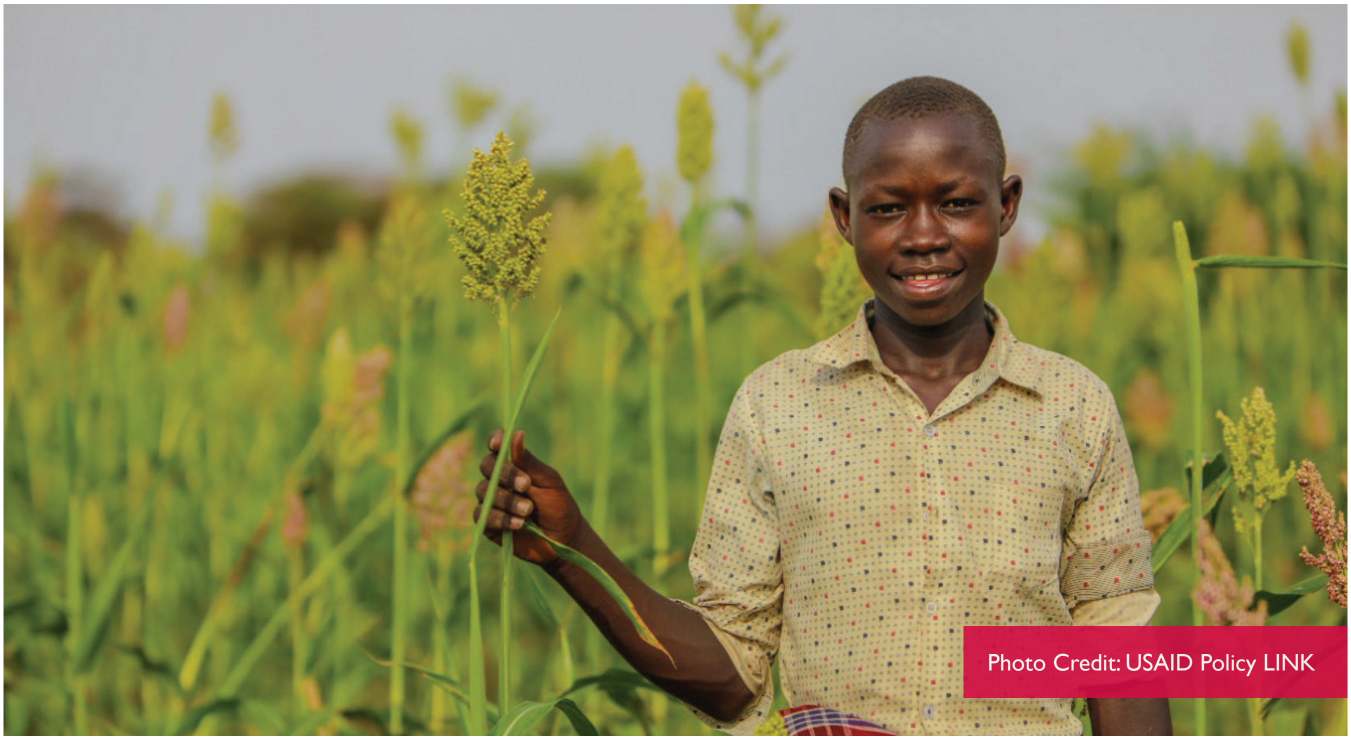
CASE STUDIES

KENYA AND EAST AFRICA LOCALIZATION ENGAGEMENT ASSESSMENT



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INTRODUCTION AND BACKGROUND

The three case studies presented in this document contextualize the findings from the USAID/Kenya and East Africa (KEA) Localization Engagement Assessment (LEA).[1] They focus on best practices and challenges in meeting the localization objectives of USAID/KEA. These studies are based on comprehensive interviews with LEA respondents, as well as relevant online resources. As an internal tool for USAID, they are intended to facilitate deeper understanding of how LEA findings were manifested in three distinct engagements. To ensure confidentiality and emphasize stakeholders' core experiences and insights, the case studies omit the names of individuals, organizations, or projects. The case studies are summarized briefly below.

Case Study 1: Empowering local leadership for sustainable development. This case study explores a direct award from USAID to a local partner to improve the management of natural resources. It illustrates the immense potential of local organizations to drive locally led solutions and highlights areas in which USAID could fine-tune its engagement for even greater impact. These include embracing community-driven approaches that leverage local networks, catalyzing USAID funding to sustain operations over the long term, and streamlining USAID processes and communication to increase impact.

Case Study 2: Rethinking the role of international implementing partners (IPs) as localization accelerators. This case study examines a significant shift in the traditional roles of international IPs on USAID/KEA projects. It focuses on a large-scale project led by an international prime contractor. The shift emphasizes the need for a more nuanced, impact-driven perspective that aligns international expertise with local aspirations and capacities. The insights and recommendations presented in the case study serve as a roadmap for enhancing international IPs' efficacy in fostering sustainable, localized development.

[1] This document is meant to accompany the LEA, not to serve as a standalone document.

