

## **EXECUTIVE SUMMARY**

### **USAID'S LOCAL CAPACITY DEVELOPMENT EFFORTS**

This report provides an overview of USAID's Local Capacity Development (LCD) efforts. It was prepared as background to the findings and recommendations of the Capable Partners Learning Agenda on Local Organization Capacity Development (CAP LA). The report is presented into two parts; Part I offers an historical perspective, and Part II examines USAID's current efforts. The two parts show how and why USAID's efforts have changed significantly over the years.

Part I, by Niloufer De Silva, considers USAID's work in LCD from an historical perspective. Part I shows exactly how USAID's approach to LCD has changed in its 50 year history, and what the results of those efforts have been. The weight of USAID's policy emphasis, LCD programming approaches, funding mechanisms, LCD recipients, targets, providers and results has shifted and sometimes changed substantially over time.

In the 1960s and 1970s direct hire USAID staff and American experts played decisive roles in development assistance. This assistance was often driven by U.S. and Western ideas. When this approach came to be questioned, in conjunction with drastic reduction-in-force actions of the 1970s, USAID began to work increasingly with other U.S. organizations, both for profit consulting companies and U.S. PVOs. This represented a transition from a government-to-government approach to projects aimed more directly at the poor, and was thus a major shift in foreign assistance and LCD policy. U.S. Private and Voluntary Organizations (PVOs) in particular were seen to be ideal for engaging and developing the capacities of local organizations because of their philanthropic mission-driven and grass-roots approaches to programming and partnerships.

By the 1990s USAID had begun to place increasing emphasis on developing the technical and organizational capacities of local organizations. Today, USAID is moving from funding these local organizations through sub-grants with contractors and U.S. and international NGOs to funding them directly.

Part I of the report examines the policy, planning and programming context of USAID's LCD efforts. It discusses the evolution of USAID's efforts to develop PVOs and local NGOs (LNGOs). It analyzes USAID's LCD's efforts as part of a concentrated approach – where LCD is a primary program goal – and as part of an embedded approach – where LCD is a component of a program with other primary objectives. It outlines how USAID funds and used to fund LCD, and it discusses issues, questions and reforms relating to USAID's LCD methods over the years. This part of the report extensively discusses the history and role of the Office of Private and Voluntary Cooperation (PVC) at USAID.

Part II, by Diane Ponasik, targets USAID's present-day LCD efforts. Part II explores the various types of LCD currently provided by USAID, and evaluates the costs and benefits of each type. Long and short-term participant training, long and short-term expatriate technical assistance, long and short-term local assistance, U.S. workshops, in-country workshops and various forms of peer-to-peer assistance are all considered.

Part II examines 8 programs: New Partner Initiatives; The Bureau for Economy, Education and Environment; Human and Institutional Capacity Development; Democracy, Human Rights and Government; The Office of Conflict Management and Mitigation; Office of Small and Disadvantaged Business Utilization and the Minority Resource Center; Feed the Future; and Implementation and Procurement Reform. Each program is discussed in terms of funding and mission, and each program is evaluated with regard to the specific work it is carrying out. Additionally, a series of Annexes to the report provides information about several dozen current USAID mechanisms for LCD. These annexes include contact information for each mechanism.

Part II concludes with the recommendation that USAID consider reinstating a Development Studies Program for its officers – a Program USAID operated until the mid 1980s – in order to train Foreign Service Officers on the new concepts and approaches of LCD that USAID has implemented in the last several years.