.g., women, youth, Indigenous groups, and LGBTQIA+). Local here refers to both the level of organization of the community, and the position of that community as directly affected by the development challenge.

Inclusion Criteria	Exclusion Criteria
<p>To be counted under this practice, ALL of the following inclusion criteria must be met:</p> <ul style="list-style-type: none"> • The activity must, or explicitly plans to have engaged actors representative of the 	<p>Activities which meet ONE OR MORE of the criteria below should not be counted under this practice:</p> <ul style="list-style-type: none"> • The participants engaged in co-creation did not fully represent the diversity of the community

<p>diversity of the communities directly affected by the programming, in co-creation of outcomes, approaches, and/or interventions which became reflected in activity implementation.</p> <ul style="list-style-type: none"> ● The co-creation process must have incorporated a participatory method with local expertise that went beyond ‘consultative’ as described in the LLD Spectrum. ● There is evidence that participants shared power and decision-making in the co-creation process, as demonstrated through project reporting. ● The co-creation process generated outcomes, approaches, or interventions reflected in activity design, and/or activity implementation, such as: <ul style="list-style-type: none"> ○ Outcomes and Interventions Defined in the Award ○ Indicators, targets, and Monitoring Approaches defined in the MEL Plan. 	<p>connected to the development challenge.</p> <ul style="list-style-type: none"> ● The co-creation process implemented did not use participatory approaches, or used participatory approaches where participants did not have the ability to listen, understand, and share with one another. ● The co-creation process implemented processes that were by-and-large consultative, as described in the LLD Spectrum. ● The co-creation process did not facilitate shared power and/or decision making in the process.
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● Progress reports ● Co-creation event / process SOW, facilitation guide, report, or other documentation that describes the co-creation process and outcomes 	
<p>Estimated Time Required</p>	
<p>30 minutes</p>	
<p>Resources</p>	
<ul style="list-style-type: none"> ● Locally Led Development Spectrum ● SCALE+ - System-wide Collaborative Action for Livelihoods and Environment ● M/OAA/PDT CO-Creation and Co-Design Definitions ● PDT Co-Creation Interactive Guide 	

13. Institutionalizing Feedback and Accountability with Local Communities

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Institutionalizing Feedback and Accountability with Local Communities** when an activity integrates intentional, and active accountability and feedback processes, described in an Accountability and Feedback Plan (AFP), in activity design, implementation, and management, with the result that those processes become a central part to how the activity is implemented and managed.

An **Accountability and Feedback Plan (AFP)** is a plan that describes the accountability and feedback actions a USAID awardee will take.

ADS 201 requires that MEL Plans include “the activity’s plans for collecting feedback from program participants or beneficiaries, responding to that feedback, and reporting to USAID any actions taken in response.” AFP’s go beyond that requirement in that:

- AFPs collect feedback from more than direct program participants, including marginalized communities, non-program participant community members, local subaward organizations, and other actors directly and indirectly affected by activity programming;
- AFPs include mechanisms to report-back, ‘closing the loop’ with actors directly and indirectly affected by activity programming; and
- AFPs become a central part of activity management and decision-making.

Accountability and feedback actions are defined as actions taken to:

- directly engage the full diversity of actors who are directly and indirectly affected by USAID programming in the generation of information to understand different perspectives on activity implementation and the realized and potential impact on communities;
- make changes in activity planning and implementation to elevate key voices and community priorities; and
- close the loop: update actors who are directly and indirectly affected about actions USAID and the Implementing Partner(s) have made in response to information provided.

Inclusion Criteria

To be counted under this practice, **ALL** of the following inclusion criteria must be met:

- The activity must have an AFP included in the Activity MEL Plan.
- There is evidence of how the activity has implemented intentional and active efforts to engage direct and indirect participants and other actors who are directly and indirectly affected by the activity to generate information on different perspectives on activity implementation, real, and potential impact on communities.
- The Activity has evidence of how it has or will implement intentional, and active efforts to

Exclusion Criteria

Activities which meet **ONE OR MORE** of the criteria below should not be counted under this practice:

- The activity does not have an AFP.
- Activities with AFPs included in the Activity MEL Plan that have only engaged direct program participants in AFP actions.
- Activities with AFPs that do not directly, and actively engage actors who were engaged in feedback and accountability processes in reporting-back and closing the loop including summary feedback, actions based on findings, and actions to “close the loop”. Activities with AFPs included in the Activity MEL Plan, but does not regularly report back to USAID, direct and