Case Study 3: Focusing on operational viability and sustainable impact. This case study assesses pivotal challenges to and potential remedies for the establishment and nurturing of new local organizations that operate in civil society and/or the private sector. It focuses on lessons learned from USAID's support for the establishment of Local Development Organizations (LDOs) that streamline the alignment of interests with local stakeholders and address community needs. The case study clarifies the need for USAID/KEA to invest in viable operational models, adopt an investor mindset, and offer tailored technical assistance (TA) to budding nonprofit and for-profit local organizations.

Photo Credit: USAID/East Africa

CASE STUDY 1: Empowering Local Leadership for Sustainable Development

Overview of USAID Project

This case study focuses on a project in Laikipia County, Kenya, a region crucial for wildlife. It demonstrates a successful approach to fostering local leadership and ownership for natural resource management. Spanning over 3,500 square kilometers, Laikipia's landscape includes private and community conservancies that are critical for biodiversity conservation and to support pastoral and commercial cattle enterprises. The project's main aim is to strengthen the conservancies as effective resource management institutions despite challenges such as climate change, habitat conversion, and land degradation. Central to this objective is empowering the Laikipia Conservancies Association (LCA), which encompasses 29 conservancies. The LCA facilitates dialogue and trust-building and provides leadership and technical support, enhancing overall resource management in the region.

Implemented by an established local nonprofit organization, the project has notably enhanced the LCA's capacity and long-term growth since its founding in 2017. The LCA is an influential and effective organization that has fostered improved collaboration among its members and with key entities such as the Laikipia County Government and other regional conservancy associations. This collaboration has led to significant improvements in land and resource tenure, social impact assessments, expanded wildlife monitoring, and the creation of a central data hub for better decision-making. These achievements underline the project's role in leveraging local leadership, augmenting conservancy capabilities, and promoting a locally driven organizational structure that is essential for sustainable resource management.

Overcoming Organizational Challenges

The prime implementer collaborated with the LCA to co-identify and co-design solutions to address several significant organizational challenges. These included a lack of effective and transparent governance structures, limited capacity for communications and reporting, and a tendency to prioritize short-term opportunities over long-term objectives. To address these issues, the prime implementer and USAID supported the LCA to strengthen its governance and enhance its operational and financial management systems.

As the LCA has grown with USAID's support, its financial management and operational systems have evolved significantly. Initially, the association relied heavily on consultants, and its processes lacked structure. It subsequently instituted stronger internal controls, which are essential for organizations managing USAID or donor funding. These include:

- A computerized, cloud-based accounting system for centralized and transparent financial tracking;
- Clear segregation of financial duties among staff to prevent misuse; and
- Regular external audits to ensure compliance with donor requirements.

The LCA notes that these changes have improved its relationship with USAID and other funders, they are increasingly viewed as responsible organizations that mitigate donor investment risks effectively. Robust financial systems are important to enable the LCA to take on larger grants and hold a leadership role in the sector, demonstrating its organizational maturity and capacity so steward funds appropriately.

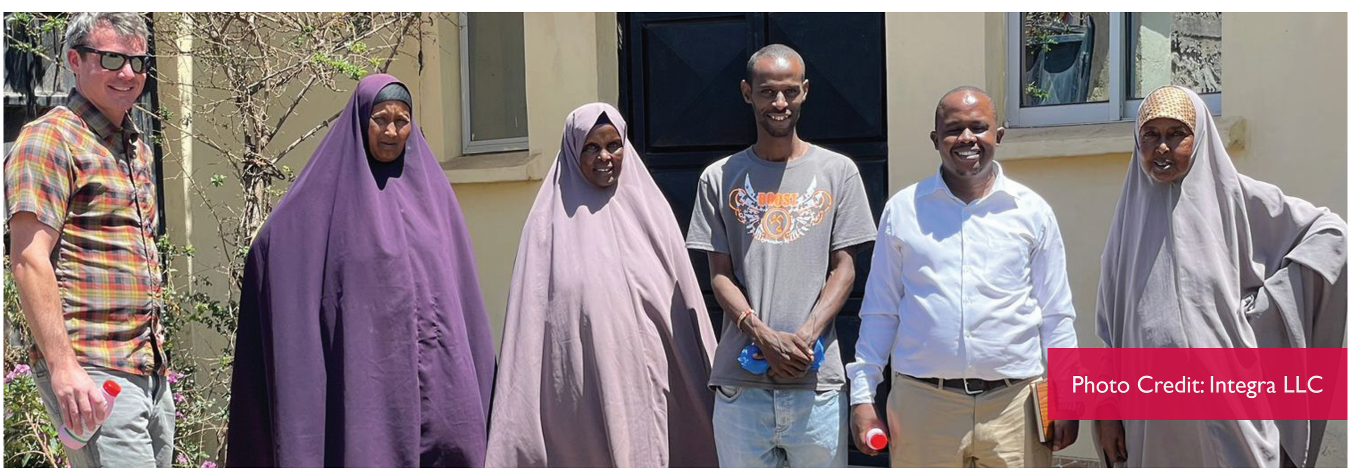


Photo Credit: Integra LLC

Leveraging Stakeholder Networks to Foster Locally Led Solutions

A pivotal factor in the success of the project was establishing trust and understanding among local implementing organizations and stakeholders including communities, county governments, civil society, and the private sector. For example, the project strategically hired former county government employees for essential full-time roles, utilizing their extensive insights and relationships with county officials. These connections were instrumental in democratizing natural resource management, particularly the transition from group ranches to community land to enhance wildlife protection and combat poaching.

