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Advancing Locally Led Development

Local Insights Driving Local Impact Learning Event Summary of Key Takeaways

Nairobi, Kenya • May 16-17, 2023

This document details key takeaways from the Local Insights Driving Local Impact learning event that RTI International convened in Nairobi, Kenya, from May 16–17, 2023. This event was attended by approximately 70 participants, 86% of whom are from local organizations throughout the region. The participants who attended Day 1 of the event included individuals from nongovernmental organizations, host country governments, and the private sector (local and international). Day 2 of the event was dedicated to select RTI staff and current project partners in Kenya and the region. This document summarizes the key challenges, as identified by participants throughout the event sessions on both days, and highlights suggestions on how donors, international implementing partners (IPs), and others in the development industry can make improvements. The conversations were robust, and RTI has consolidated comments by theme for easier review. At RTI, we believe that locally led development (LLD) starts with recommendations from local actors themselves. These learnings, we hope, will improve the implementation of LLD and development outcomes.

Knowledge as Power: Local Actors Owning Data for Decision-Making

- **Local Ownership of Data Is Insufficient**—Data are typically owned by international IPs and donors and are not locally owned; however, optimizing development outcomes depends upon it. Local actors understand their own contexts best and are uniquely placed to collect and own local data. Ownership of data enables local actors to make evidence-based decisions, advocate for policy changes, and internalize their own progress.
- **Lack of Local Involvement, Capacity, and Collaboration Are Challenges**—The obstacles to locally owned data include the lack of involvement of local actors in identifying data needs, developing indicators, and collecting and analyzing data. Local capacity in data collection and analysis can be low, which fuels a lack of involvement and exacerbates capacity issues. In addition, even when data are held locally, local actors do not often share these data with each other, and no common framework or system is in place for collecting data to look at the bigger picture. Centralizing data can be difficult overall because every actor has different data needs and incentives.

- **Data Are Overly Focused on Project Outcomes**—Data collection is often donor driven, project focused, and does not adequately address the needs of local actors. Cross-sectoral data, which are often not collected, can be very valuable and should become a greater focus of research learning agendas, in alignment with local needs. In addition, data are often unused after the end of a project and are not transferred to local actors for their own use.
- **Transparency of Data Is Important, but Data Privacy Is a Concern**—It is important that data are accessible, transparent, and presented in an easy-to-understand manner so that anyone can understand and use the information. In addition, careful attention should be paid to data privacy and protection, particularly when the data focus on sensitive topics and/or marginalized groups.
- **Data Stakeholder Must Involve Government Agencies and Staff**—It is important to bring government and policy-makers into the fold regarding data—even when they may not be direct stakeholders or partners on projects—because their involvement will help them to better understand and use the data to make important policy decisions.

Suggested Solutions and Improvements

- **Co-create the Learning Agenda and Data Design with Local Actors**—Co-creation is needed to set research and learning agendas, as well as data-sharing protocols, during the proposal and design stages. Co-creation is vital to ensure that we are collecting the correct data from the right sources, that local actors own the data from early on, and that there is a clear use for the data. The data should not just focus on project outcomes; instead, the data should help address critical questions relevant to partners to help them assess progress and advocate for change.
- **Sensitize Data Users and Communities Where Data Are Derived**—Sensitizing communities, decision-makers, and data generators on the importance of data collection, why it is being collected, and how it is being used is important. It will help create buy-in, increase their value in data, enable ownership and advocacy, and build trust.
- **Strengthen Local Capacity Across the Value Chain of Data**—It is important to support local organizations and local governments so that we can improve their data skills. Mentoring or training local organizations and local governments on data design, collection, validation, analysis, and dissemination, will help to nurture organizational cultures that value and use data regularly for decision-making.
- **Collaborate and Share Data**—To maximize efficiencies and collaboration, IPs (international and local) should partner with local organizations that already capture data. Greater collaboration is needed between local organizations and local government to share data, understand gaps, and work together to understand the implications of data analysis. For projects, it is important to consider incentives regarding data collection, collaboration, and the use and creation of frameworks for consolidating data, including data across sectors. Sharing data with local organizations and governments is important, but it is equally critical to share the data with the local communities where the data were gathered. Data should be presented in simple and visually appealing ways to make the data more accessible to audiences that may not be familiar with reading, understanding, using, and communicating about the data in meaningful ways.
- **Ensure that Resources Are Available for Data Collection and Analysis, Sensitization, and Capacity Strengthening**—Donors and IPs should ensure that projects have the proper resources allocated for data collection and analysis, sensitization, and capacity strengthening. True co-creation with local actors on the entire data value chain requires many more resources than are currently available.



