1. OVERVIEW

“We provide development assistance to help partner countries on their own development journey to self-reliance. We look at ways to help lift lives and build communities.”

-USAID Administrator Mark Green

To achieve sustainable outcomes and advance the Journey to Self-Reliance, USAID is shifting its relationships with local development actors. Local actors – people, communities, networks, organizations, private entities, governments— are increasingly setting their own development agendas, coming up with solutions, and bringing the capacity, leadership, and resources to make those solutions reality. This is locally led development.

Since 2015, USAID’s Local Works program has enhanced the Agency’s ability to empower local actors to lead their own development. Local Works does this by providing resources to missions to expand and deepen relationships with local actors throughout the Program Cycle, to invest in the ability of local actors to sustainably resolve development challenges, and to facilitate learning that benefits the whole Agency.

USAID’s Office of Local Sustainability, Bureau for Economic Growth, Education and Environment (E3/LS), works with missions to operationalize the Local Works program. Local Works provides funding and technical support for a wide range of innovative and experimental approaches to locally led development.

With Local Works funds, Missions can:

• Develop and test flexible solutions to overcome operational challenges (such as acquisition and assistance) to advancing locally led development;
• Build strong relationships and promote collaboration with and among local actors;
• Empower local networks of community-centered actors to initiate and lead development efforts;
• Apply systems approaches to enable local actors to achieve sustainable outcomes and self-reliance;
• Launch new programming with local partners that focuses on and tests approaches to locally led development; and
• Adapt existing programming to be more locally led and sustainable.

LOCAL WORKS AT A GLANCE

Managed by
USAID Office of Local Sustainability (E3/LS)

FY 2018 Anticipated Global Budget
$47 million

Discretionary Five-Year Funds
FY2018 funds do not expire until the end of FY2022 and may be used in any sector

Letter of Interest Due
April 10, 2019

Questions?
localworks@usaid.gov
2. PRINCIPLES

Local Works has five-year discretionary funds, which provide missions more time and greater freedom to pursue locally led programming and experiment with innovative operational approaches that may be challenging under typical institutional constraints. While missions already do (or aim to do) many of these things, Local Works provides even more flexibility and support to:

1. Experiment, Learn, and Share
   We all know that development is not linear: circumstances change, new ideas emerge, and old assumptions are proven wrong. Experiment, learn, adapt, and try new approaches consistent with the Agency’s new Risk-Appetite Statement. Help E3/LS share what you learn so USAID, other donors, partner organizations, and local constituents all benefit.

2. Be Patient
   Understanding local systems, challenges, and opportunities takes time; building relationships takes time; and supporting enduring change takes time. Local Works creates new opportunities for missions to focus on the long-term outcomes that matter the most.

3. Look Locally
   Find creative ways to do things in support of, rather than for, our local partners. Respect and work to strengthen existing networks and relationships. Identify new and nontraditional partners who understand the local context. Build upon existing local initiatives, ideas, resources, and capacity to solve local problems.

4. Listen to the End-User
   What do local constituents want? Is what we’re doing working? What should we do differently? With five-year discretionary Local Works funds, missions have an even greater opportunity to listen to local voices every step of the way and to shift the power of development priority-setting and decision-making to local actors.

USAID RISK-APPETITE

In USAID’s most recent Risk-Appetite Statement, the Agency makes clear that it has an overall high appetite for programmatic risk, referring specifically to: (1) promoting sustainability through local ownership and resource mobilization; (2) embracing flexible, iterative design and implementation; and (3) pursuing innovative modalities for acquisition and assistance. You can find more information here, including definitions and detailed breakdowns of the different forms of risk USAID has assessed for its activities.
3. THE OPPORTUNITY

Local Works was launched in 2015 in response to legislation enacted by Congress to integrate locally led development practices into Agency operations and programs. Local Works provides funding to competitively-selected USAID missions on an annual basis. Local Works funds may also be used for unsolicited proposals/applications to missions that are consistent with the purposes of the program, and may be considered at any time. Learn more about this [here](#).

**Funding**

Up to $47 million in FY 2018 is expected to be available to support these efforts. Of this total, 80 percent of Local Works funds must be used for program implementation. Up to 20 percent may be used for program support (including staffing, operating expenses (OE) and program-funded travel, training, and events). Program support funds are available to missions on a first-come, first-served basis as needs are identified over the course of the project. This 80-20 ratio is required by Congress at the global level. The actual breakdown of program funding to program support will vary from mission to mission.

The specific amount of funding available to selected missions will be based on the size and scope of the proposed activity or set of activities and will ultimately be determined by E3/LS.

**Programming Types**

E3/LS envisions supporting Local Works activities in a wide range of funding levels. A mission may choose to focus on a discrete issue and request a modest amount of funding – or it may choose to tackle a broad portfolio of challenges through a number of new awards and/or adapt a range of mission activities to be more locally led, requiring more funds.

