

Metrics Matter

How USAID counts “local” will have a big impact on
funding for local partners

Wednesday 1st March, 2023



1. Introduction – USAID’s pledges

- ▶ **At least 25% of USAID assistance will go directly to local partners by 2025**
- ▶ **By 2030 local communities will have a leading role in 50% of USAID assistance**



2. Data and sample

- ▶ USAID's data published in the International Aid Transparency Initiative (IATI) Standard



- ▶ 10 Sample countries – disbursement data from 2019-2021:

Sub-Saharan Africa

Kenya
Liberia
Ethiopia
Zambia

South and Central Asia

Bangladesh
Nepal

Western Hemisphere

Guatemala
Haiti

Europe and Eurasia

Moldova

MENA

Jordan

3. Calculation

$$\frac{\textit{Funding to local organizations}}{\textit{Total funding pool}} = 25\%$$



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4. Publish What You Fund and USAID approaches to identify “local” funding



USAID numerator

Organizations are identified as “local” when:

- Headquartered and incorporated in the recipient country
- Either managed and governed by nationals of the recipient country or by non-nationals
- Working sub-nationally, nationally, regionally or internationally

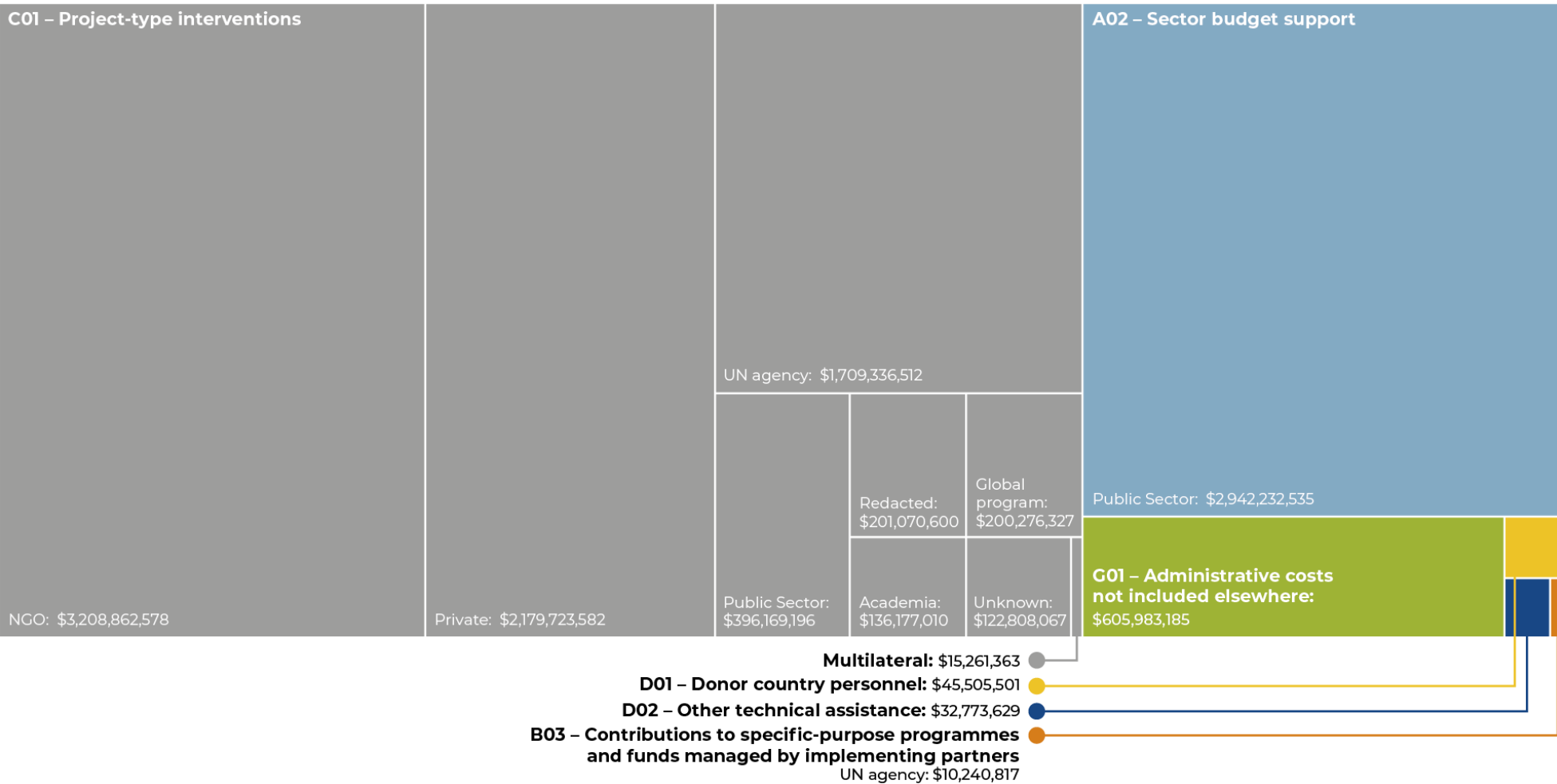
Publish What You Fund numerator

Organizations are identified as “local” when:

- Headquartered and incorporated in the recipient country
- Excluding subsidiaries/brands of international organizations
- Managed and governed by nationals of the recipient countries or by non-nationals from a specific beneficiary group (e.g. refugees)
- Only working sub-nationally or nationally

