

# USAID's Locally-Led Development Agenda: Open Government and Independent Monitoring

*Manuscript submission for "The Power and Politics of Localization" special issue of Public Administration and Development*

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## Policy Impact Statement

USAID's ambitious localization agenda between 2021-2024—suspended in early 2025—provides important lessons for any future donor effort to localize aid. This study uses open government data to identify continuity and change during USAID's push to shift resources and decision-making to local implementing partners. USAID regularly reported on progress towards more direct funding for local organizations. In contrast, independent assessment of the agency's locally-led development "good practices" required complex triangulation across unlinked official websites. Though the US sharply curtailed foreign assistance and USAID data transparency at the start of the second Trump administration, if a localization agenda were ever to be revived in the future, then prioritizing user-centered access to project data would enable informed participation integral to locally-led development.

## Keywords

localization, locally led development, open government, USAID, Colombia, Guatemala, Mexico

## Funding statement

The authors received no financial support for the research, authorship, and/or publication of this article.

## Conflict of interest disclosure

The authors declare no conflicts of interest.

## Ethics approval statement

This paper reports analysis of primary data. The ethics of data collection and analysis were approved by the Institutional Review Board, American University.

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## 1. Open Government and US Foreign Assistance

In 2021, the US Agency for International Development (USAID) launched a timely and ambitious commitment to localization, understood as the shift toward supporting local organizations, strengthening local systems, and responding to the needs and ideas of local communities (USAID 2022). USAID's approach had two pillars—direct funding for nationally-based organizations and locally-led development. The latter involved “creat[ing] space for local actors to exercise leadership over priority setting, program design, implementation, and defining and measuring results” (USAID 2025). Though localization and locally-led development are often used as synonyms, for USAID locally-led development referred to specific practices within the broader localization agenda.

USAID set two distinct localization targets—to increase direct local funding to 25% by 2025 and for 50% of all USAID program funding to be ‘locally-led’ by 2030. Independent analysis finds that localizing aid can improve funding efficiency (e.g., Venton et al. 2022). Before the end of the Biden administration, USAID publicly recognized major lags in its efforts to increase direct local funding, though it announced new momentum in FY2024 (USAID 2023c; 2024a; 2025). In 2024, USAID revised its more ambitious locally-led goal, consolidating its specific indicators and reframing the overall target from 50% of program *funding* to 50% of all *programs* (see, USAID 2023b, 2; 2024a, 5). This change meant that the 50% goal could be met by a large number of small budget projects, without significantly increasing the total share of locally-led funding.

This study uses open government analysis to assess the strengths and limitations of public data to track key indicators of USAID's locally-led development agenda, up until the suspension of agency activities in early 2025.<sup>4</sup> Despite the second Trump administration's dismantling of USAID, serious attention to foreign aid transparency practices remains essential for enabling public accountability (Ingram and Paxton 2025). Indeed, the Trump administration's hostile takeover of USAID utilized unsubstantiated claims of fraud and misinterpreted data under the guise of “transparency.” Yet, open government project data showed that so-called fraud was simply differences in funding preferences, and cuts lacked any process attempting to consult audits or evaluations related to aid effectiveness.

The bulk of what remains of US foreign assistance is to be folded into the State Department, an agency that has been far less transparent than USAID, as well as the Development Finance Corporation (DFC) (Jerving 2025). According to watchdog Publish What You Fund (PWYF), USAID consistently ranked higher than State on its Aid Transparency Index (PWYF 2024). For example, certain State Department bureaus, such as International Narcotics and Law Enforcement Affairs, conduct multimillion dollar operations that are publicly disclosed with only a single, vague line item (Fox and Hallock 2024, 12). Furthermore, while the DFC

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<sup>4</sup> This study conducted data access and analysis in 2024, with further data validation in January 2025. During the first month of the second Trump administration, the main USAID.gov website, the Development Experience Clearinghouse (DEC), and all USAID localization progress reports were listed as indefinitely unavailable. As of April 2025, USASpending.gov and ForeignAssistance.gov remained publicly available.

conducts internal underwriting for project loans, that information is proprietary, meaning the public will not have access to risk assessments. USAID’s open government practices had areas for improvement—as outlined in this brief—but the issues were not unique and the agency demonstrated a willingness to engage with feedback (USAID 2023c). While this brief’s findings focus on USAID, the open government data analysis methods deployed here can be adapted to detect possible future gaps in public information disclosure for State, the DFC, and other US agencies, insofar as they are subject to requirements to publish their spending information to official databases. For real transparency, US foreign assistance must ensure that open government practices center access and availability to enable public oversight.

### **1.1 ‘What Counts’ as Localization and Independent Monitoring**

This study applied open government data analysis to identify how USAID was implementing its localization policies. Unpacking trends can identify both breakthroughs and bottlenecks, while also enabling more informed stakeholder participation. This brief identifies challenges that were involved in enabling independent, third-party monitoring of USAID progress towards locally-led development.