A Local Works activity or set of activities may fully support the mission strategy, and as such be integrated into an existing project. Or, a Local Works activity may stand alone outside of the mission strategy in order to test new approaches, initiate programming in a new region, pilot activities in order to inform a new mission strategy, etc. Missions may also focus on internal operational barriers to supporting locally led programming.

FY 2018 Local Works funds may be used for awards in any sector that is a local priority, including those that may fall outside of an established Country Development Cooperation Strategy (CDCS).

Missions are not required to propose a fully designed activity or set of activities for Local Works. Missions may propose anything from a nascent concept articulating a challenge or opportunity they want to address to a more fully fleshed-out proposal. All good ideas that advance locally led development will be considered.

Remember: Five-year funds remove the pressure to program in short windows and allow the time necessary for thoughtful design, partnership, and analysis. Five-year funds also
provide missions with time for both an iterative design process and adaptive management during implementation.

**Awards**

In implementing its Local Works programming, a mission may award grants and contracts of up to $2 million each to local and U.S.-based organizations that have not received more than $5 million from USAID in the past five years. This legislative requirement is meant to encourage support for nontraditional partners. Awards may be made through any means allowed by the Federal Acquisition Regulations (FAR), the Code of Federal Regulations (CFR), and the Automated Directives System (ADS). All solicitations/awards must be made and managed by the mission.

Funds will be allocated to missions through Operating Year Budget (OYB) transfers in annual increments. When possible, funds will be transferred on a “first-in-first-out” basis: older funds that expire prior to 2022 may be substituted if a mission is ready to obligate.

**Local Works activities are owned and led by actors at the local level** and are overseen by missions, not by Washington. Within the broad boundaries of the program, missions have a great deal of flexibility to advance local leadership and self-reliance.

**Have a question that isn’t answered here?**

Check the extensive [frequently asked questions](mailto:localworks@usaid.gov) or send an email to localworks@usaid.gov anytime.

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_The sustainability and long-term success of development assistance ultimately requires local ownership and strengthening the capacity of local systems to produce development outcomes at the regional, national, sub-national, or community levels, as appropriate. USAID should seek out and respond to the priorities and perspectives of local stakeholders, including the partner country government, beneficiaries, civil society, the private sector, and academia. These processes should be inclusive of the poorest, most marginalized populations and women and girls. USAID assistance should be designed to align with the priorities of local actors; leverage local resources; and increase local implementation to sustain results over time._

-**ADS 201.3.1.2C**
4. LEARNING PRIORITIES

To advance the practice of locally led development, Local Works participating missions contribute to learning that addresses key challenges and opportunities we face as an Agency in supporting locally led development. As part of its Research and Learning Agenda for Locally Led Development, E3/LS facilitates knowledge capture, exchange, and learning among missions that participate in Local Works and the wider Agency.

The following is not an exhaustive or definitive list, and we expect it to grow and change in response to mission and Agency priorities for learning. As you think of ways your mission might seek Local Works support, you should consider:

• **Acquisition and assistance**, which includes a broad set of issues ranging from reducing management burden (for USAID and local awardees) to mechanisms that might be more responsive to changing needs. A focus on this area might include developing, testing, and learning from procurement processes and mechanisms that expand the range and quality of our local partnerships, including modular/iterative contracting, windows of opportunity, fixed amount awards, pay-for-results models, simplified grants, public-private partnerships, and other approaches that are both creative and meet compliance requirements.

• **Feedback mechanisms** that improve the flow of information among local constituents, partners, and USAID to improve program effectiveness and to strengthen accountability to local constituents for achieving and sustaining results.

• **Systems- and networks-based analytical approaches**, which may allow us to better understand the complex environments we operate in and the role USAID plays (or should play) in those systems.

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**TECHNICAL SUPPORT TO MISSIONS**

As part of its engagement with selected missions, E3/LS will:

- Assign a DC-based POC for each mission
- Provide strategic technical support through TDYs, connections to Agency and external contacts and resources, training, and limited facilitation
- Facilitate fund transfer to missions
- Ensure programming is compliant with Congressional intent
- Capture learning to strengthen both the Local Works program and USAID’s ability to support locally led development
• **Participatory decision-making**, which includes locally led priority-setting, collaborative design, and other means of shifting control to local actors and ensuring inclusive local leadership.

• **Mobilizing local resources**, which includes community philanthropy; partnerships that leverage resources from the local private sector, faith-based organizations, government, civil society, and academia; and other sources of local skills and finances to replace those of international donors.

• **Strengthening local networks**, which may include supporting the work of local organizations, networks of local organizations, market facilitation, and other demand-driven approaches to connecting local needs with local resources.

• **Local ownership approaches to design, monitoring, evaluation, and learning** that prioritize local definitions of success and enable USAID to monitor how and to what extent an investment attains local ownership of development solutions, the development process, and the sustainability of results achieved.