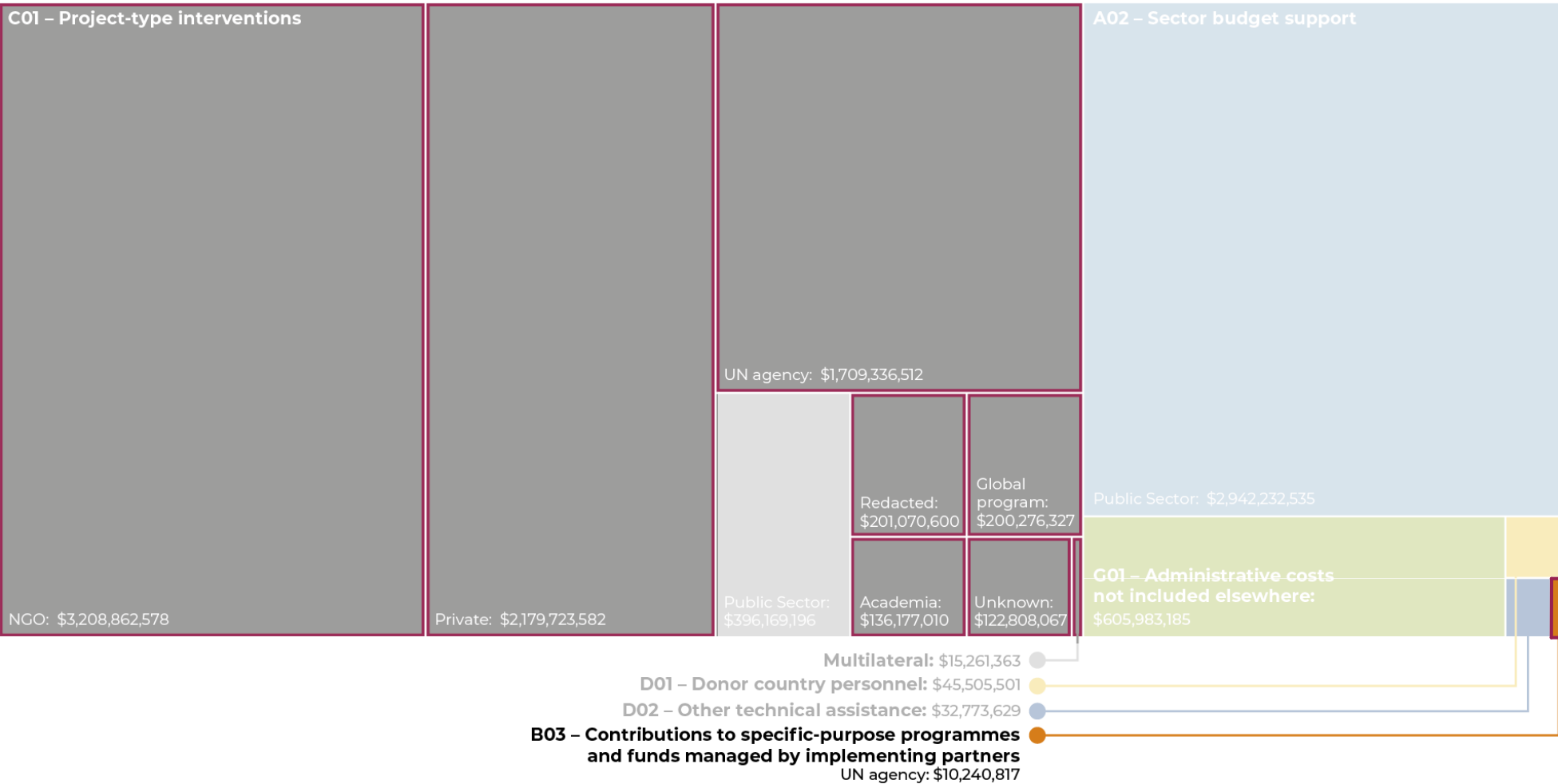
5. Denominators

USAID aid and implementer types aggregated across 10 countries
 Total disbursements to 10 sample countries for fiscal years 2019 to 2021