The issue of ‘what counts’ as localization, and for whom, underscores the challenge of how to measure progress. Public interest groups, such as PWYF and Oxfam, have raised methodological questions about how USAID measured direct local funding (Tilley and Jenkins 2023; Adomako and Cohen 2023). Locally-led development was even harder to document and measure. Yet senior insiders recognized that the locally-led pillar had even greater potential to shift power to local communities (Steiger 2023).

In 2023, USAID piloted 14 benchmarks for locally-led good practices. Projects only needed to meet two of the indicators to be considered locally-led. USAID then recognized that they had set the bar “too low” (USAID 2024a, 13). In August 2024, USAID consolidated the 14 indicators into 10 and incorporated more robust approaches throughout the project life cycle (USAID 2024b). In January 2025, the agency provided clarification that a project would need to meet at least one practice in *each* of the three project phases—design, implementation, and evaluation and monitoring—to be considered locally-led (USAID 2025). Contractors’ annual progress reports to USAID provided qualitative information about local engagement, yet project level spending data that would show the share of spending on locally-led activities was often not disclosed. Moreover, data on project subawards to local organizations was often missing, since USAID did not have an effective mechanism in place to ensure that implementing partners reported their subawards—leading to a likely underestimate of the total funds reaching local organizations. Two important questions arising from USAID’s localization effort can inform broader reform debates: What counted as locally-led, and how could progress be publicly monitored?

User-centered public data was important for USAID’s localization agenda given that in-country partners lamented that inadequate information and communication deficits impeded progress (USAID 2023c, 10–12; see also Steiger 2023). Yet, the US government had demonstrated its capacity to make data more accessible through more intuitive user-interfaces

and data tools, such as those on ForeignAssistance.gov. Further, specific USAID missions designed their sites with user-access in mind. For example, the USAID Guatemala site offered multi-lingual webpages (including some in indigenous languages) as well as standardized, bi-lingual document formatting across projects, providing consistent and clear information, including contact information (USAID Guatemala, n.d.). User-centered public disclosure of *which* kinds of organizations and activities were involved—and *how*—was a key enabler of informed engagement by local organizations (Fox and Hallock 2024).

This study examines the extent to which USAID’s public information disclosure practices provided consistent, quality data about the locally-led development agenda, as of the end of 2024. First, the study outlines the steps required to assess relevant project data fragmented across official sites. The study then examines two discrete kinds of publicly available data that showed patterns in USAID’s locally-led development agenda: the *types* of local organizations receiving USAID funding, and the *share* of subaward funding received by local organizations. The study concludes by taking stock of lessons from USAID’s localization push for considering ‘what counts’ as locally-led and how open government data practices remain critical for transparency and public monitoring of foreign assistance.

## **2. Assessing USAID’s Localization Agenda through Public Data**

Open government initiatives are based on the premise that improved access to information, citizen engagement, and public oversight can improve governance outcomes (Ornelas et al. 2022). In the 1990s, the World Bank pioneered open government reforms in response to pressure from civil society groups (Fox and Brown 1998). Waves of open data reform followed, with the multistakeholder International Aid Transparency Initiative (IATI) launched in 2008 as an effort to standardize development data across entity types, such as governments, international organizations, and non-governmental organizations—USAID began publishing to IATI in 2017. USAID also uploaded funding data to ForeignAssistance.gov<sup>5</sup> and USASpending.gov, and published qualitative documents on USAID’s Development Experience Clearinghouse (DEC). While the stated goal of these various efforts was to improve accessibility and transparency, mismatches between official data sources, as well as incomplete, hard-to-use, or inaccurate data, limited usability in practice.

This study’s methodological strategy is to extract and analyze information from multiple official databases to identify trends related to USAID’s locally-led development benchmarks. The strengths and limitations of this approach mirror the federal government’s uneven data disclosure practices.

We reviewed several key databases containing relevant information for USAID’s localization agenda, including USAID.gov, DEC.gov, ForeignAssistance.gov, USASpending.gov, IATIStandard.org, and numerous project-specific sites hosted by USAID implementing partners.

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<sup>5</sup> ForeignAssistance.gov became the flagship US development funding repository after the government consolidated the database with the Foreign Aid Explorer starting in 2018.

To assess usability, we developed procedures and pathways to synthesize data across sources.<sup>6</sup> Finally, we assess data quality by evaluating accuracy within and across datasets.<sup>7</sup>

Following the 2021 localization policy, USAID published technical guidance on relevant localization issues, as well as three reports with top-line figures concerning progress towards the agency's goals.<sup>8</sup> Despite publishing an accompanying dataset with projects coded as 'local' or 'non-local', USAID did not provide the requisite information to replicate or independently verify the country-level local funding percentages. USAID also did not provide disaggregated data about its locally-led "good practices" used to measure progress towards the 50% target (see USAID 2023b; 2024a; 2024b). Independent replication is a critical issue for informing assessment because different stakeholders are likely to define "locally-led" differently.