The LCA's work also had a significant impact on inclusivity. For example, it fosters more inclusive local governance groups within community-driven committees that improve land management. In the past, decision-making for group ranches was largely controlled by male landowners, which marginalized other members of those communities. After the transition to community land, LCA facilitated inclusive elections, which led to the landmark election of a woman as chair of a land management committee. Under her leadership, the committee established women's groups to manage livelihoods projects such as beekeeping and basket weaving cooperatives. Over the past three years, the initiative has enabled the economic empowerment of over 60 women, providing them independent sources of income. In addition, the committee dedicates 30 percent of all grazing fees to supporting women's initiatives.

This case study demonstrates how locally led approaches that incorporate equitable and inclusive governance structures can significantly enhance the social and economic benefits of conservation. It shows that embracing such models can profoundly impact the broader community, aligning with USAID's target of benefiting more members of its focus communities.

Catalyzing USAID Funding to Sustain Operations in the Long Term

This case study demonstrates the effective use of USAID funding to foster financial independence and ensure the sustainability of community-driven solutions beyond the initial funding period. It emphasizes the importance of strengthening the capacity of local partners and stakeholders. For example, the LCA's annual budget was around $200,000 when it first received a USAID grant through the prime local implementing organization. This funding relied almost entirely on that single grant in the first few years of the association's operations. Later, with increased capacity and experience fostered by support from USAID and the local IP, the LCA's revenue streams diversified and increased significantly. Its total current budget now exceeds $750,000, with contributions from donors including USAID, SNV, and county government partners.

The growth in the LCA's full-time staff count mirrors the trajectory of its revenue and programs. The association originally operated with just three employees, funded by the initial USAID grant. However, as its budget and program scope expanded, facilitated by USAID's investment, the staff count has grown to over 15. The increase enables a more significant impact through expanded programs and services to members across the region. This success showcases USAID's role as a co-investor, helping organizations to catalyze funding for long-term impact and sustainability.

Streamlining USAID Processes and Communications to Increase Impact

Respondents who commented on this case study observed that their efforts could be even more successful if USAID processes were streamlined and communications with Mission staff improved. For instance, while local stakeholder respondents understand the need to report on their efforts to USAID, they pointed out that frequent, urgent ad hoc requests from USAID often divert resources from core project activities. Respondents also suggested adding flexibility to grant milestones to enable local organizations to address emerging community needs more promptly. One example cited was a sudden uptick in livestock poaching due to food insecurity in the region. The project's rigid scope under USAID impeded an immediate response and required the mobilization of alternative resources.

Looking Ahead

This case study offers insights into ways that USAID's localization strategy can empower local stakeholders and communities to drive sustainable development solutions. It sheds light on several key approaches that USAID can adopt to further support and strengthen local organizations. These include:

Provide long-term support. Because it is essential to facilitate capacity building and sustainability planning, USAID should develop long-term relationships with local stakeholders. Respondents for this case study recommended that USAID commit to multi-year award packages for local organizations, because short-term support often limits the ability to meet long-term goals and sustain development initiatives.

Add flexibility to funding for core costs.
Local organizations' long-term success and sustainability relies on allocating funds for core operational costs rather than only supporting individual projects. LCA highlighted the importance of investing in staff and systems that enhance a local organization's headquarters operations, which are essential to generate funds from non-USAID sources and reduce dependence on a single revenue stream. This flexibility enables local organizations to function independently and maintain continuity in their work.

Invest in training and mentorship programs.
Most local organizations must develop skills in governance, financial management, and proposal writing. LCA demonstrates the need for tailored training and mentorship in these areas to access more funding opportunities and enhance organizational effectiveness.

Increase direct involvement in USAID strategy and programming.
Establishing channels for local organizations to contribute to USAID's regional strategies through regular consultation and feedback will help programs align more closely with local needs and contexts. This includes collaborating with local stakeholders to define problem statements and explore solutions to complex development and humanitarian challenges.

Facilitate partnerships.
Respondents recommended that USAID encourage collaboration between small and large local organizations. Such partnerships are important to enable smaller organizations to learn from more experienced partners while gradually taking the lead in driving solutions.

Adopting these strategies is important to empower local communities to take ownership of development processes. This approach fosters independence and promotes development solutions that are locally led, sustainable, and aligned with the communities' priorities and long-term objectives.

