

Statement for the Record
United States Agency for International Development
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Before the House Foreign Affairs Committee Subcommittee on International Development, International Organizations And Global Corporate Social Impact
“Shifting the Power: USAID’s Efforts to Support Locally-Led Development”
2:00 P.M., Tuesday, March 8, 2022

Chairman Castro, Ranking Member Malliotakis, distinguished members of the Subcommittee, thank you for inviting me here today to testify about the United States Agency for International Development (USAID)’s localization efforts. We are excited and grateful for the support and enthusiasm we have heard from you and other Members of Congress on the need to advance a more localized approach to development and humanitarian assistance.

When she laid out her vision for our Agency, USAID Administrator Samantha Power said, “never before have our fates been so intertwined with those of people around the world.” As the COVID-19 pandemic so cruelly illustrated, a crisis that may appear to be localized can, and will, impact Americans on our own soil. But these are also local challenges. They have unique consequences, power dynamics, impacts, complexities, and potential solutions for the communities they touch. This means that equitable and inclusive responses to these challenges must be built upon the priorities, knowledge, lived experiences, aspirations, and expertise of the people who face them every day. Moreover, this approach makes smarter, more efficient use of our resources and investments by ensuring that the communities and leaders we work with are able to own and sustain development advances long beyond our assistance. It is clear that we must build upon the successes and lessons learned from the last 60 years and continue shifting the orientation of USAID’s work. With your support and collaboration, we are continuing to emphasize support for local institutions, prioritizing the perspectives and preferences of those we hope to serve.

Members of Congress, organizations with which we work, and our development partners have expressed their support for enhancing locally-led approaches and working with USAID to create a more inclusive vision for development. Collectively, we want to change the power dynamics amongst those of us doing development work to ensure a voice and a seat at the table for local actors, and especially those who represent and have the confidence of marginalized communities and groups. Localization is fundamentally about putting local contexts, aspirations, dynamics, organizations, and change agents at the center of our programming. Our recently launched *Centroamérica Local* initiative – which will allocate \$300 million over the next five years for activities that engage local organizations and foster locally-led development solutions to irregular migration from El Salvador, Guatemala, and Honduras – is a powerful example of what this looks like.

Localization is about recognizing that development agencies like USAID do not direct or drive change – we support or catalyze local change processes. To do this, we want to shift more leadership, ownership, decision making, evaluation and implementation to the local people and institutions who possess the capability, connectedness, and credibility to propel change in their own countries and communities. USAID's Local Works program is an excellent example of what this approach looks like in practice. Local Works provides flexible funding that enables USAID Missions to have more time and greater freedom to pursue locally led programming. In Bangladesh, the influx of nearly one million refugees resulting from the Rohingya humanitarian crisis into already impoverished communities in the district of Cox's Bazar has led to a complex emergency that has depleted natural resources inside and outside of refugee camps. USAID/Bangladesh's Local Works programming co-developed context-specific interventions with local actors to support communities impacted by this crisis to sustainably rehabilitate natural resources and cultivate alternative livelihoods.

We have learned from over a decade of programmatic experience that localization is time and staff intensive, and it requires an overall mindset and behavior shift for our Agency to devolve more leadership and ownership of the development process to local actors. For these reasons, achieving this vision will require continued evolution of USAID's assessment tools,

programming models, staffing levels along with skills and incentives, award types, and funding arrangements so we can better support local actors in responding to local challenges.

Administrator Power challenged our Agency to increase funding to local actors to 25 percent over the next four years, and to build local voice into 50 percent of all programs over the next decade. To meet the demands of this shift, the Administrator called on the Agency to substantially increase direct hire staff. Finally, we are developing a Localization Agenda that will support the organization change management process needed to achieve this vision. The agenda will kick off this spring as we publish an updated Risk Appetite Statement to guide this new way of working, an Acquisition and Assistance Strategy to become more innovative in our approach, an Agency Learning Agenda to inform planning and organizational change through 2026, and a Localization Playbook that guides Missions in implementing the agenda in any context. This will be followed in fall 2022 by the Strategy for Strengthening Local Evaluation Capacity and revisions to USAID's operational policy in support of implementation of the Localization Agenda.

To advance this bold vision of inclusive development, USAID is re-evaluating our core business processes, staffing, skill sets, and priorities so that we can more effectively foster local leadership and ownership of the development process. We are also engaged with the many actors and organizations who play an important role in the localization process. Examples include diaspora groups that are non-local by definition, and bring a unique perspective and network. International private sector organizations and corporations can be important sources of financing and innovation. Faith-based organizations tap into vast networks and have deep roots in the countries where they work. We recently launched a new web based tool, WorkWithUSAID.org, to more intentionally and sustainably connect with this ever growing group of organizations. Because as we all know, to achieve our mission at USAID we must partner and work with individuals and organizations around the world.

We also recognize the need to make some critical advancements on our own diversity, equity, inclusion, and accessibility priorities in terms of whom we work with and who we hire. For example, investing in greater professional development opportunities for USAID staff, including

those underrepresented in foreign policy and global development, is a key priority. We are also expanding our talent recruitment pipelines and lowering barriers to entry for potential development partnership opportunities. We believe when we bring more individuals with diverse backgrounds and perspectives to the table, our teams will be better equipped to address today's most pressing global challenges.

Thank you again for the opportunity to speak with you today. USAID hopes to continue collaborating closely with Congress to empower the communities we work in and lift up a diverse chorus of voices within and outside of the Agency to create a more secure and prosperous world. I welcome your questions and comments on USAID's renewed commitment to localization.