While the thresholds for USAID's updated 10 locally-led project indicators were more rigorous and precise than in the original guidance, the lack of public data limited independent monitoring of progress. This study identifies two key aspects of the locally-led development agenda that could be publicly monitored in 2024: patterns of direct local funding and subaward distribution. This exercise not only identifies trends in the share of funding disbursed directly to local organizations, but it also uses independent criteria to distinguish which types of organizations received that funding. This focus on direct local contracts is complemented by analysis of funding of local organizations via subawards. In both the original and updated guidance, USAID considered greater emphasis on local subawards to be another viable pathway to increase resources to local organizations—yet this analysis of three country portfolios found that only 29% of projects reported any subawards. Taken together, these two trends shed light on each pillar of USAID's broader localization agenda, even in the absence of more robust public data to track its other indicators.

This study analyzes direct local funding and subawards in three countries: Colombia, Guatemala, and Mexico (2016-2022). These countries were chosen for analysis because they were priority countries in the region for the US, and because the authors' regional knowledge and prior relationships with in-country development experts enabled independent assessment. These expert contacts provided the impetus for using open government data to better understand USAID's localization agenda, aided in external verification of coding decisions, and provided on-the-ground assessments of how USAID's agenda was unfolding.

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<sup>6</sup> This study does not address a key element in any user-centered approach to open government – accessibility of key documents in national languages. An earlier study of the USAID country portal for Colombia found that 80% of project pages included basic project descriptions (summary fact sheets) in Spanish, though only 42% identified the contractor and only 16% identified the total project budget (Fox and Hallock 2024, 16).

<sup>7</sup> For our R-script using Project IDs to conduct a robust matching process that evaluated disbursed funds according to each dataset to uncover redactions, check data consistency, and affirm disbursement totals, see, <https://doi.org/10.57912/28817969>

<sup>8</sup> As of April 2025, all USAID localization documents were not publicly available.

### 3. Open Government Analysis of Locally-Led Trends and Patterns

#### 3.1. Unpacking Direct Local Funding: What Types of Organizations?

Discussion of how to measure progress towards increased direct local funding involves debates over ‘what counts’ as a local organization (Tilley and Jenkins 2023; Green 2024). Less discussed is which *types* of local organizations receive direct funding.<sup>9</sup> If the intent is to co-create agendas, what kinds of actors and constituencies will get a seat at the table?

Different kinds of organizations represent different interests and constituencies. Local for-profit development consultancies, technocratic service providers, business firms, and their associated foundations typically have different understandings of development and governance reform than community-based social organizations and their NGO partners. USAID’s locally-led discourse focused on the national origin of funding recipients, rather than on who they represent. If locally-led is to involve power-sharing, then generic discourse about consultation with ‘communities’ is no substitute for recognizing broad-based social organizations that represent the excluded. The analysis that follows takes a first step in this direction by quantifying the share of direct local funding according to type of recipient organization.

#### *Data Analysis*

In light of the huge quantity of data once published by USAID, assessing which organizations receive funding and calculating the share of USAID direct local funding should have been a relatively straightforward process. USAID provided an abundance of data via: the US federal government’s ‘flagship’ foreign assistance data source of ForeignAssistance.gov, USAID’s country mission pages, USAID’s localization progress reports, the US federal government’s open data source USASpending.gov, and USAID data sharing with the International Aid Transparency Initiative (IATI). Yet, unexplained discrepancies between datasets, data errors, and proprietary data about which projects were included under USAID’s direct local funding rubric prevented public corroboration of USAID’s top-line figures. Fragmentation of relevant information across sites required a process of integrating datasets to improve confidence that the data captured actual funding totals for relevant organizations. This research used a matching and cleaning process to produce a comprehensive list of project implementers in Colombia, Guatemala, and Mexico between 2016-2022.

The implementing partners publicly identified on ForeignAssistance.gov, USASpending.gov, and IATI varied across datasets due to inconsistent redactions or use of general category labels instead of implementing partner identification.<sup>10</sup> To ensure that local implementers were not unknowingly omitted among the different data sources required cross-referencing implementing partners listed by country, followed by matching the partially obscured

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<sup>9</sup> In Tilley and Jenkins (2023, p. 21-23), the authors provide a statistical breakdown of the local and non-local disbursement share by organization type for three of the 10 countries examined.

<sup>10</sup> Despite differences in which implementing partners are listed, annual funding totals are mostly (though not exactly) in alignment as the differences can likely be explained through redactions and other naming conventions.

projects by using unique Project IDs.<sup>11</sup> This study's cross-referencing across databases revealed that, in the period analyzed, ForeignAssistance.gov redacted data for projects that accounted for 13% of all funding. Triangulating across databases lowered this figure to less than a 1% redaction rate, prompting questions about why certain projects were inconsistently redacted across different sites.

This study's independent triangulation and cleaning of data produced a more comprehensive picture of which implementing partners received direct funding in Colombia, Guatemala, and Mexico between 2016-2022 than any single public information source. The goal was to identify patterns in terms of which *kinds* of local organizations received direct funding. Once the national organizations were identified, they were categorized as: Private Sector, Private Sector Oriented NGO, Private Sector Oriented Think Tank, Think Tank, Academia, Government, National Affiliate of International NGO, NGO, and Social Organization.<sup>12</sup> Coding decisions were reviewed internally among the authors, then externally validated by in-country experts.