Pathways to Resilient Institutions

- **Over-Reliance on Donor Funding Can Be Detrimental**—Donors are an important part of supporting development and organizational sustainability. However, institutions need to be careful that they are not too dependent upon donors for financial viability. Institutional sustainability is integrally connected to capacity and resources, which can create a dependency cycle. Some challenges include over-reliance on donor funding, failure to incorporate organizational sustainability into projects, weak internal structures, and a lack of strategic planning to poise organizations for growth. Additional challenges can be created because of unrealistic donor expectations for organizations to become “sustainable” within the life of a project, as well as the failure of donors to understand the difficulty in balancing implementation with the complexity of sustainability. Donor requirements can be all-consuming and, at times, can unintentionally divert resources away from the bigger picture of sustainability because institutions become focused on intensive project-specific activities and on building systems for specific donor compliance, which may or may not align with organizational goals.

Suggested Solutions and Improvements

- **Address and Resource Sustainability Within Project Designs**—Donors (and international IPs) should focus more on helping organizations expand and diversify their revenue and address key barriers to growth; the focus should not be on becoming a prime recipient of funding from the U.S. Agency for International Development (USAID). Strengthening local organizational capacity (particularly in the areas of resource mobilization, diversification, and strategic planning) and advocating for more flexible and longer-term funding are key. Donors should appropriately resource this work and be realistic about the time that it takes for organizations to make meaningful progress in this area.
- **Diversify and Be Creative to Boost Sustainability**—Local organizations should look beyond donors to drive their own sustainability. Local organizations should dedicate time and resources to strengthening the capacity of their own staff to address sustainability through strategic planning, business modeling, proposal writing, and time to strengthen systems, partnerships, operations. Revenue diversification involves more than the private sector; local donors and governments, membership fees, community partnerships, and use of volunteers can also offer an abundance of resources that can complement donor funding. How organizations map their organizational goals to resources is critical and requires intentional and thoughtful planning and frequent revisiting.
- **Advocate for Increased Cost Recovery Rates for Local Organizations**—Indirect cost recovery rate is important for local entities, and USAID should consider increasing the 10% de minimis, or flat recovery rate, that USAID allows as an alternative to a rate covered by a Negotiated Indirect Cost Recovery Agreement (NICRA). Until the de minimis rate can be increased by USAID, international IPs should ensure that local institutions are maximizing their cost recovery by working with local institutions to examine whether the de minimis rate or directly charging costs are more advantageous.

Fostering Local Private Sector Solutions

- **The Private Sector Can Be Complimentary, but Its Role Is Often Underexplored**—The private sector can be more than a pathway to post-project sustainability; it can play a pivotal role in complementing donor funding and de-risking investments. However, some challenges can result. For instance, sometimes donors can inadvertently distort the market and leave little space for the private sector. Tapping into the private sector can be challenging for local institutions. If local institutions do not have “products” or an entrepreneurial identity, then many of them do not have an inherent link to the private sector and ideas for investments can be difficult to create.
- **Return on Investment (ROI) and Customer Centricity Are Key**—Many local organizations struggle to define and quantify a ROI, which is key to attracting the private sector. Sometimes the ROI is unclear; other times there is a misalignment of social and business goals. Understanding customer centricity is vital because profit margins are typically small. ROI should also be considered in terms of “creating value,” which is more important to the private sector than theories of change.