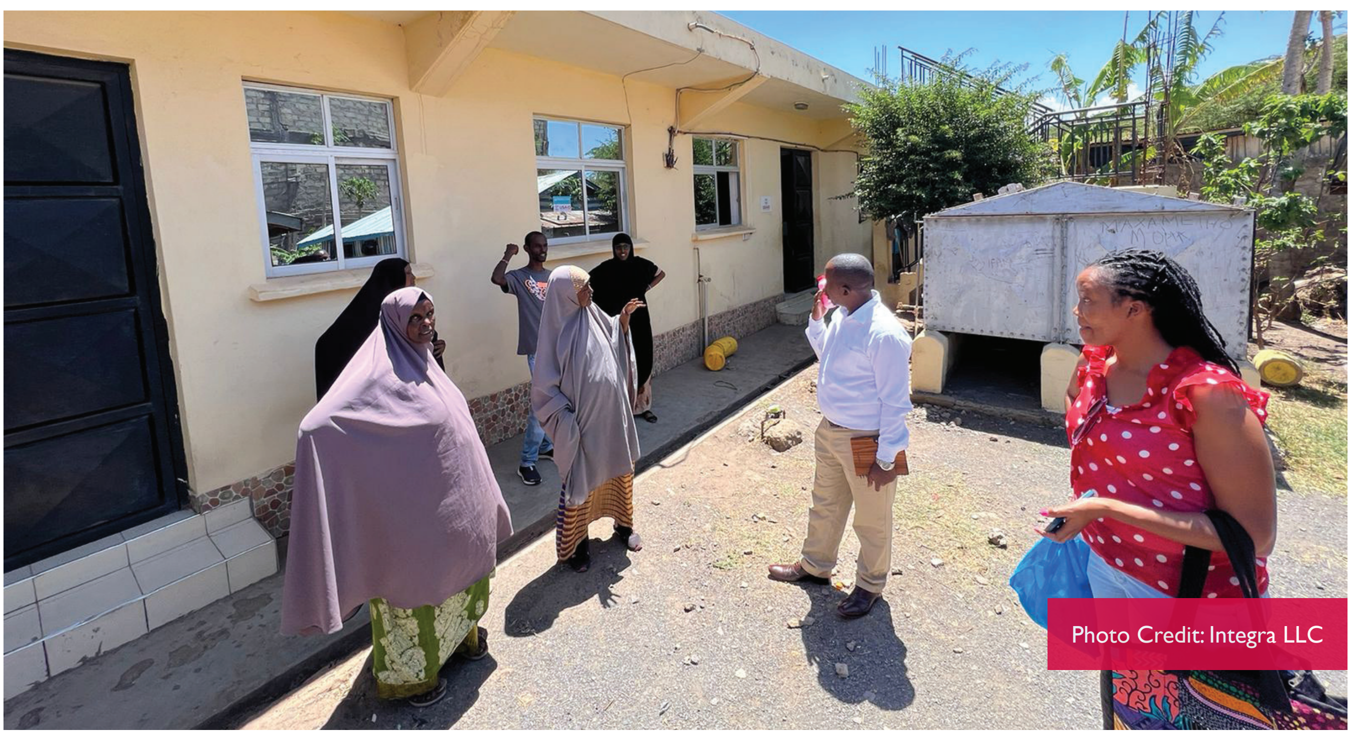


Photo Credit: Integra LLC

CASE STUDY 2: Rethinking the Role of International IPs as Localization Accelerators

Overview of USAID Project

This case study examines a significant shift in the traditional roles of international IPs on USAID/KEA projects, focusing on a large-scale project led by an international prime contractor. The shift emphasizes the need for a more nuanced, impact-driven perspective that aligns international expertise with local aspirations and capacities. The insights and recommendations in this case study serve as a roadmap for enhancing international IPs' efficacy in fostering sustainable, localized development. This ultimately contributes to the broader goals of USAID/KEA: empowering communities and strengthening local systems. The case study underscores how USAID/KEA can leverage international IPs to strengthen local actors' capacity to become more USAID-ready, help the Mission build and manage diverse stakeholder relationships, and prioritize local stakeholder needs.

The project studied is a comprehensive initiative that bolsters resilience and reduces poverty, hunger, and malnutrition in several counties of northern Kenya. It enhances market systems for pastoral communities and promotes inclusive, resilient, and competitive market environments. Key areas include water, sanitation, and hygiene (WASH); food availability; and community capacity building. The project addresses environmental challenges, such as successive failed rainy seasons, along with global and local socio-economic impacts like the COVID-19 pandemic, international food crises, and local political changes. For WASH, the project strengthens infrastructure support and sector coordination at the community and county levels. For market development, it stimulates local markets to ensure sustained commodity supplies through collaboration with market actors. For community development, the project seeks to empower local populations, emphasizing vulnerable groups including adolescent girls, women, and youth.

The project works in tandem with local institutions to manage resources effectively and develop comprehensive multi-hazard response plans for risk and disaster mitigation, fostering sustainable and inclusive growth.

Project implementation is led by an international IP in collaboration with a network of local government bodies, civil society organizations, community groups, and private sector stakeholders.

Under this project, the international IP contributes expertise in managing USAID-funded projects, mentoring local stakeholders to increase their readiness for direct and more complex awards. Local governments participate in planning and implementing project activities, aligning them with regional needs. Civil society organizations and community groups ensure cultural sensitivity and address specific local requirements. Private sector participants, including traders and cooperatives, provide crucial support to sustain local markets and food supplies.

This case study demonstrates the significant roles of international IPs in enhancing the capabilities of local organizations. This includes guiding them through the complexities of managing USAID funding.