### *Findings*

Globally, USAID's direct local funding share reached 12.1% in FY2024 (USAID 2025, 6).<sup>13</sup> USAID data shows that direct local funding in Colombia, Guatemala, and Mexico also lagged behind the agency's overall 25% goal, which was intended to be a global average (USAID 2024a; 2025). Direct local shares of USAID funding in Colombia and Mexico were far off the mark and *declined* from 2021 through 2024. Although Mexico achieved a 30.5% local funding share in 2021, it fell to 1.6% in 2024. Guatemala, according to USAID figures, sustained a higher percentage during the years covered by the agency, achieving the 25% goal in FY2022 and FY2024 when USAID started including regional and government-to-government funding to calculate the localization rate. For the past two decades, Colombia has been the largest USAID recipient in Latin America. USAID's funding share for Colombian organizations peaked at 10.9% in 2017 and fell to 4.8% in 2024 (Fox and Hallock 2024; USAID 2025, 27). That left Colombia's local share of funding among the lowest in the region, despite the country's robust civil society.

While direct local funding shares are the first pillar of USAID's localization agenda, unpacking each country's local implementing partners by type of organization provides further nuance concerning how USAID put localization into practice. The three figures in this section show the annual amount of direct local funding as well as its distribution in terms of organization type.

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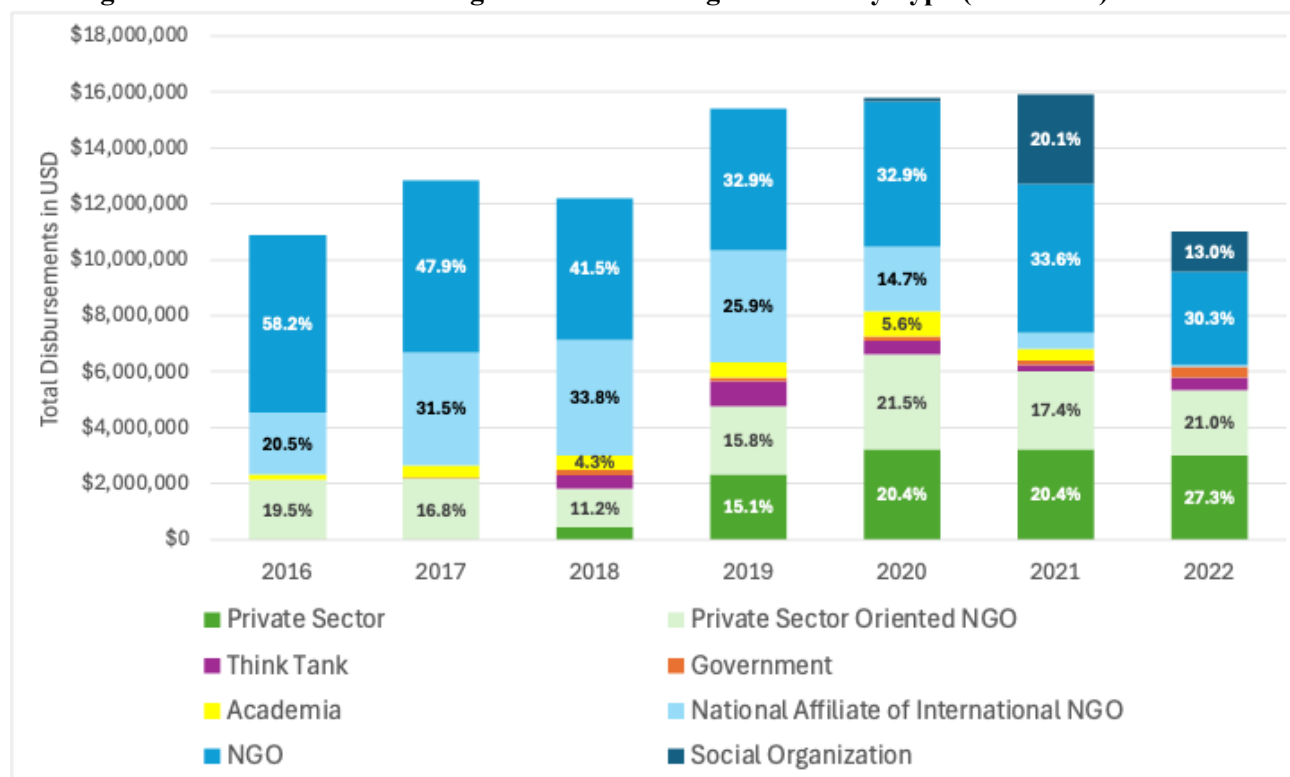
<sup>11</sup> Project IDs can also be labeled as the 'Activity Number' or 'Award ID' depending on the source.

<sup>12</sup> Social organizations are defined here as membership-based, in contrast to board-led NGOs. Private-sector oriented NGOs and Think Tanks are entities with business-led governing boards and funding sources. The definition for each organization type is available in the accompanying dataset.

<sup>13</sup> The January 2025 USAID report updated the direct local funding metric to include regional and government to government (G2G) funding alongside direct funding to provide the localization rate. This resulted in a slight increase of the localization rate relative to the prior two progress reports. This report cites USAID's updated figures for FY2022-24 and USAID's original figures for FY2021.

