



Power in November 2021, and second because it's reassuring for us to see a player such as USAID take an approach that resonates so clearly with ours!

## **What we appreciated**

### ***Vision and approach***

The draft policy sets out a bold, clear and thoughtful vision, and common approach to the development of local capacity, which will be applied and adapted across the wide variety of sectors, contexts and countries where USAID works. In addition to setting out the vision, the draft policy explains what this will mean programmatically, outlines the principles which will guide the policy's implementation, and establishes a process to ensure that local capacity development gains and retains a central place in USAID's ways of working.

We appreciated in particular the following elements of the vision and programmatic approach.

- **Local capacity and sustainable development.** The clear statement that “Local capacity development is the cornerstone of sustainable development, which depends on local actors designing and leading efforts to improve their communities” (p.2).
- **Capacity, systems, outcomes.** The emphasis that local capacity development matters because it can improve the performance of the systems that generate outcomes (see the definition of “Local Capacity Development” on p.4).
- **Actors, relationships, systems.** The recognition that while the capacity of actors to design and implement solutions is important, relationships amongst actors, and the systems they constitute, are a crucial part of the picture (see the definition of “Capacity” on p.4, and the mention of “relational capacities” on p.26).
- **Beyond blueprints.** The commitment to move beyond unsuccessful blueprint approaches to capacity development that have often neglected existing local capacities, in favor of emerging approaches that center on systems thinking, participatory approaches and collective capacity (pp.4-5).
- **Tailoring assistance.** The importance USAID places on understanding its unique and varying role within local systems, and its comparative advantages in those systems, in order to tailor its support effectively to meet the needs of local partners (p.10).
- **Learning and adaptation.** The emphasis not solely on the capacity of actors and systems to perform in the current context, but also their capacity to learn and adapt so that they can continue to respond effectively to new challenges in an evolving context (p.27).

- **Emergence and innovation.** The underscoring that programming must “enable desirable emergent future states by feeding the natural, bottom-up dynamics of emergence and innovation, rather than by imposing simple and mechanistic, cause and effect type solutions to current problems.” (p.27).

## **Principles**

<b>Seven Principles to Guide Local Capacity Development</b>
1. Start with the local system
2. Develop diverse capacities through diverse approaches
3. Align capacity development with local priorities
4. Appreciate and build on existing capacities
5. Be mindful and mitigate the unintended consequences of our capacity development
6. Practice mutuality with local actors
7. Measure performance improvement in collaboration with local actors

We also appreciated the principles that will guide the implementation of the policy across sectors, contexts, and countries. The following things particularly caught our eye in this section:

- **Listening to the system** is a great place to start (see our full 2020 strategy on [Listening, learning and adapting](#)) with collaborative and inclusive sense-making an important part of that process (p.12).
- **Developing diverse capacities through diverse approaches** including accompanied learning by doing, peer-to-peer learning, relationship brokering and network weaving, was music to our ears (p.14).
- **What USAID won’t do.** The commitments to not default to training and standard packages, nor to focus on achieving pre-defined end states were welcome (p.14 and p.16).
- **The locus of learning:** The emphasis on moving the locus of learning closer to local stakeholders “to bolster local capacity development and support locally led learning and adaptation” was valuable (p.19 - see also Alan’s 2017 piece on [Learning and power: Whose learning and adaptation counts?](#)).
- **Monitoring what matters.** The careful thought given to questions of monitoring, evaluation and learning; the focus on demonstrable changes in performance, with output indicators no substitute for outcome-level measurement (p.20); and the emphasis on the

the importance of analyzing and understanding the flow from capacity development of local actors, through the performance of systems, to the outcomes achieved, rather than just the bits of the process that might seem easier to measure and control (pp.20-21).

### **What we had questions about**

As you might expect from an organization whose approach has many similarities with USAID's draft policy on local capacity development, there was much that we appreciated. There were also some issues that we had questions about, or which we felt might merit greater attention, and which are very much part of our own explorations about how to support the emergence of locally-led approaches to addressing complex challenges and their political economy dynamics.