Leveraging International IPs to Accelerate Local Organizations' Capabilities

The international IP provided expertise in managing USAID awards and played a vital role in mentoring local stakeholders to enhance their readiness to receive USAID support. The IP gradually transferred appropriate responsibilities to these local entities and concurrently managed risks through hybrid partnership models during the capacity building process. Emphasizing sustainable, locally led development, the project collaborated with local partners to overcome challenges such as:

- Strengthening the financial, administrative, and personnel limitations of local partners;
- Developing a clear long-term vision and strategic plan for smaller local organizations and private sector actors, ensuring that capacity building was sustainable and impactful; and
- Working within local government partners' budget and capacity constraints to implement projects effectively while managing risks.

These efforts led to significant successes and strengthened local capabilities, including:

- Enhancing private sector partners' long-term planning and business skills;
- Facilitating project co-financing between local governments and international partners, aiding the former in more effective and risk-mitigated budget utilization; and
- Providing training, along with joint project implementation, to build local partners' technical and practical implementation skills over time.

One notable success under this case study is that they coached a local subcontractor to manage USAID funding, even helping it acquire a negotiated indirect cost rate agreement (NICRA). This assistance contributed to the local partner's remarkable 150 percent growth over a four-year period, which helped expand the growth of thousands of local businesses. Remarkably, the IP covered the cost of TA and coaching support from its own overhead costs to strengthen the organization's capacity and to enable it to obtain approval to contract with USAID.

Utilizing International IPs to Mentor Local Organizations

This activity demonstrates ways that USAID/KEA can leverage its international IPs to advance its localization objectives by incentivizing and holding them accountable for more proactively strengthening the capacity of local organizations. In particular, the project's chief of party noted that international IPs can contribute to USAID's localization priorities by "... forming hybrid partnerships with local actors." This involves embedding experienced international staff within local organizations to build their capacity over time. This method also enables local actors to gradually take on more responsibility and leadership roles in their projects.

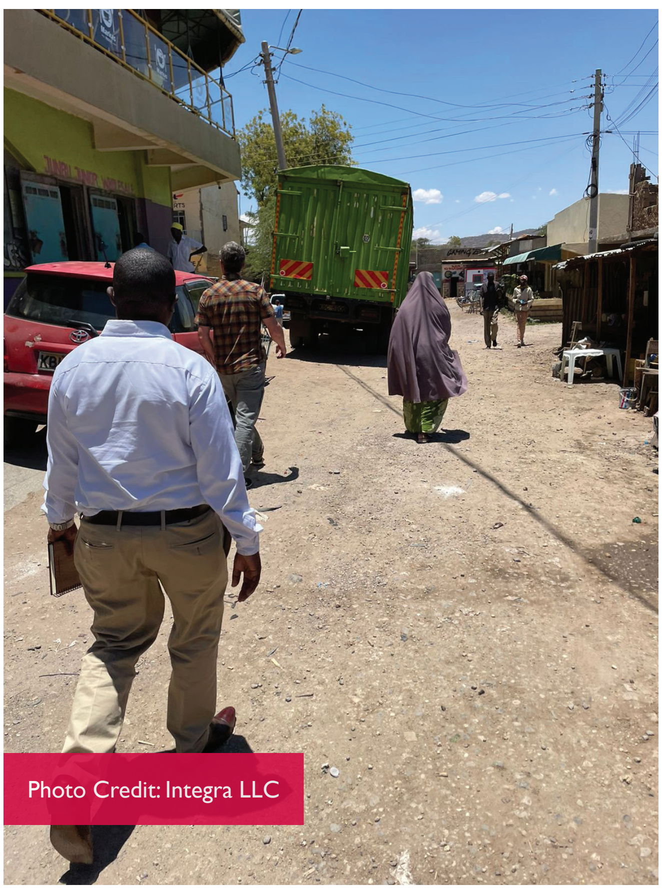


Photo Credit: Integra LLC

Five key tactics for leveraging international IPs to enhance the USAID-readiness of local organizations can be gleaned from this case study:

Adopt a long-term relationship-based approach. The study underscores the importance of recognizing capacity building as a long-term process to strengthen USAID/KEA's relationships with local stakeholders. International IPs can continue to play intermediary roles in project administration and risk management. This is essential, particularly in the early stages of a project when local organizations may not be fully prepared to assume these responsibilities independently.

Explore implementing instruments. The case study suggests that large projects managed by international IPs can structurally advance USAID's localization objectives. This strategy goes beyond focusing solely on direct awards and includes exploring other frameworks, such as those that promote joint ventures or subcontracts with international IPs. Such structures are effective to better mitigate and manage risks during implementation and communicate clear localization priorities and goals to international IPs. The chief of party noted that it is helpful for USAID/KEA to provide guidance on the types of local actors it aims to prioritize (e.g., NGOs, private sector, governments) to advance its localization objectives. This clear communication with international IPs will help increase the alignment of projects with the Mission's overarching localization goals.

Jointly design capacity building approaches. Facilitate greater collaboration among international and local partners to collaboratively identify and co-design award and TA packages that strengthen local organizations' capabilities. This approach would reduce reliance on international IPs and foster more effective, locally tailored strategies that build local organizations' long-term sustainability.

Adopt streamlined approval and modification processes. Simplifying processes for approvals, modifications, and other administrative tasks can offer greater flexibility to all partners and optimize resources provided and managed by local partners. This in turn facilitates a smoother transition of responsibilities and adaptability in project implementation.