Among Colombian implementing partners, no single type of organization received an outsized proportion of USAID funding. However, between 2016 and 2020, one national affiliate of an international NGO accounted for approximately 25% of all local funding (Figure 1). *Caritas Colombiana* received \$16m during this five-year period to lead a civil society engagement project. Private sector entities received a substantial and growing portion of direct funding starting in 2019.

**Figure 1: USAID Direct Funding to Colombian Organizations by Type (2016-2022)**



**Source:** ForeignAssistance.gov, USASpending.gov, IATI (Data downloaded September 1-11, 2024). Share of annual funding provided for organization types receiving more than 4% of annual disbursements. See accompanying dataset for coding decisions.

At the same time, by 2021, USAID’s Colombia portfolio had innovated significantly by directly funding three broad-based social organizations for Afro-Colombian and Indigenous rights projects—*Asociación Nacional de Afrocolombianos Desplazados* (AFRODES), *Organización Nacional Indígena de Colombia* (ONIC), and the *Consejo Comunitario Mayor de la Asociación Campesina Integral del Atrato* (COCOMACIA). These funding streams represented an important, albeit modest, step toward USAID commitments to vulnerable communities heavily impacted by years of conflict.<sup>14</sup> However, the funding for COCOMACIA

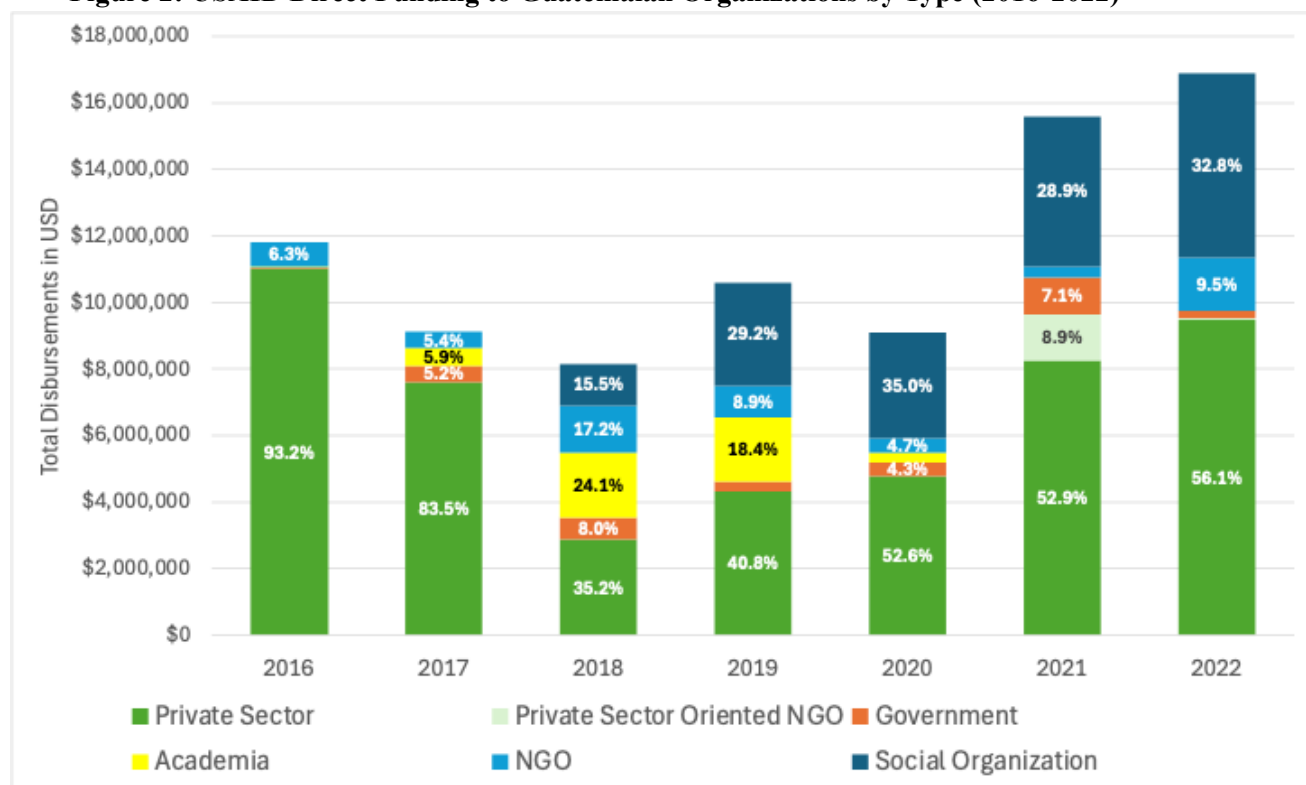
<sup>14</sup> President Trump specifically named the “Indigenous Peoples and Afro-Colombian Empowerment” project during his 2025 Joint Address to Congress among those he criticized as “appalling waste,” seemingly because of the project’s focus on racial justice. See, Kenny (2025).



would not have been visible without triangulation of data sources because the organization’s name was redacted on ForeignAssistance.gov while it was published on IATI. Similarly, a precedent-setting \$12m contract for the flagship Colombian NGO *Consultoría para los Derechos Humanos y el Desplazamiento* (CODHES), which supports conflict victims, was similarly not available in the ForeignAssistance.gov data. This portfolio analysis also shows that despite USAID’s high profile policy commitment to the Colombian peace process and bringing democratic governance with social inclusion to conflict zones, the persistent large share for private sector-led projects may have competed with that agenda.