Suggested Solutions and Improvements

- **Donors and Implementing Partners Need to Be More Intentional and Creative About Involving the Private Sector**—The private sector's involvement does not have to be relegated to providing mere funds to a project. Donors and implementing partners should think about more creative ways to involve the private sector to scale up and/or de-risk investments to lead to more innovative breakthroughs. Doing so will require time and intentionality to broker relationships, crowdsource ideas, and create buy-in. It also involves strengthening the capacity of local institutions to engage the private sector, identify ROI, and create pitches.
- **Identify the Appropriate Private Sector Partner**—Although the private sector can be important in development, finding the right business partner is important. When identifying a private sector partner, donors and IPs should carefully consider the needs, alignment of goals, and which entity is most appropriate—a multinational corporation versus a local private sector partner. Sector associations can also provide opportunities to work at scale.

Peer to Peer (P2P) Learning

- **There Are Many Successful Varieties of P2P Learning, and Interest, Need, and Context Matter**—P2P activities can vary immensely. P2P activities can include mentoring and/or coaching, twinning, experiential learning, job swaps, exchange visits, on-the-job training, communities of practice, or even training. All P2P activities have unique considerations, are adaptable, and have been successful in a variety of contexts. P2P activities can be structured and formal or it can more organic and loosely structured. There is no one-size-fits-all plan; therefore, determining which P2P approach to use—and how to use it—requires careful thought and discussions with local partners. Determining the goals, motivations for participating, the skills and time of those involved are all important considerations when selecting a P2P approach. Aligning these aspects with the priorities and goals of donors and participants and should ideally be conducted through co-creation.
- **Local Actors and Institutions Highly Value P2P Learning**—Many local institutions (and donors) fully embrace P2P learning; it offers opportunities to innovate, become more efficient, and adapt best practices to the local context. P2P also fosters connectivity between local actors and strengthens local ecosystems. P2P learning is also extremely effective and offers practical ways to learn that “stick” more than those learned through training.
- **Despite the Appreciation of P2P, Challenges Remain in Implementing It**—A lack of time, resources, and incentives make it difficult for local actors to utilize or maximize the use of P2P. Using a P2P approach can be time-intensive for individuals and organizations to fully participate in P2P, and it can also be difficult to identify local institutions to participate that have the proper capacity and skills to mentor or coach peers to optimize outcomes. A lack of information about best practices, as well as insufficient donor resources, have hampered the effectiveness of P2P. P2P requires clarity of goals, established relationships, sufficient time and resources, and incentives that promote participation.

Suggested Solutions and Improvements

- **Understand the Interests for P2P Through Co-Creation with Local Institutions and Right-Size Accordingly**—Understanding the needs and interests of institutions is critical before designing a P2P activity. Local institutions should be the ones to clearly articulate goals and activities should be structured to achieve those goals. Some P2P activities may be more intensive than others. Whichever P2P approach is used, it is important to clearly and openly communicate the goals, roles, and expectations. Unclear goals, roles, or expectations will lead to poor results. Determining the resources to support P2P activities, as well as availability of staff, are also critical. Being creative when developing P2P activities, such as periodic lunch-and-learns or other informal activities, could be an effective approach for informal P2P learning when the goals are less ambitious.

- **Consider Incentives for Local Actors to Implement P2P Activities and Properly Resource Efforts**—Incentives are important for local actors to more fully participate in P2P activities. Incentives can include payment or professional development opportunities. Adequate resources for P2P in general are critical, particularly for more structured P2P activities.
- **Select the Appropriate Institutions**—Selecting the right institutions to pair with others is vital to success. A lack of chemistry, skills, time, or interest will not only be unsuccessful, but either of all of these can also create negative perspectives toward P2P. Identifying institutions that are skilled in mentoring or coaching others, or supporting them in this process, is important.