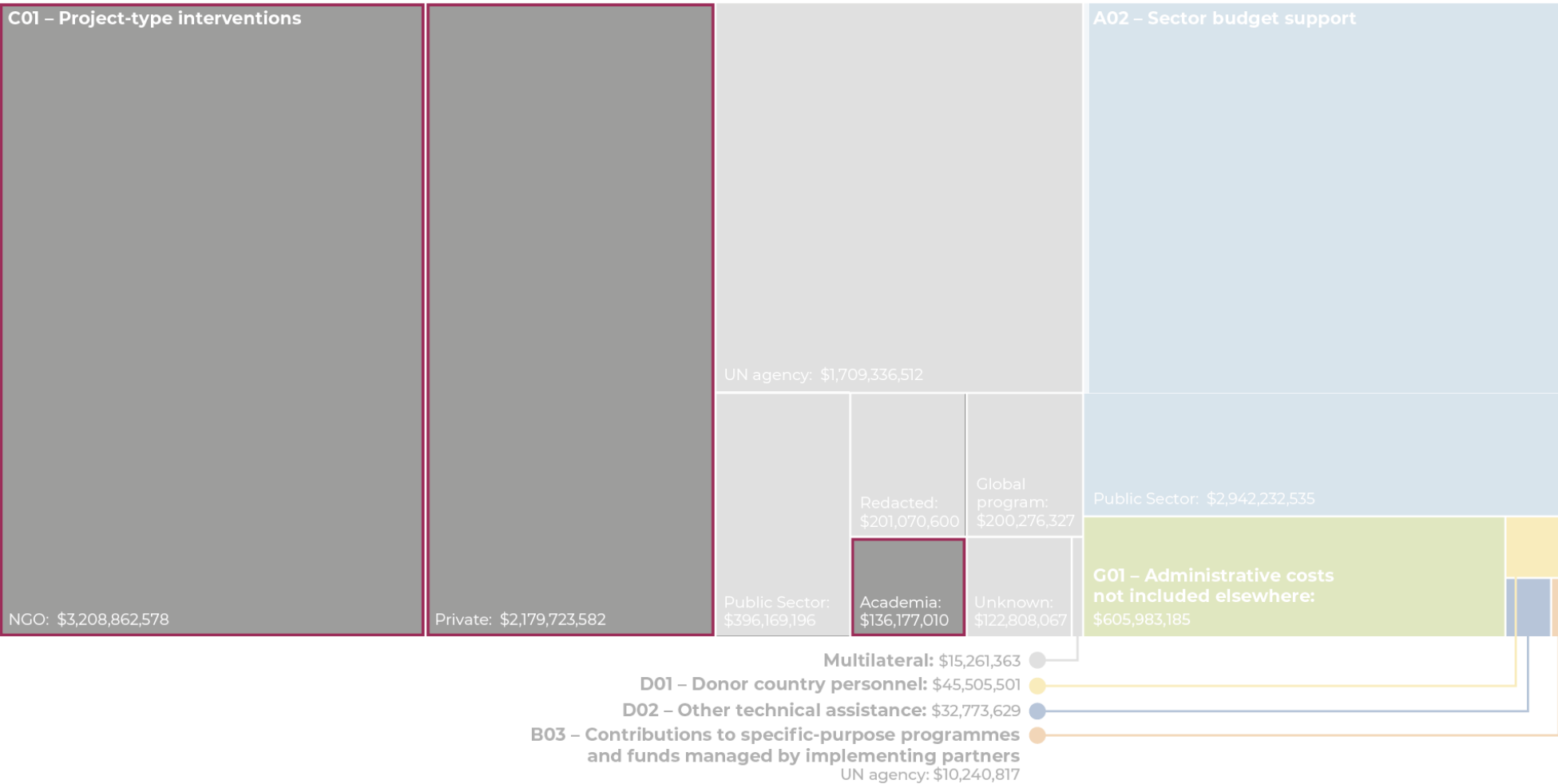
6. Publish What You Fund Denominator

USAID aid and implementer types aggregated across 10 countries
 Total disbursements to 10 sample countries for fiscal years 2019 to 2021



