

Small Grants Program

The purpose of the Small Grants Program (SGP) is to promote the capacity for locally-owned and led development by:

- strengthening networks of local development actors;
- mobilizing and accessing local resources;
- tapping into the experience and skills of organizations that may not be traditional USAID partners by funding unsolicited proposals;
- identifying and disseminating the principles, approaches, and methods that lead to local development actors successfully meeting the evolving needs of a broad range of constituents; and
- providing long-term financial and technical support for Mission-led programs.

USAID's Office of Local Sustainability (E3/LS) will competitively select no fewer than three USAID Missions to design and manage a multi-year SGP in their respective countries. Missions will have access to SGP-funded financial, technical, and human resources required to create bridges between and strengthen networks of local development actors. The SGP will encourage Missions to identify and respond to unsolicited proposals that contribute to locally identified and developed program objectives. The SGP will also encourage the use of collaboratively developed, agile awards that can be adapted when data or conditions change.

The SGP's goal is to demonstrate that investing in key local organizations – including support from non-traditional US, international, and local entities – can contribute to strong, long-lasting domestic networks that mobilize local resources, influence country systems, and help solve development challenges. Development partners are eligible to participate in the SGP only if they have not received more than \$5 million in U.S. Government support over the last five years.

Managed By
Office of Local Sustainability
(E3/LS)

FY 2015 Budget
\$45 million

Design & Implementation
Periods
5-9 years



SGP Principles

1. Identify and support local capacity resources
2. Encourage local expertise
3. Support local initiative to solve local problems
4. Look at local systems as a whole
5. Experiment and adapt
6. Listen to the end-user
7. Embrace risk
8. Share lessons learned

Background

From the Development Grants Program to the SGP

The Development Grants Program (DGP) was established in 2008 to encourage local and US-based NGOs to partner directly with USAID. The DGP annual cycle provided the opportunity to test working principles and practices and prompted program revisions that addressed lessons learned. The DGP worked with 57 Missions and supported 215 awards to local and U.S.-based NGOs. The program also was evaluated and supported a multi-year “Learning Agenda,” a research effort to identify ways in which donors can work more effectively with local actors.

Drawing on six years of DGP experience (including the Learning Agenda), USAID’s Local Systems and Local Solutions efforts, and a wide range of internal and external experts (including practitioner groups, current and retired field staff, and academic resources), E3/LS developed a body of evidence that forms the foundation of the SGP.

Emerging from this experience and research was virtual unanimity on the view that there are large numbers of untapped but potentially invaluable local resources (financial, technical, human, and organizational) that can – with proper investment – effectively support locally owned and led development. With focused approaches addressing barriers – which may include challenging legal/regulatory environments, lack of contacts, mismatched access to resources, limited skills/knowledge, etc. – the roles of these local actors can be elevated to better support enduring locally-owned and led development.

The SGP will focus on bridging the gaps between local resources and local development actors. These local resources may include consulting and accounting firms, universities, technical service groups, community and faith-based organizations, professional associations, and individuals. Local development actors may include civil society organizations, for-profit companies, and academic institutions, among others. The goal is to significantly increase local access to these resources in ways that do not distort the market.

Throughout the SGP, Missions will work with networks in ways that foster the long-term development of local organizations. Program time horizons will extend up to ten years, with a focus on adapting to the evolving needs of healthy organizations. The SGP will promote the use of simplified, flexible awards to avoid the challenges that new partners often experience while working with Missions.

The Process

Letter of Interest

E3/LS will send out a call for short letters of interest to all Missions in May 2015. The purpose of the letter is to identify Missions with the capacity, motivation, and commitment to designing and implementing an SGP effort. The letter will also ask for an initial articulation of a development challenge to be addressed through a process owned and led by local development actors and networks.

The Opportunity

Missions will be asked to seriously consider whether they have the capacity to implement the SGP. The program will require a significant time and staff commitment by the Mission as well as broad Mission staff buy-in. The payoff for participating Missions and staff is to be at the forefront of developing a sustainable, locally-owned approach to development.

Proposal Expectations

Successful proposals will leave no doubt as to those Missions' commitment and ability to invest in the SGP. Preference will be given to Missions which propose to integrate SGP programming across multiple technical sectors and ensure active participation and buy-in from support offices (e.g. legal, procurement, and financial management). A Mission's previous experience working with local actors and non-traditional partners will be considered as evidence of commitment and buy-in to SGP values.