Measuring Local Actor Engagement and Ownership

- **Measuring Local Engagement and Ownership Is Complex and Needs Greater Attention**—Measuring local engagement and ownership is a complex issue because it is more than just implementation of activities by local partners and how well they are doing it; leading and owning activities is distinct from mere implementation. Although working groups are established at a donor level and within RTI to examine local engagement and ownership, there needs to be greater attention in this area. Donors and IPs need to identify ways to better understand how local partners are leading and owning local activities at the proposal design and implementation stages, which should include data design and collection.
- **Donor Timelines, Expectations, and Regulations Create Challenges**—USAID’s timelines for responding to a proposal can make local engagement and local ownership difficult. Co-creation is time intensive, and typical timelines to submit proposals in 30 days makes it challenging to involve local partners in more meaningful ways. Similarly, aggressive USAID targets and deadlines for implementation, particularly during Year 1 of a project, can hinder local engagement and ownership. When international IPs are the prime recipient on donor projects (particularly those funded by USAID), there can be a hesitancy to pass on greater leadership to local entities if there is a risk of implementation delays, thus exacerbating the power dynamics. Donor expectations should be adapted to enable local entities to take on greater scopes of work and leadership.



Suggested Solutions and Improvements

- **Invest in Measuring Local Leadership and Ownership**—Measuring local leadership and ownership is essential to understanding performance and making improvements in real time. This measurement must involve local feedback and perspectives, not just consisting of international IPs or donors evaluating their performance in a vacuum. USAID and other donors can help nudge this process by requiring IPs to measure and report on local leadership and ownership, creating greater accountability across the industry.
- **Adapt Specific Practices to Enable Local Leadership**—Specific donor practices should be adapted by USAID and other donors to enable IPs to more fully implement best practices that are essential to realizing local leadership and ownership. This effort involves extending the timelines when proposals are due (thus allowing for meaningful co-creation with local partners), creating realistic targets and timelines for implementation of activities, increasing risk tolerance when local partners are leading activities, increasing flexibility to adapt to local realities, and being more flexible about reporting requirements, when able to lessen the burdens on local actors and projects emphasizing local leadership.

Local Entity Transition from Grantee to Subcontractor to Prime Recipient

- **Local Institutional Capacity and Opportunities to Transition to Prime Awardees Are Integrally Linked**—USAID’s financial target to provide 25% of its funding directly to local entities by the end of Fiscal Year 2025 provides important opportunities for local organizations. Capacity is critical to positioning local entities to access USAID funding as a prime awardee. The more opportunities that international IPs provide for local actors to strengthen their capacity (particularly regarding USAID rules and regulations) and the more intentionality that IPs place on transitions, the greater opportunities that local actors will have. Donors can support this work by requiring more international IPs to work more closely with local institutions by placing them in leadership roles and mentoring and coaching them along the way. Key leadership roles for local institutions on projects may also improve their readiness.
- **Stringent Donor Requirements Make It Difficult to Access Direct Funding**—Strict USAID requirements place undue burdens on local institutions that are often under-resourced. Meeting USAID’s requirements means further stretching already thin staffing resources, creating different systems or policies to meet deadlines, and spending a substantial amount of time on administration as opposed to technical activities. Strict compliance requirements can inadvertently shift staffing resources so they are less able to lead and drive technical activities.
- **Transitions Can and Should Include from Grantees to Subcontractors**—Too often, there is a focus on transitioning local entities from a subcontractor to a prime recipient. More international IPs should also consider gradual transitions that include grantee to subcontractor. Many, but not all, organizations want to become a prime recipient of USAID funding. Understanding the desires of local partners and responding to them is important. By focusing on transitioning grantees and not just subcontractors, international IPs and donors provide opportunities to incrementally strengthen capacity and provide important exposures for local institutions.

Suggested Solutions and Improvements

- **Provide More Capacity Strengthening Support and Greater Leadership Roles to Local Institutions**—International IPs can and should place an increased emphasis on strengthening local capacity that aligns with the needs and interests of local partners. Not every local entity will want to become a prime recipient; therefore, explicit discussions should be conducted so capacity strengthening support can be customized. Providing opportunities to strengthen the capacity of grantees is also important. For those grantees that are interested in ultimately tapping USAID funding, strengthening capacity in core operational areas, strategic planning, and protocols regarding managing USAID-funded projects (going beyond rules and regulations) is important. Providing leadership roles to local organizations on projects is one of the best ways to promote strengthening local capacity and should happen more frequently.
- **Embed Capacity Strengthening at the Proposal or Design Stage**—Capacity strengthening interventions should be planned at the proposal or design stage through a co-creation process with local partners. That way, they can be resourced more effectively and balanced with technical activities.
- **Provide Mentoring and Coaching, Not Just Training**—Training may be one way to help local institutions learn the critical skills needed to transition to a prime recipient, but routine, two-way mentoring and coaching is critical. Regular feedback about everyday activities (e.g., financial and project reporting) provides effective learning opportunities that help organizations learn critical skills.