**Firstly, the emphasis on the "local".** The emphasis on local leadership in the design and implementation of solutions is something that we wholeheartedly endorse. People and organizations who experience development challenges first hand have an important perspective on those challenges and should be fully involved in efforts to address them. But as the draft policy notes "local systems" may reflect or cut across sub-national, national or regional geographies (p.8). That is, some of the actors whose actions contribute to a locally-experienced development challenge, and whose actions are needed for its solution, may not be geographically local as the use of " "local" ", with its own quotation marks, (p.8), somewhat confusingly acknowledges. For instance, stemming the loss of Nigerian resources to corruption may require banks in London and New York to be more selective as regards the clients they serve.

Put simply, causes and effects may have different geographies. The movement towards supporting locally-led development is very welcome, but we should guard against the responsibility for development being placed solely on the shoulders of geographically local actors. That would ignore the extra-local causes of development challenges, fail to engage actors who need to be part of the solution, and miss the opportunities that extra-local connections can bring. As Abigail Bellows, the Deputy Director, Policy for USAID's Anti-Corruption Task Force put it at the event we hosted on locally-led approaches to addressing corruption (event report [here](#)), effective approaches to addressing corruption will need to be "locally-led, but not locally-isolated".

**Second, the treatment of power.** The draft policy makes several mentions of power and power asymmetries. This is very welcome. Too many discussions of development sidestep the political economy dynamics that are often at the root of complex development challenges. However, we nonetheless found the way that power is treated somewhat unsatisfying, and felt that the recognition that capacity is not the same as having the power to drive change warranted additional exploration.

The draft policy notes that "strengthening the performance of a system often requires going beyond just capacity development and addressing other constraints through complementary interventions", and that we - USAID we assume? - may need to help to address harmful power

dynamics or other incentives (p.9). But, while noting that thoughtful systems approaches can help to generate useful ideas, the draft policy stops short of saying how that might be done, or what it might look like.

It is perhaps expecting too much of a draft high-level policy to say much about what approaches might be taken to ensure that local capacity development can contribute to shifting a status quo that is supported by powerful actors. This in some ways is the billion dollar question; we often feel that it should be. But we would encourage USAID to focus additional attention on this question as the high level policy is translated into programs, perhaps with a learning agenda and community of practice to explore the various approaches that are being taken to shift political economy dynamics across different programs.

***Third, the lack of differentiation between simple and complex challenges.*** We were somewhat surprised to see relatively little attention given to whether and how the sort of development challenge that local partners are keen to address might shape the sort of capacity development which USAID would provide. Different sorts of problems might, it seems fair to say, require different sorts of capacities.

Some problems are pretty simple, with clear and largely technical solutions that can be applied in different places and will easily gain the support of wide coalitions of actors. Other problems are much more complex, with many such challenges shaped by the dynamics of power and patterns of incentives, and solutions emerging only through cycles of action and learning that engage with the political economy drivers that hold such problems in place. This has implications for the sorts of capacity that will be needed to address challenges that range from the simple to the complex.

Again, this is perhaps something that will be covered as the policy, the approach, and the principles are applied in particular cases, countries and sectors, but a commitment to exploring this issue - again, perhaps as part of a community of practice, with a learning agenda - would be welcome even in the higher level policy.

## **Conclusion**

We are excited to see USAID's emerging approach to local capacity development. There's a lot to like, as well as some important areas for further exploration. We look forward in particular to seeing how the policy on local capacity development will be applied to support local actors' efforts to address complex challenges such as corruption, and its underlying political economy dynamics. This will, we are sure, prove to be very fertile ground for exploring the value, and limits, of different approaches to developing the local capacities that are needed to support the emergence of effective solutions that are tailored to particular contexts, and that address the political economy dynamics which often hold bad governance in place.

[Ambassador Power's reflections on International Anti-Corruption Day](#) were hugely encouraging, emphasizing that the fight against corruption will only be successful if it is "guided by the

ingenuity, expertise, and energy of those on the frontlines of this fight”. Effective approaches to strengthening local capacity, and building on the capacity that is already in place, will be an important part of the fight. With our strategy addressing similar issues, we are keen to be part of the conversation and would be happy to support USAID’s efforts to learn, in locally-led ways, about how local capacity that delivers can be developed most effectively.

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