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The Purpose of Local Capacity Development under FTF

Local Capacity Development is a cross-cutting issue, in that it should be a part of USAID's efforts across the board, not just in certain sectors or in a handful of projects. Feed the Future (FTF) is proposing to achieve USAID FORWARD's goals of local capacity building (LCB) by working directly with host government ministries, institutions and agencies, private firms, and civil society organizations (CSOs) engaged in agriculture and food security-related manufacturing and services to improve their viability and to ensure there is "leave behind" sustainable, local entities to continue to deliver critical services to the agriculture, nutrition/health and rural sectors. Local capacity building has two main purposes:

- 1. To build local ministries and public institutions to effectively serve the needs within the agriculture and nutrition sectors, including implementing USAID projects.
 - fulfills USAID FORWARD/ Implementation and Procurement's Objective #1 of increasing use of reliable partner country systems and institutions to provide support to partner countries
- 2. To leave behind viable local public entities, private firms and, CSOs to continue servicing the needs within the country's agriculture and nutrition sectors, including implementing USAID projects.
 - fulfills USAID FORWARD/ Implementation and Procurement's Objective #1 of "capacity building and local grant and contract allocations

Monitoring Local Capacity Development under FTF

Because of the cross-cutting nature of capacity building, FTF has created indicators to measure the performance of our capacity building efforts throughout our Results Framework instead of making it a separate goal or objective. Specifically, we will measure performance of our FTF capacity development efforts using indicators that reflect the sustainability of both public and private sector investments and institutions.

To measure sustainable **public sector** investment in agriculture and food security-related activities, we will mirror the CAADP process of measuring the percentage of national budget allocated to this type of service delivery. Through CAADP, "African governments have agreed to increase public investment in agriculture by a minimum of 10 per cent of their national budgets and to raise agricultural productivity by at least 6 per cent."

- Indicator 4.5 12: "Percentage of national budget invested in agriculture"
- o Indicator 3.19.3-1: "Percentage of national budget invested in nutrition"

To measure sustainable **non-government** investment, we will look at profitability of applicable private firms and self-sufficiency of civil society organizations as a marker of viability. Although profitability or self-sufficiency measured during the period the USG is providing assistance does not demonstrate all aspects of whether a business or CSO will remain sustainably successful after withdrawal of USG assistance, it is certainly an important measure of its capacity to function effectively.

 Indicator 4.5.2 - 39: "Number of firms (excluding farms) or CSOs engaged in agricultural and food security-related manufacturing and services now operating more profitably (at or above cost) because of USG assistance"

List of All FTF Standard Indicators on Local Capacity Development

The list below shows all standard indicators found throughout our Results Framework that measure our local capacity development efforts through FTF interventions:

IR 1: Improved Agricultural Productivity

Sub IR 1.1: Enhanced human and institutional capacity development for increased agricultural sector productivity

- o **Indicator CBLD-5:** Score, in percent, of combined key areas of organization capacity amongst USG direct and indirect local implementing partners -- (Outcome)
- o **Indicator 4.5.2 5**: Number of farmers and others who have applied improved technologies or management practices as a result of USG assistance (Outcome)
- o **Indicator 4.5.2 6:** Number of individuals who have received USG supported long-term agricultural sector productivity or food security training -- (Output)
- o **Indicator 4.5.2 7:** Number of individuals who have received USG supported short-term agricultural sector productivity or food security training -- (Output)
- Indicator 4.5.2 11: Number of private enterprises, producers organizations, water users associations, trade and business associations, and community-based organizations receiving USG assistance -- (Output)
- o **Indicator 4.5.2 42 :** Number of private enterprises, producers organizations, water users associations, trade and business associations and community-based organizations that applied new technologies or management practices as a result of USG assistance -- (Outcome)

Sub IR 1.2: Enhanced Technology Development, Dissemination, Management and Innovation

o **Indicator 4.5.2 - 39:** Number of new technologies or management practices made available for transfer as a result of USG assistance -- (Output)

IR 2: Expanding Markets & Trade

Sub IR 2.4: Improved access to business development and sound and affordable financial and risk management services

 Indicator 4.5.2 - 37: Number of MSMEs receiving business development services from USG assisted sources -- (Output)

IR 3: Increased investment in Agriculture and Nutrition-related activities:

- Indicator 4.5.2 -12: "Number of public-private partnerships formed as a result of FTF assistance"
 (Output)
- o **Indicator 4.5.2 38:** "Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation" -- (Outcome)
- Indicator 4.5.2 43: "Number of firms (excluding farms) or CSOs engaged in agricultural and food security-related manufacturing and services now operating more profitably (at or above cost) because of USG assistance" -- (Outcome)

Sub IR 3.1: Increased Public Sector Investment

- o **Indicator 4.5 12**: "Percentage of national budget allocated to agriculture" -- (Outcome)
- o **Indicator 3.1.9.3 1:** "Percentage of national budget allocated to nutrition" -- (Outcome)

IR 8: Improved use of maternal and child health and nutrition services:

 Indicator 3.1.9.2-2: "Number of health facilities with established capacity to manage acute undernutrition" -- (Outcome) o **Indicator 3.1.9 - 1:** "Number of people trained in child health and nutrition through USG-supported health area programs" -- (Output)

Measuring Local Capacity Development Activities under USAID FORWARD

As an agency-wide effort, USAID FORWARD will gather data on additional indicators that measure procurement and disbursement trends to demonstrate portfolio diversification among international and local implementing entities and use of local systems to report progress toward achieving USAID FORWARD objectives. Agency-wide indicators are under review and development to collect this information. At a minimum, a set of indicators will be developed to track the following:

- # of new (FTF-funded) awards made directly to local entities, disaggregated by type of local entity;
- \$ value of (FTF-funded) awards made directly to local entities, disaggregated by type of local entity;
- % of mission (FTF) portfolio being implemented by local entities or through local systems, disaggregated by type of entity.

For more information, please go to the USAID Forward Local Solutions Investing in Local Organizations website.

If you have questions regarding measuring FTF commitment to USAID Forward please Lisa McGregor-Mirghani, Christine MacAulay or Susan Pologruto.