The pattern of direct local funding in Guatemala was more imbalanced than Colombia in favor of the private sector (Figure 2). As previously noted, USAID Guatemala’s mission page provided high-quality project information as well as dedicated pages about its localization efforts (USAID Guatemala, n.d.). The focus on local partners is seemingly reflected in USAID calculations of direct local funding shares that outpace the regional average (USAID 2025, 27). However, unpacking local funding by recipient organization reveals that the majority of USAID direct funding went to for-profit agribusiness interests (see, Kelinsky-Jones et al. 2025)—hardly change agents associated with poverty reduction, social inclusion, and good governance in the country.

**Figure 2: USAID Direct Funding to Guatemalan Organizations by Type (2016-2022)**

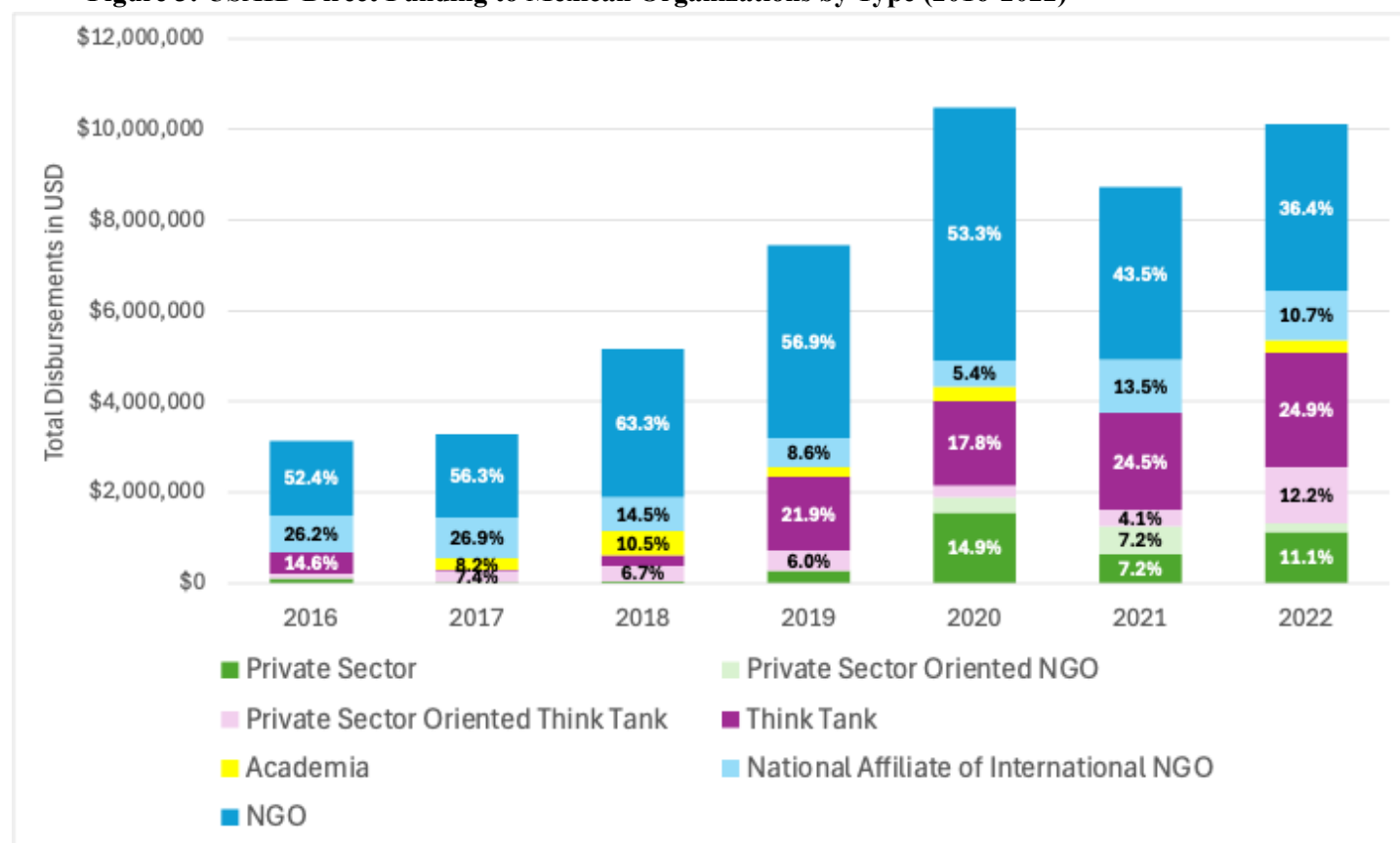


**Source:** ForeignAssistance.gov, USASpending.gov, IATI (Data downloaded September 1-11, 2024). Share of annual funding provided for organization types receiving more than 4% of annual disbursements. See accompanying dataset for coding decisions.