Start small. The chief of party advised that international IPs should begin by assigning smaller projects to local organizations. This approach enables organizations to gain experience and build capacity progressively. Starting with larger projects, including large direct awards, might overwhelm local organizations, resulting in inefficiencies and potentially diminishing their long-term prospects.

Building and Managing Relationships with Diverse Stakeholders

International IPs can significantly aid Missions in fostering connections at the nexus of localization and private sector engagement (PSE). The international IP discussed in this case study supported over 2,600 local enterprises between 2017 and 2022, impacting nearly 12,000 households in the last two years alone. Acknowledging USAID/KEA's bandwidth constraints, international IPs are invaluable in maintaining relationships with local stakeholders, engaging Mission staff only for key decisions or events.

The project studied here stands out for its success in building and managing relationships with stakeholders, including those in civil society, the private sector, and county governments. An example is the international IP's coordination of regular meetings with local stakeholders in targeted value chains and with county government officials. These meetings are opportunities to co-create annual work plans, discuss implementation progress, and address challenges collaboratively. The international IP has also been instrumental in generating significant development impact in targeted USAID communities and counties. For instance, a notable success was seen with a partner enterprise that expanded from two to 15 employees after securing a contract to supply 30,000 water filters to UNICEF over two years. This example illustrates the potential impact of strategic support and partnerships that facilitate the growth and sustainability of local enterprises.

USAID/KEA can leverage this approach to further diversify its localization portfolio while advancing its PSE priorities. This strategy underscores international IPs' potential to enhance Mission objectives through strategic partnerships and collaborative efforts.

Prioritizing Local Stakeholders' Needs

This case study highlights the effectiveness of leveraging international IPs to provide targeted, needs-based capacity building to enhance local organizations' economic resilience and sustainability. For instance, in eastern Kenya, the IP's support transformed a women's agricultural cooperative into a more sustainable and resilient entity. The cooperative of 120 smallholder farmers initially struggled with significant post-harvest losses and a lack of effective marketing capabilities for their products.

Responding to these challenges, the international IP provided equipment and tailored training, enabling the cooperative to establish a centralized storage facility and quality control systems. This strategic support significantly reduced post-harvest losses to less than 5 percent. The IP also facilitated the development of branded product lines and established linkages with larger buyers, substantially enhancing the cooperative's market presence. Within two years of the intervention, the cooperative's annual revenues increased by 500 percent, from $15,000 to $75,000. The cooperative reinvested the funds to expand its operations, secure loans to purchase land for future facilities, and broaden its membership base, thus providing more farmers access to a reliable market. These advancements enabled the cooperative to become self-sufficient and pursue international fair trade certification.

Photo Credit: USAID/Kenya

Looking Ahead

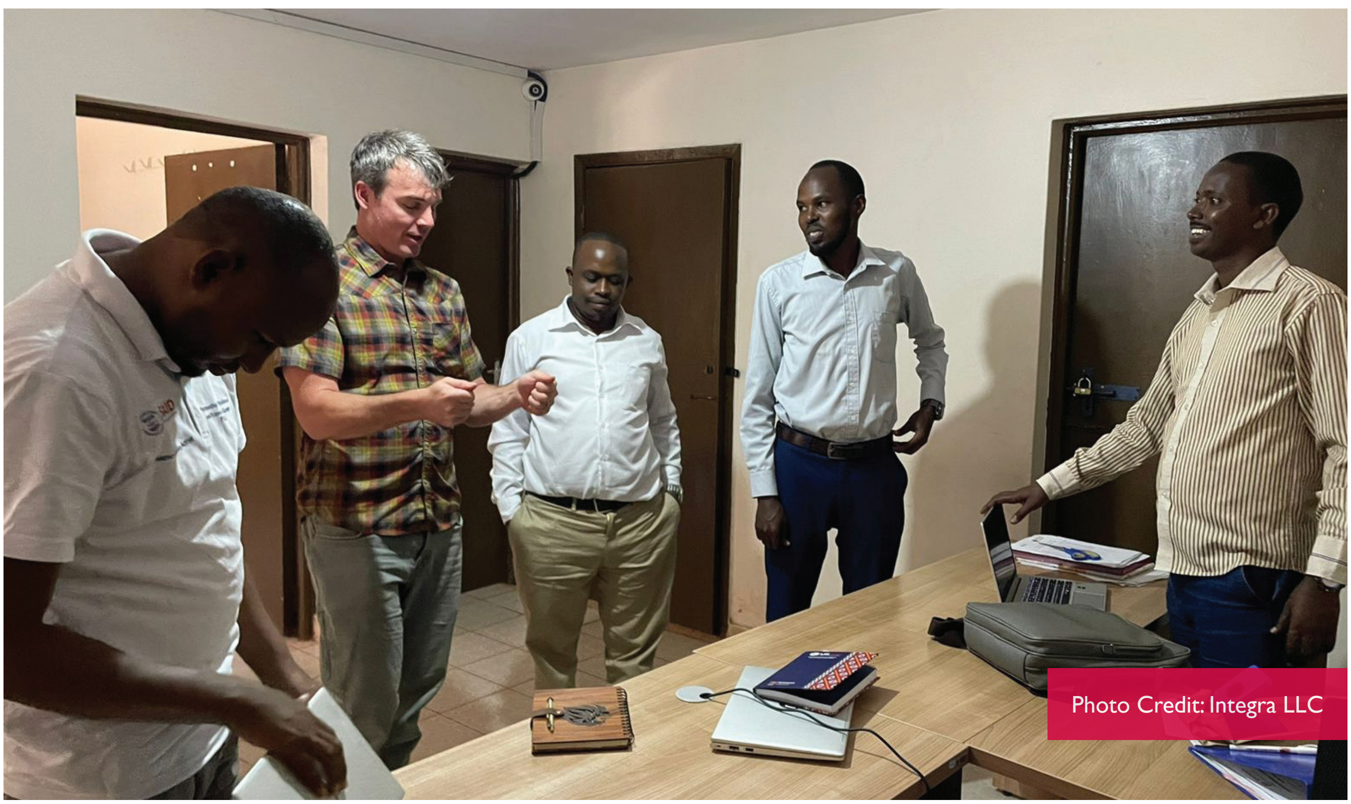
This case study demonstrates the importance of leveraging international IPs' market-based approaches to accelerate the operational sustainability of local partner organizations. While this case study examines for-profit organizations, the lessons learned also apply to nonprofit organizations because diverse revenue generation is essential to sustain their operations and drive impact in the target community. In the future, the Mission and its international IPs can further accelerate the operational sustainability of local organizations through emphasizing strategies to:

Facilitate partnerships. Establishing connections with larger buyers, investors, or business support services is critical. These linkages open opportunities for local organizations to scale their operations and access broader markets. Such partnerships drive business growth and expand reach.

Invest in market-based innovations. It is important to identify, validate, and scale innovative products or services that meet the needs and interests of the local market. The Mission and international IPs should prioritize these steps to advance the Agency's locally led development priorities. This strategy involves focusing on post-revenue organizations with the systems, staff, and market adoption experience to reduce USAID's investment risk. Such organizations typically present lower risks and potential for higher return on investment (ROI) compared to developing entirely new products or services, which also tend to require more time.

Often, these potentially viable solutions are revealed through discussions with local investors or representatives of the innovation ecosystem. In some instances, such partners have already conducted due diligence that USAID or an international IP can draw on to further evaluate the investment risk. In others, USAID and international IPs can further reduce external investment risk by leveraging award packages to attract aligned investors to co-invest in local organizations. Under either scenario, USAID or the international IP should maintain ongoing relationships with aligned investors to unlock co-investment opportunities. The co-investment approach not only bolsters market-based innovations; it also offers a vital safety net for the growth of and experimentation with products and services that cater to the needs of local stakeholders.

Strengthen business planning and skills training. Local organizations must develop sustainable long-term growth strategies. Assisting them in business planning and training them in vital skills such as accounting, marketing, and procurement is crucial. These efforts empower enterprises by equipping them with the tools to thrive.



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CASE STUDY 3: Focusing on Operational Viability and Sustainable Impact

Overview of USAID Project

USAID/KEA initiated a significant effort to create and strengthen LDOs in counties throughout Kenya. The aim of this initiative was threefold: to enhance community self-reliance, foster locally sustained development, and catalyze county-led development initiatives. USAID/KEA's approach to creating the LDOs centered on empowering them to connect community needs to the interests of county governments, the private sector, and donors. These efforts comprised major steps toward community-driven development. However, realizing these aims also involved challenges that underscored the complexities of creating self-sustaining entities. In particular, this case study showcases the need for USAID/KEA to adopt an investor mindset; provide sustained multi-year support; and integrate collaborating, learning, and adapting (CLA) practices into investment in new organizations to advance the Mission's localization priorities.

Taking an Investor Mindset

To create or support early-stage nonprofit or for-profit entities, USAID/KEA can adopt a more investor-like approach that maintains the same standards of operational viability for LDOs as it does for other local partners. LDOs are new actors looking to secure funding to sustain their operations in a competitive landscape. USAID/KEA should expect varied timelines for these newer organizations to realize ROI. The Mission can prioritize resources for LDOs whose operational models demonstrate solid value propositions and growth strategies through diversified revenue streams, including from their members, county governments, or other donors. The Mission's own ROI is likely to increase if it invests in LDOs that are more likely to achieve financial independence, enabling them to create lasting impacts beyond their association with USAID.

This strategy is essential, especially considering the diverse financial circumstances the LEA observed among eight LDOs. Five reported no revenue, two reported under $20,000, and one reported over $130,000. Applying an investor's perspective to these scenarios, USAID/KEA can tailor its support to each organization's financial health and performance.

LDOs with no revenue. These organizations likely require additional TA to refine and validate their value propositions. They present the highest risk to USAID, and the Mission should be cautious in its approach. It might help them identify their unique market positions, develop viable business models, or improve product or service offerings to attract revenue and investments.

LDOs with under $20,000 in funding. These LDOs demonstrate potential but present moderate risks to USAID/KEA's investment. They may need assistance in developing strategies to leverage their funds effectively, or support to identify their value in the competitive landscape. Support could include guidance on using initial monies as a catalyst to attract additional funding. TA could address strategic planning, networking with potential investors, or business development assistance to secure additional funding.