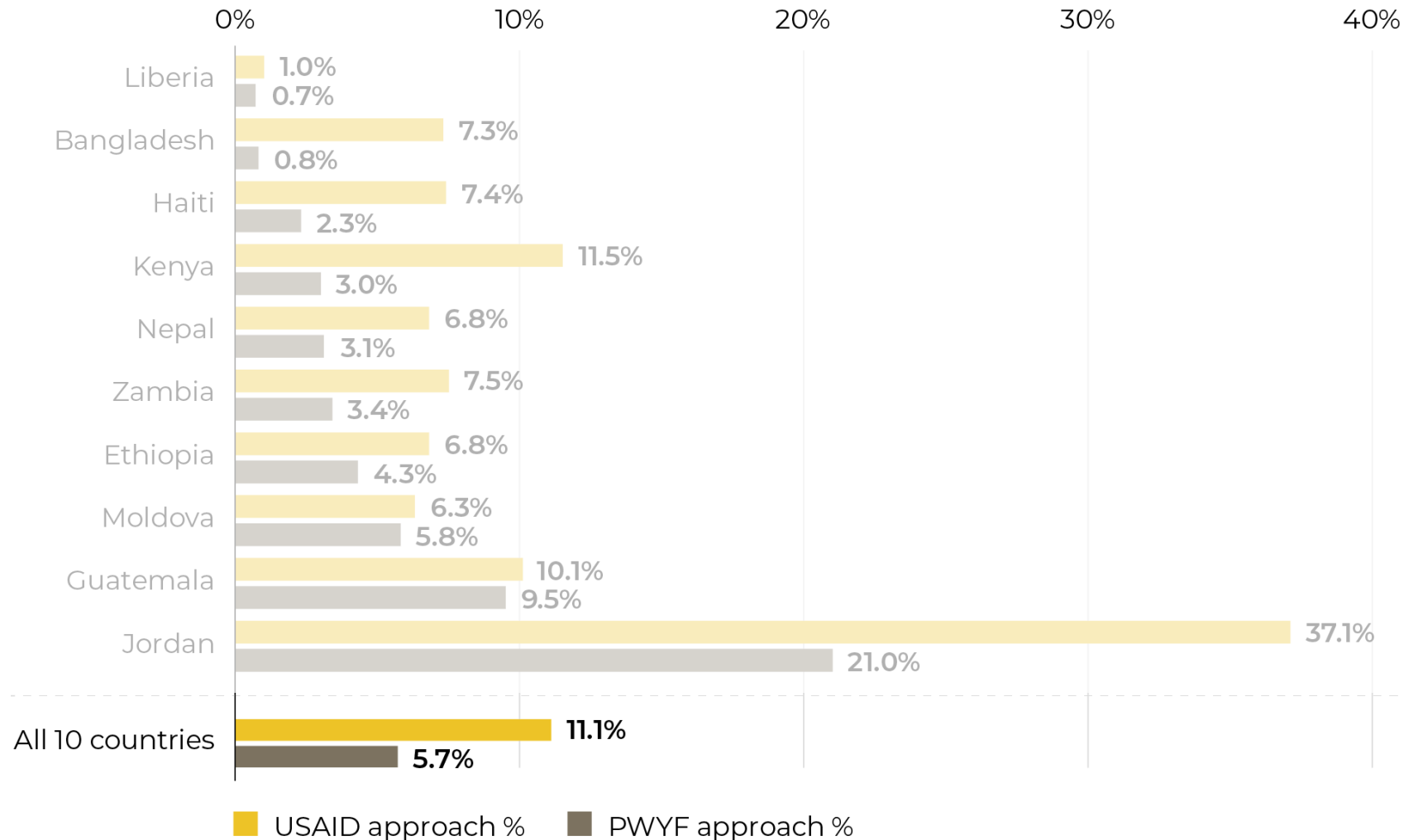
7. USAID Denominator

USAID aid and implementer types aggregated across 10 countries
 Total disbursements to 10 sample countries for fiscal years 2019 to 2021