Enhancing the Partnership Experience of Local Actors

- **International IPs Are Valued by Local Institutions, but It Can Be Diminished by Compliance, a Lack of Resources, and Inadequate Communication About Expectations**—If International IPs are collaborative and focused on serving local partners, they can add value to local institutions and be important advocates and allies. Capacity strengthening work and investments in co-creation are particularly appreciated by local actors. However, everyday experiences matter. The tediousness of compliance that is inherent in donor-funded projects can create strains and make relationships feel transactional in nature. Although compliance is important, international IPs need to do a better job of supporting local entities regarding compliance and streamline the process to decrease burdens.

Suggested Solutions and Improvements

- **Channel Increased Funding to Local Entities and Prioritize LLD**—International IPs should make greater efforts to allocate a larger portion of project budgets to local institutions and prioritize LLD. While funding is only one means of promoting LLD, increased funding should correspond with additional responsibilities and/or an expanded scope of work, thus enabling local institutions to more seamlessly transition to becoming a prime recipient and/or growing their services. Prioritizing LLD means giving local institutions greater leadership in project activities so they can more fully drive and own the development process.
- **Strengthen Capacity Regarding Compliance and Create Clear Lines of Communication**—Without clear guidance on some areas of donor compliance, local institutions may not be set up for success, creating tensions in the relationships between local institutions and international IPs. Clearly articulating compliance expectations (avoiding jargon and assumptions on knowledge) and working to strengthen capacity in areas where local institutions may need additional support are critical. Compliance with donor regulations often overlaps with donor protocols and practices; therefore, it is important to understand both. International IPs should consider capacity strengthening for grantees and for subcontractors, so that this can be a more incremental process. Balancing capacity strengthening with technical implementation of activities is an important consideration.
- **Create Tools and Templates to Ease Burdens on Local Entities**—International IPs can ease compliance burdens for local institutions by creating templates, references sheets, and other resources. Ensuring streamlined processes that are easier for local institutions to navigate is also important. International IPs should consider how their practices and policies affect local institutions when examining and addressing pain points.

Gender, Social Equity, and Inclusion (GESI)

- **GESI Is Often Under Utilized and Resourced**—GESI helps IPs to avoid exacerbating the local power dynamics that may be harmful; therefore, GESI plays an important role in LLD. GESI includes more than just gender; groups with disabilities, people in vulnerable situations, and marginalized groups are also a part of GESI. There is an increased awareness and appreciation for GESI but, in many cases, it still feels like a check-the-box exercise. Many organizations are not equipped or resourced to address GESI in meaningful ways; therefore, they need more time, skills, and funds to appropriately integrate GESI approaches in projects. Cultural norms and resistance to GESI also creates challenges.

Suggested Solutions and Improvements

- **Increase Attention and Focus on GESI for Enhanced LLD**—Donors, international IPs, and local institutions should all make more concerted efforts to incorporate GESI into project designs and be accountable for results. GESI helps to amplify LLD. GESI should not be a simple indicator or target but should be streamlined throughout project activities and focused on objectives. Regular discussions about progress and a greater commitment to resourcing GESI must also happen. GESI takes time, staff, and resources to ensure that it is appropriately integrated in approaches for projects and that implementation of GESI is done well.
- **Customize Solutions According to the Local Context**—The local context is significant when considering GESI. Therefore, it is crucial to customize solutions to the local context. This effort should involve the following: working with local groups that really understand the hyper-local context as it relates to GESI, key barriers, and incentives; creating local champions that can help shift mindsets; and creating local buy-in and explaining the case for GESI. It is important to carefully tailor solutions so that implementers do not inadvertently deepen stigmatization. When discussing GESI, language and terms matter.