Design Phase

Selection

A maximum of ten Missions will be selected to participate in the Design Phase. This selection will be made by the Local Sustainability Office staff, with support from an advisory group of experts drawn from USAID Washington. Missions will be selected for follow-up calls and interviews. Following these conversations Missions may either be selected for the Design Phase, or asked to adjust their Letter of Interest for future consideration.

Design Support

Selected Missions will have the opportunity to engage in an SGP-funded design process, during which they can design, test, and refine a set of hypotheses representing their initial best judgment on how best to strengthen local capacity to identify, organize around, finance, and overcome development challenges. Missions may design wholly new programs, or they may develop new approaches to existing programs. SGP design is intended to benefit a range of Missions and needs - for example, some may not intend to seek SGP funds for

implementation, but may be interested in using SGP design services for strengthening existing programs. There will be a central role for non-traditional U.S. partners such as U.S. small businesses, academic and voluntary organizations and Minority Serving Institutions. The design phase is expected to last at least six months, and may run significantly longer.

Design support may include funding for staff and for developing new approaches (constituency feedback, systems mapping, network analysis, etc). We anticipate substantial numbers of unsolicited proposals for this type of work from nontraditional U.S. and local organizations and institutions. The level of support provided will depend on the country and the types of activities.

Learning Outcomes

This design process will generate learning that will be shared throughout USAID and beyond. Results from research activities will be shared widely across the Agency.

Implementation Phase

Selection & Funding

At the conclusion of the Design Phase, a mutual decision will be reached as to whether to fund the proposed program for five years or longer. While minor funding will be used to support SGP design for a limited number of Missions, the major funding will support SGP implementation for the selected Missions. Funding per Mission will vary substantially based on the country, goals, and other resources available.

Continuous Learning & Knowledge Management

A key SGP goal is ensuring that lessons learned are shared as broadly and effectively as possible. During both the design and implementation, Missions will be asked to share what they have learned from their successes, challenges, and failures. These Mission analyses will be shared widely and disseminated to the development community.



Measurements of Success

1. Increases in access to domestic financial, technical and management resources for all local development actors
2. Positive change in constituent feedback for development services and NGO feedback on local resources
3. Shifts in hubs (as determined by Network Analyses) from donors/ donor surrogates to local development actors
4. Rise of social capital indices (longer term)

Learning objectives, knowledge sharing, and dissemination will be coordinated with the efforts of other USAID Washington Offices and entities (e.g. Local Solution's Coordinator, Local Systems Community of Practice, Bureau for Policy, Planning, and Learning, etc.).

The FY 2015 legislation appropriates \$45 million for the SGP to support a minimum of three competitively selected Missions. To accommodate the extended design and implementation periods required for comprehensive capacity development efforts, the legislation also establishes a five-year period of availability for SGP funds. The funds can be used for efforts in any sector or region, including strategic priorities that may not have been previously included in a Country Development Cooperation Strategy.

The entire process is intended to be one of mutual, collaborative learning. As the program evolves, it may become necessary for adjustments and E3/LS will make iterative improvements to the program, as well as introduce new tools for Missions in the future. In an effort to set this program apart from the numerous small grant programs implemented by donors across the globe, USAID will refer to this effort as *localworks*. We feel that the name captures the program's premise that opportunity and appropriate resources in the hands of capable, well-networked local actors can resolve local problems in an enduring manner.

Roles

LS Office

The role of the LS Office is to equip Missions with the necessary resources to become effective facilitators and cultivators of local networks. This role will require coordinating support to the Missions from within and beyond USAID Washington as well as communication of SGP values and principles. LS Staff members will stay abreast of the monitoring and evaluation of SGP work and when appropriate, conduct or oversee operational research. LS staff members will also manage the dissemination of learning uncovered throughout this process.

Mission

Missions own the SGP. They will identify key entities and networks that are capable of providing the support that enables local organizations to address development challenges. The ultimate Mission goal is to foster collaborative networks of local organizations that become self-sustaining. In lieu of formalized reporting, each Mission will be asked to share what it has learned in key areas of SGP design and implementation.