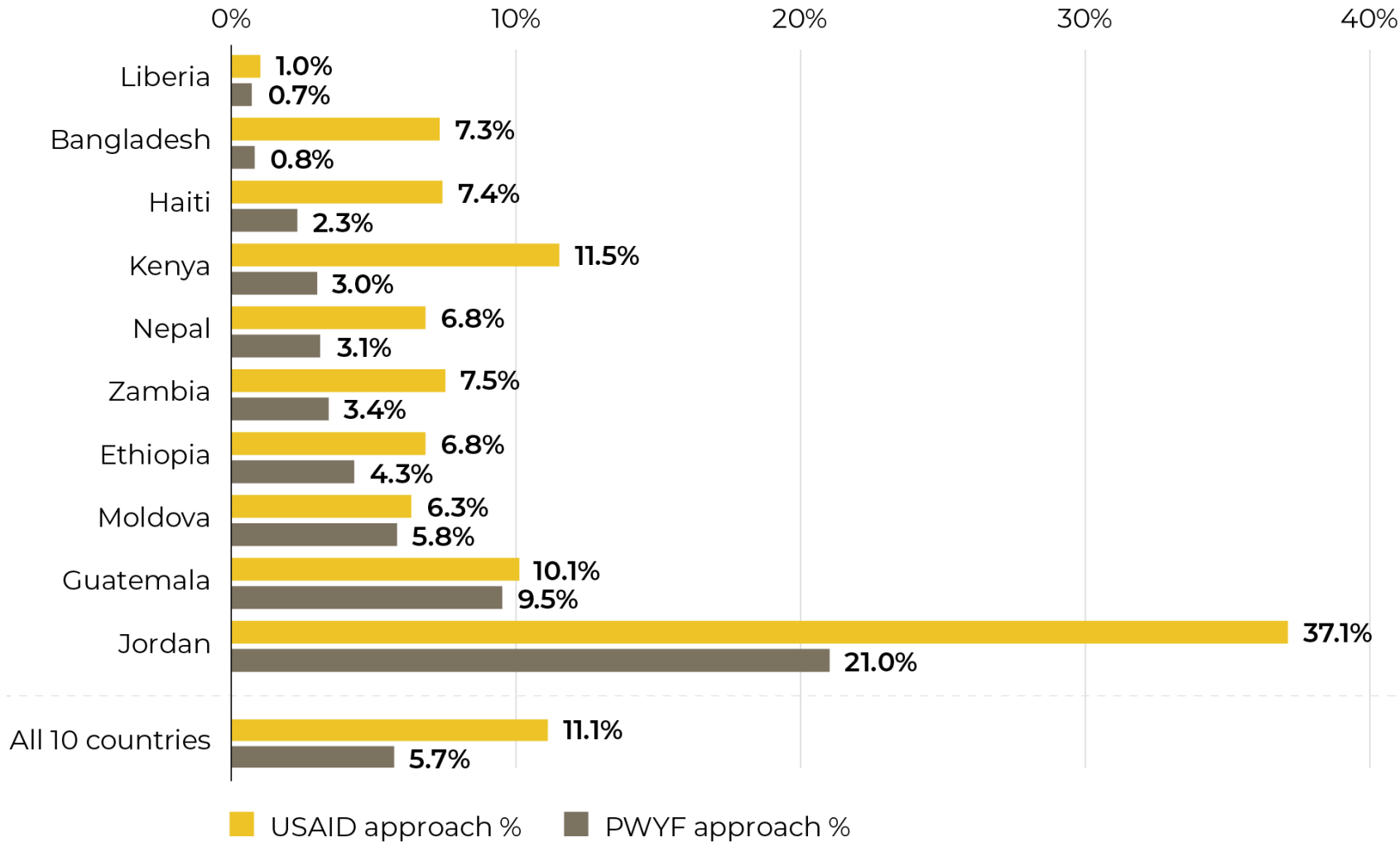
8. Overall results

Proportion of funding to local partners across 10 USAID funded countries
Disbursements recorded in US fiscal years 2019 to 2021



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9. Funding implications

For the 10 sample countries

- ▶ Using our approach for measuring local funding USAID would have needed to channel an additional \$500m per year to local organizations to reach 25%
- ▶ Using USAID's approach the shortfall was \$256m
- ▶ That is \$244 million per year less that would need to be channeled to local organizations in the 10 sample countries if using USAID's approach.

Total portfolio estimate

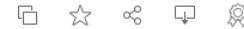
- ▶ Scaled up across all of USAID's country programs an additional \$1.43bn per year would need to be directed to local organizations to reach 25% if using our measurement approach.



10. Dashboard



USAID local partner funding dashboard by [Elma Jenkins](#)



USAID local partner funding dashboard

How much funding does USAID channel to local organisations across 10 countries

On November 4th 2021 USAID's Administrator Samantha Power set out her vision to make aid more accessible, equitable and responsive. A key part of this vision was an ambitious commitment to the "localization" agenda: by 2025, 25% of USAID's funding will go to local partners.

Publish What You Fund has analyzed data from USAID receiver organizations in 10 countries across the years 2019 to 2021. The analysis also takes into consideration which funding flows the target is applied to on as well as the various approaches used by USAID and others to identify a local organization. This dashboard uses data published by USAID in the IATI standard. Publish What You Fund's full report can be accessed here: <https://www.publishwhatyoufund.org/download/metrics-matter/>