LDO with over $130,000 in funding. This organization, having secured substantial funding, is perceived as less risky than other LDOs. Nonetheless, it poses an investment risk for USAID/KEA compared to other local partners, primarily due to its early stage of development and limited resources for staff, systems, and growth initiatives. Despite these challenges, this LDO is the most promising in terms of potential ROI. USAID/KEA's strategy for such organizations could involve seeking additional funding sources and offering incentives such as matching funds or co-investment opportunities. This approach aims to reduce risk for new investors and capitalize on the LDO's achievements to attract larger investments. The strategy may include linking the LDO to appropriate investors, providing resources or training to scale its operations effectively, and supporting the development of a more comprehensive financial model.

Photo Credit: Integra LLC

The range of LDOs' financial circumstances highlights the successes and challenges they face. Respondents from the LDOs did not believe that achieving immediate financial independence from USAID is currently feasible, and they expressed a need for continued support and investment to build their financial and operational capacities.

Multiple respondents expressed confusion about the roles of LDOs and the advantages of these organizations over current systems and structures in Kenya's counties. Developing viable nonprofit operational models is a significant challenge for LDOs, particularly in creating value propositions that resonate with their target stakeholders and beneficiaries. In fact, LDO respondents recommended that USAID avoid a one-size-fits-all model in its support for LDOs, instead investing in approaches that are adaptable to each LDO's strategic plan and services. Respondents said this approach would enable LDOs to pursue their priorities more effectively, unlocking their value in the marketplace.

Providing Sustained Multi-year Support to Newly Founded Organizations

Respondents from LDOs emphasized the critical need for USAID/KEA to provide sustained funding support for approximately five years. They consider this duration crucial to mobilize alternative resources, diversify their funding sources, and establish a stable financial base. During this transition phase, tailored TA is vital to build effective systems and business models to sustain LDO operations, complete legal registration, and foster partnerships that will gradually reduce dependence on donors.

Like many early-stage local organizations, LDOs often lack the operational and financial systems for sustainable growth and investment. LDO respondents suggested that USAID/KEA should increase its TA investments in enhancing LDOs' critical capabilities and sustainability. Key areas include financial planning, strategic resource allocation, and capacity building in proposal writing and resource mobilization. Without developing these fundamental skills, LDOs risk continued dependence on USAID funding and will struggle to manage financial complexities or operate autonomously.

Providing LDOs with a combination of flexible, multi-year funding and targeted TA from USAID could position them to transition to self-sustainability. This long-term perspective is essential to nurture LDOs' growth and sustainability in their respective markets.

Integrating CLA into LDOs' Development

LDOs must continuously adjust their services to meet the needs of target communities and stakeholders in each county. USAID/KEA can support these early-stage organizations by applying CLA principles to help them identify and maximize their value. Respondents from LDOs suggested several CLA tactics to integrate into their strategies and operations:

Adopt an iterative approach. Continuous learning and iterative development will enable LDOs to better identify market opportunities and diversify their funding sources over time.

Use adaptive management techniques. Adaptive management can help address challenges like building stronger local partnerships and developing sustainable revenue streams.

Focus on sectoral expertise. Concentrating efforts in specific sectors where LDOs can develop and showcase their expertise will contribute to sustainable growth and recognition. Becoming leaders in a particular area will enhance their impact and visibility.

Align participation to community needs. Engaging in participatory processes will enable LDOs to align their objectives with community needs, not just donor priorities. This is in line with the CLA principle of continuous learning, ensuring that initiatives are community-centered.

Incorporate flexibility for local contexts. Allowing for flexibility in applying CLA principles enables LDOs to accommodate local contexts and pursue areas with the greatest potential and community demand.

These actions can enable LDOs to integrate CLA into their operations, resulting in more sustainable and community-driven development outcomes. This approach ensures that LDOs can respond to the needs and dynamics of their operational environments, enhancing their efficacy and impact.

Looking Ahead

To develop LDOs, USAID/KEA needs a tailored approach that recognizes each one's needs and potential. It should align support to each LDO's current stage of development and financial health. This strategic differentiation increases efficient utilization of resources, potentially leading to the greater impact and operational sustainability of each LDO and maximizing the potential for USAID/KEA's ROI. USAID/KEA can take several key actions to enhance LDOs' operational sustainability and management:

Enhance communication. Clear and transparent communication regarding objectives and expectations will help LDOs align their strategies with the goals of USAID initiatives.

Reflect on experience. USAID should reflect on lessons learned in supporting similar community organizations. Doing so can inform better strategies and avoid repeating past mistakes.

Customize TA and funding. Tailoring TA and funding to each LDO's strategic plan and capacity is crucial. This will ensure relevant and effective support.

Empower LDOs to set their own agendas. LDOs should define and drive their own agendas based on the priorities of their communities. This will enable LDOs to address the most pressing local needs and support community-driven development.

Adopt a participatory approach to CLA integration. USAID should take a participatory approach and integrate CLA principles regarding iterative learning and adaptation into LDOs' development. This will enable LDOs to evolve and adapt to changing circumstances, enhancing their long-term sustainability and effectiveness.

Together, these strategies will help USAID/KEA apply an investor mindset that contributes to the growth, sustainability, and community responsiveness of LDOs, ultimately leading to more impactful and enduring development outcomes.

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