• **Flexibility in mission operations**, which could include anything from experimenting with adaptive management techniques to exploring novel approaches to mission organization, procedures, and incentives to better support locally-defined efforts.

• **Supporting strategic transitions**, which includes strengthening the role of local institutions and actors to sustain outcomes with an eye toward ending the need for foreign assistance.

Mission proposals that seek to address challenges in one or more of these priority operational or programmatic learning areas will be viewed favorably; however, missions should not feel compelled to address every priority area. Proposals should respond strategically to the local context, priorities, and potential ways in which development challenges may be addressed by empowering local actors.
5. APPLICATION GUIDELINES

Local Works invites missions that are committed to doing development differently and empowering local actors to submit a letter of interest (LOI) of no more than five pages by COB April 10, 2019, to localworks@usaid.gov. The LOI provides a basis for missions and E3/LS to discuss basic principles and potential approaches for a long-term Local Works partnership.

The LOI should propose an approach to strengthening USAID’s contribution to locally led development. LOIs might focus on strengthening local capacity to address development challenges; making specific operational or program management processes more flexible to accommodate local leadership; and/or making efforts to solve a specific development challenge more locally led. LOIs may consider, among other items:

- How the proposed approach shifts relationships from being driven by donor funds and priorities to ones driven by local priorities;

- How the proposed approach shifts leadership and decision-making to local actors and organizations;

- How the approach facilitates listening, feedback, and downward accountability among USAID, its local partners, and the constituents they serve;

- How the approach promotes self-reliance; and

- How Local Works will be used to transition from partnerships with international actors to partnerships with local actors.

Missions are not expected to propose a fully-designed activity or set of activities for Local Works in the LOI. Instead, missions may discuss the steps, types of analyses, and design processes/approaches they anticipate undertaking with Local Works funding in order to work towards increased local leadership in-country.

Successful LOIs will address the following (equally weighted) components:

**a. Relevance**

Describe the goal of your proposed Local Works programming. In what way will the proposed approach advance locally led and sustained development? LOIs may reflect on past efforts, successes, and challenges the mission has experienced in fostering locally led development. Consider how the mission will know whether its efforts have been successful.

**Selection Criteria:** LOI proposes an approach that contributes to the Local Works goals to advance locally led development and enhance the Agency’s ability to empower local actors to take the lead in addressing development challenges.

**b. Development Rationale**

Thinking about the broader system, how would this approach effectively address a development challenge through local
leadership? How might the current system change so that outcomes achieved can be sustained and future challenges addressed by local actors without foreign assistance? Explain how your proposed approach would tap into existing in-country resources (including but not limited to local expertise, universities, think tanks, associations, private sector, philanthropy, etc.).

Selection Criteria: LOI proposes an approach that prioritizes local leadership and self-reliance in achieving positive development outcomes; creatively taps into existing in-country resources; and has as its ultimate goal the sustainability of development results. LOIs which focus primarily on meeting donor requirements will not be prioritized.

d. Contribution to Learning

Describe what your mission, your local partners, and the broader Agency expect to learn through your proposed approach. How will this effort contribute to USAID becoming better able to support locally led development?

Selection Criteria: LOI responds to Section 4 of the guidance and articulates how learning generated through the mission’s Local Works programming, including through failure and iteration, will contribute toward USAID being better able to support locally led development.

e. Feasibility

Identify what resources (human, knowledge, funding, networks, others) the mission can dedicate to this approach. What additional resources, technical assistance, and other support do you need in order to try this approach? LOIs should consider the enabling context for locally led development, which may include the country context; the mission’s autonomy to pursue novel and experimental operational and programming approaches; support for the proposed approach across mission offices including the front office; and local security and access considerations. Please include a notional budget range.

Selection Criteria: The LOI provides a realistic assessment of the resources needed to carry out the proposed approach in the given country context and makes good use of the unique resources available through Local Works.
6. SELECTION PROCESS

All LOIs will be reviewed by E3/LS according to the criteria contained in this guidance, with participation from others in USAID/Washington on a case-by-case basis. Mission selections will be made based on the LOIs, with possible follow-up questions (over email or via teleconference) for clarification from finalists. Unsolicited proposals and applications are reviewed using a separate, year-round process.

After this round of Local Works is launched, E3/LS will hold conference calls open to all missions to answer questions from prospective applicants. Please direct all questions to localworks@usaid.gov.

All questions and answers, as well as information on past programming, can be found in the regularly updated frequently asked questions.

Keep current on Local Works and E3/LS by subscribing to newsletters here.

2019 Timeline:

- February 11
  Round 4 program launch
- Week of February 25
  Q&A conference calls
- Week of March 25
  Q&A conference calls
- April 10 - LOI deadline
- May 6 - May 17
  Follow-up calls/emails with finalists
- June 7
  All mission applicants will be notified of their selection status