STEP ONE:

Use the drop-down filters on the right to filter across countries, transaction types, years and denominator.

Note: these filters apply to the whole dashboard

Recipient Country (All)	Transaction Type 3 - Disbursement	Years filter <input checked="" type="radio"/> US Financial Year 2019-21 <input type="radio"/> Calendar 2019-21	What is being targetted (the denominator) <input type="radio"/> All <input checked="" type="radio"/> USAID denominator <input type="radio"/> PWYF denominator
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STEP TWO:

Compare the approaches to identifying local organization.

USAID numerator	Publish What You Fund numerator
Organizations are identified as "local" when: <ul style="list-style-type: none"> Headquartered and incorporated in the recipient country Either managed and governed by nationals of the recipient country or by non-nationals Working sub-nationally, nationally, regionally or internationally 	Organizations are identified as "local" when: <ul style="list-style-type: none"> Headquartered and incorporated in the recipient country Excluding subsidiaries/brands of international organizations Managed and governed by nationals of the recipient countries or by non-nationals from a specific beneficiary group (e.g. refugees) Only working sub-nationally or nationally

- Local approach filter (the numerator)**
- PWYF approach
 - USAID approach

- Approach colour legend**
- Other
 - PWYF approach
 - USAID approach

STEP THREE:

Create your own definition of a local entity using the entity characteristics below to filter the data and compare to the pre-defined local definitions.

Receiver entity's principal place of business/location of HQ

(All)

Receiver entity HQ locations



