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

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\frac{\text{Funding to local organizations}}{\text{Total funding pool}} = 25\%
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4. Publish What You Fund and USAID approaches to identify “local” funding

<table>
<thead>
<tr>
<th>USAID numerator</th>
<th>Publish What You Fund numerator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations are identified as “local” when:</td>
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</tr>
<tr>
<td>• Headquartered and incorporated in the recipient country</td>
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<tr>
<td>• Either managed and governed by nationals of the recipient country or by non-nationals</td>
<td>• Excluding subsidiaries/brands of international organizations</td>
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<tr>
<td>• Working sub-nationally, nationally, regionally or internationally</td>
<td>• Managed and governed by nationals of the recipient countries or by non-nationals from a specific beneficiary group (e.g. refugees)</td>
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<tr>
<td></td>
<td>• Only working sub-nationally or nationally</td>
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5. Denominators

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

C01 – Project-type interventions

NGO: $3,208,862,578
Private: $2,179,723,582

Public Sector: $394,161,396
Academia: $136,177,010
Unknown: $222,908,027

UN agency: $1,709,336,512
Redacted: $201,070,600
Global program: $200,276,127

Public Sector: $2,342,232,535

G01 – Administrative costs not included elsewhere: $625,463,165

D01 – Donor country personnel: $45,505,501
D02 – Other technical assistance: $32,773,629
B03 – Contributions to specific-purpose programmes and funds managed by implementing partners
UN agency: $10,240,817
Multilateral: $15,261,363

A02 – Sector budget support
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

C01 – Project-type interventions

- NGO: $3,208,962,578
- Private: $2,179,723,542
- Public Sector: $1,966,190
- UN agency: $1,709,336,512

C02 – Sector budget support

- Public Sector: $2,942,232,535
- Multilateral: $15,261,363
- D01 – Donor country personnel: $45,505,501
- D02 – Other technical assistance: $32,773,629
- B03 – Contributions to specific-purpose programmes and funds managed by implementing partners
  - UN agency: $10,240,817

G01 – Administrative costs not included elsewhere: $605,983,160
7. USAID Denominator

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

**C01 – Project-type interventions**
- NGO: $3,208,862,578
- Private: $2,179,723,542

**A02 – Sector budget support**
- UN agency: $1,709,336,512
- Redacted: $201,070,605
- Global program: $200,726,129

**Public Sector**
- $339,451,990

**Academia**
- $136,177,010

**Unknown**
- $22,890,107

**Multilateral**
- $15,261,363

**D01 – Donor country personnel**
- $45,505,501

**D02 – Other technical assistance**
- $32,773,629

**B03 – Contributions to specific-purpose programmes and funds managed by implementing partners**
- UN agency: $10,240,817

**G01 – Administrative costs not included elsewhere**
- $625,963,180

**Public Sector**
- $2,942,237,535
8. Overall results

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

- Liberia: 1.0% (0.7%)
- Bangladesh: 0.8%
- Haiti: 2.3%
- Kenya: 3.0% (11.5%)
- Nepal: 3.1%
- Zambia: 3.4%
- Ethiopia: 4.3%
- Moldova: 6.3%
- Guatemala: 10.1%
- Jordan: 9.5% (21.0%)
- All 10 countries: 11.1% (5.7%)
8. Overall results

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

- Liberia: USAID approach 1.0%, PWYF approach 0.7%
- Bangladesh: USAID approach 0.8%, PWYF approach 7.3%
- Haiti: USAID approach 2.3%, PWYF approach 7.4%
- Kenya: USAID approach 3.0%, PWYF approach 11.5%
- Nepal: USAID approach 3.1%, PWYF approach 6.8%
- Zambia: USAID approach 3.4%, PWYF approach 7.5%
- Ethiopia: USAID approach 4.3%, PWYF approach 6.8%
- Moldova: USAID approach 6.3%, PWYF approach 5.8%
- Guatemala: USAID approach 10.1%, PWYF approach 9.5%
- Jordan: USAID approach 21.0%, PWYF approach 37.1%
- All 10 countries: USAID approach 5.7%, PWYF approach 11.1%

USAID approach %  PWYF approach %
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