Three private-sector oriented Guatemalan organizations accounted for 60% (\$48.3m) of all direct local funding between 2016-2022. The three organizations are *Agropecuaria Popoyán* (\$29.9m), *Asociación Guatemalteca de Exportadores* (AGEXPORT, \$9.6m), and *Asociación Nacional del Café* (ANACAFE, \$8.8m). In particular, ANACAFE—legally constituted as a public entity—has been criticized for benefiting large producers and operating as a private firm leveraging risky investments, except when it seeks public funds in times of crisis (Pérez 2023).

USAID Mexico’s funding portfolio stands out for its high share of direct local funding for a relatively large number of NGOs and think tanks (Figure 3). USAID’s country portfolio emphasized governance reform. Between 2016-2022, 20 civil society-oriented NGOs received direct funding in Mexico, in contrast to 11 in Colombia and six in Guatemala. Furthermore, USAID’s direct local funding in Mexico was notable for its relatively balanced allocation across types of organizations, as no single category dominated direct funding. Annual funding for any single organization topped \$1m only three times across these 20 organizations in the period analyzed.

**Figure 3: USAID Direct Funding to Mexican Organizations by Type (2016-2022)**



**Source:** ForeignAssistance.gov, USASpending.gov, IATI (Data downloaded September 1-11, 2024). Share of annual funding provided for organization types receiving more than 4% of annual disbursements. See accompanying dataset for coding decisions.

The lower per-project amounts appear to have allowed for funding a broader diversity of organizations. Funds supported local organizations focused on community issues in the states of Nuevo León, Chihuahua, and Baja California Sur, national organizations addressing anti-corruption, human rights, and democracy, and several environmental protection groups.

### **3.2 Subawards: What Share of Project Funding Goes to Local Organizations?**

Subawards can provide flexibility in disbursing smaller sums to organizations that may not have the capacity to comply with intensive administrative requirements for direct funding. Yet subawards, *per se*, do not necessarily involve power-sharing over agenda-setting.

USAID's locally-led good practices encouraged contractors to dedicate 50% of their subawards to local organizations, but they did not include recommendations for what *share* of total project funds should be allocated to subawards (USAID 2023a; 2023b). This means that a project could have easily met this USAID benchmark while dedicating a very small share of *total* project funds to local organizations. For this reason, it was useful to monitor the share of project funds that were allocated via subawards. Yet the quality of open government data for subawards was significantly lower than for prime awardees. Not only was subaward data hosted on a site unlinked to USAID sources—USASpending.gov—relevant data were incomplete and riddled with errors. USAID technical staff recognized that they did not have an effective mechanism in place to ensure that implementing partners reported their subawards. This section identifies technical problems with USAID's subaward data and then unpacks the share of funds flowing through subawardees.

#### *Data Analysis*

The analysis uses data from USASpending.gov, the only public source of subaward information, pulling data for all subgrants and subcontracts funded by USAID in Colombia, Guatemala, and Mexico between 2016-2022.<sup>15</sup> Despite being the US government's official public repository of subaward data, USASpending.gov suffers from major data quality problems. The Government Accountability Office found that, across the federal government, expectations for subaward reporting were not clearly communicated to contractors, thus limiting policy compliance, and that antiquated data systems prevented correcting errant data inputs (GAO 2023). Extensive data cleaning and cross-validation were required to render the data fit for analysis. A high rate of duplicated entries, erroneous subaward amounts, and under coverage of subaward reporting meant that a methodologically robust verification of USAID's locally-led development subaward goal was not possible using public data. Nevertheless, a rough assessment of local subaward trends was possible, while acknowledging the limits of public data.

This research produced a validated list of subaward data using a multi-step data cleaning procedure. Cleaning the data first required eliminating duplicate data entries. Then, prime awards with total subaward disbursements greater than the prime award's budget were removed. This procedure resulted in removing 101 likely erroneous subaward entries, including a \$728m

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<sup>15</sup> Only subawards below \$30,000 or deemed a potential risk are exempt from reporting.

Colombian subaward that was more than 13 times the value of the \$57.8m project budget it was attached to. Removing these likely errors substantially impacted the analysis, reducing the total 2016-2022 subawards across the three countries by \$917.8m.

Following the data cleaning procedure, subawardees were coded as “local” or “non-local” using the subawardee country codes available in the original dataset. Our cleaned dataset was then cross-referenced with data from ForeignAssistance.gov to estimate the rate of under coverage. We find only 124 projects with subaward data compared to the 426 projects listed during the period studied, a 29.1% coverage rate. This low coverage rate likely indicates a high level of non-reporting by prime contract recipients.

Given these considerations, the subaward data had two limitations even after data cleaning. First, there was a high level of under coverage, the exact degree of which was impossible to verify. USAID’s lack of enforcement of contractors’ data quality and reporting standards made it impossible to distinguish between projects with no subawards and projects with subawards that were erroneously unreported. Second, at the same time, omitting subawards with erroneous amounts led to an *undercount* of total subaward funding, insofar as those projects had subawards.