<p>report-back to local program participants and other actors directly and indirectly affected to report on summary findings, actions based on findings, and actions to “close the loop” that go beyond making a report or action plan available for download.</p> <ul style="list-style-type: none"> • There is evidence that the feedback is or will be a central part to how the activity is implemented and managed. <p><i>Examples</i></p> <ul style="list-style-type: none"> • An activity is operating in a context where local buy-in is critical and a particular ethnic group is regularly marginalized and excluded. The activity includes an AFP in their Activity Monitoring, Evaluation, and Learning (MEL) Plan (AMELP) outlining learning questions related to these issues and plans for regular feedback collection. Over the course of the activity the implementing partner reports to USAID what they learn from the feedback, how they are adapting their implementation approach based on feedback, and when they close the loop with feedback providers. 	<p>indirect participants, and other actors directly and indirectly.</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> • An activity has an AFP in the AMELP and regularly engages with diverse stakeholders but there is no related reporting back to those stakeholders as to how this feedback is used. • An activity has an AFP in the AMELP and regularly engages with diverse stakeholders to gather feedback, but does not directly re-engage with those same stakeholders to report-back and close the loop. They produce a report and make the report accessible online, and share with USAID and activity partners, but do not do anything to directly report-back and close the loop with activity participants and others engaged in feedback processes. • An activity has an AFP in the AMELP, but reporting back to USAID has only included description of actions taken to engage direct programming participants in generating feedback on activity implementation, not all actors directly and indirectly affected by programming.
<p>Information Sources</p>	
<ul style="list-style-type: none"> • Activity Accountability and Feedback Plan • Activity MEL Plan • Activity Accountability and Feedback Plan Action plan, quarterly and/or activity annual reports, or other documents which articulate what accountability and feedback processes were used, and actions taken associated to that feedback. 	
<p>Estimated Time Required</p>	
<p>15 minutes</p>	
<p>Resources</p>	
<ul style="list-style-type: none"> • Listening to Local Voices: Accountability and Feedback Plans • NPI Accountability and Feedback Planning Job Aid • Collecting and Using Stakeholder Feedback – Tips for Local Works Partners 	

14. Implementing Participatory Monitoring, Evaluation and Learning

Key Definitions

For the purposes of the Locally Led Programs indicator:

The practice of **Implementing Participatory Monitoring, Evaluation, and Learning** is when an activity uses participatory approaches that engage communities and community members in long-term, decision-making roles as co-designers, co-implementers, and co-managers in the design, implementation, and/or management of MEL processes.

A **Participatory Approach** is an approach to monitoring, evaluating, or learning where stakeholders, particularly the participants and/or others directly affected by the activity or project are engaged in meaningful, long-term, decision-making roles in the monitoring, evaluation, and learning of the activity or project. Illustratively, participatory approaches to MEL may include:

- community-led monitoring
- evaluations employ participatory methods that privilege local community voice
- pause-and-reflects include local community members; and/or
- learning questions are jointly shaped with local communities.

Participatory approaches can be applied to **one or more** monitoring, evaluation, or learning processes.

For the purposes of this indicator, a **Local Community** is defined as a group of individuals, households, organizations, political units (e.g., a village, municipality, sub-national government entity or any organization composed thereof), private sector firms, or other partner-country based institutions, defined by shared interest or priorities and inclusive of marginalized groups (e.g., women, youth, Indigenous groups, and LGBTQIA+). Local here refers to both the level of organization of the community, and the position of that community as directly affected by the development challenge.

Inclusion Criteria	Exclusion Criteria
<p>To be counted under this practice, ALL of the following inclusion criteria must be met:</p> <p>Activity MEL Plan describes:</p> <ul style="list-style-type: none"> ● Participatory approaches which will be used to monitor, evaluate, and learn about activity design and implementation. ● Local communities' engagement in making decisions about what to monitor, evaluate, or learn about and how to do so in ways that not only benefit USAID, but are useful and relevant to the local communities. ● Local communities' engagement in MEL processes such as: <ul style="list-style-type: none"> ○ long-term, decision-making roles as co-designers, co-implementers, and co-managers in the design, implementation, and/or management 	<p>Activities in which ONE OR MORE of the following criteria are met:</p> <ul style="list-style-type: none"> ● Communities are informed by an Implementing Partner what an activity will measure and monitor. ● Communities are engaged only in providing information in relation to monitoring, evaluation, and learning processes designed and implemented by activity implementing Partner(s). Communities are engaged to inform the design of MEL processes, but are not included in making decisions about what is monitored, evaluated, or learned about.

<p>of MEL processes;</p> <p>OR</p> <ul style="list-style-type: none"> ○ The activity Implementing Partner(s) delegates and supports local communities to design and implement Activity MEL processes. <p><i>Examples</i></p> <ul style="list-style-type: none"> ● An activity focusing on local government services to citizens intends to plan a new series of water access points. The activity sets up a Water Monitoring Committee of local residents, who monitor and report on progress of construction, and later report on water use and water quality, throughout the life of the activity. These reports feed into the activity’s MEL framework and annual reporting. ● Through community consultations on a new health program, the implementing partner hears from the local community that data on air quality is highly valued and informative to their daily planning. The activity decides to use local air quality as a context monitoring indicator to respond to their priorities, and outlines this in their Activity Monitoring, Evaluation, and Learning (MEL) Plan (AMELP). They work to hire a third-party technology firm to conduct air quality readings and share that data through public online and digital forums. ● USAID and the implementing partner are developing the AMELP. They make decisions together about indicators, data collection methods, and learning activities based on direct feedback from local communities and stakeholders. USAID recognized the partner was new to USAID MEL, and could benefit from USAID ideas and recommendations, while ensuring the activity not only met Agency learning needs, but the partner and local community’s learning needs 	
<p>Information Sources</p>	
<ul style="list-style-type: none"> ● Activity MEL Plan ● MEL staff or MEL platform 	

Estimated Time Required
15 minutes
Resources