Despite these limitations, this research adds value in two respects. First, an analysis of subaward data revealed gaps in both the usability of USAID open data and the public verifiability of progress towards more funding for local subawards. Among the open government data sources relevant to the localization agenda, subawards were the least user-centered and most difficult to assess. Second, this analysis of subaward data, even with data limitations, shows broad trends for this underemphasized pathway to more locally-led development.

### *Findings*

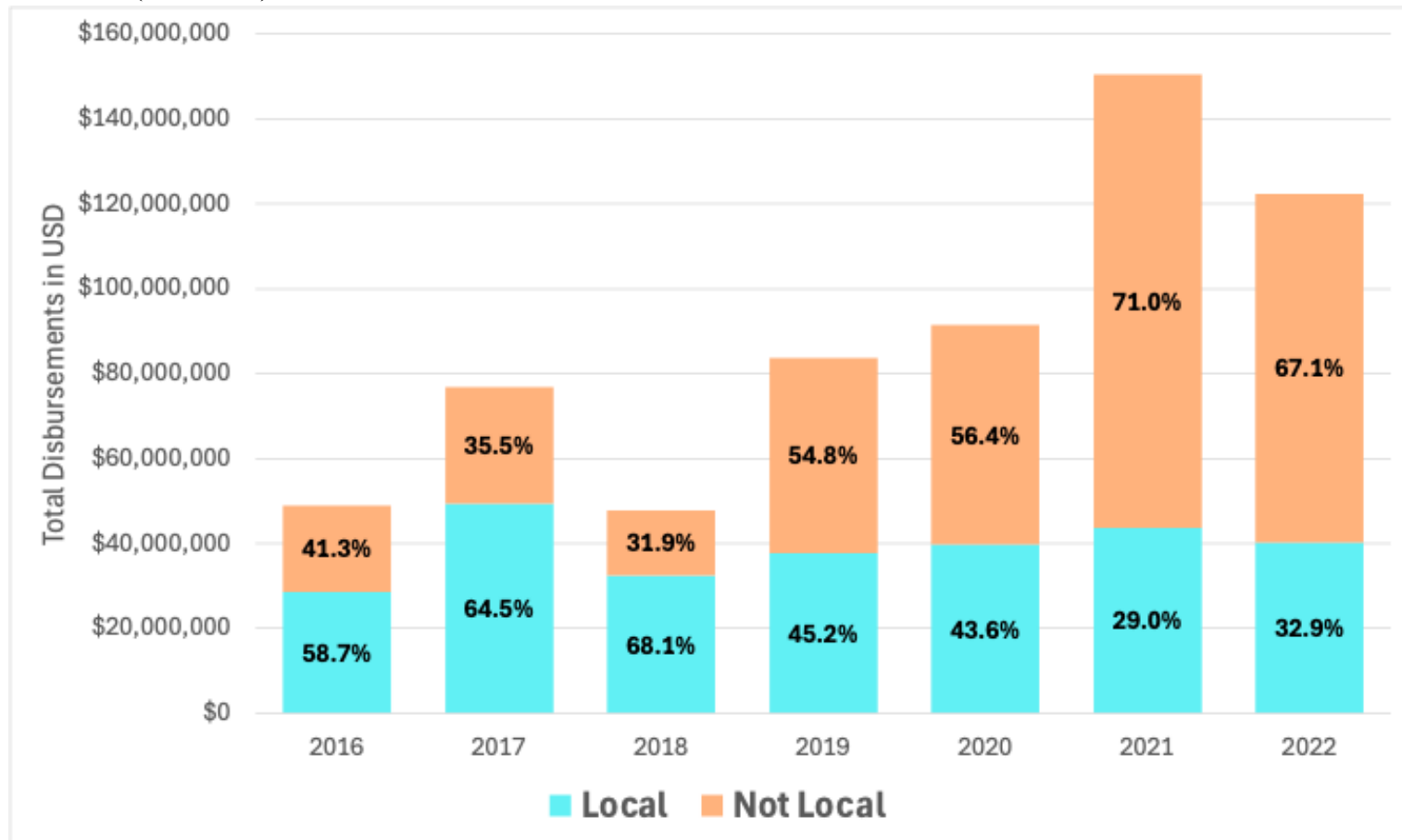
For the three countries studied, subawards to local organizations accounted for 12.2% of total project funding 2016-2022 (\$271m). Of the 124 projects with verifiable subawards, 74 (57.6%) met or exceeded the 50% good practice target for the local share of subaward funding. The average share for local subawards is notably *higher* than the share of *direct* local funding in two of the three countries studied here (Colombia and Guatemala).

Yet these findings also showed a steady *decline* in the local share of reported subaward funding over time (Figure 4). Despite the total value of reported subawards almost tripling from \$48.8m in 2016 to \$121.4m in 2022, the *share* of subaward funding to local organizations fell from 58.7% in 2016 to 32.9% in 2022.<sup>16</sup> Interestingly, the absolute value of local subaward funding remained relatively stable across years, with percentage decreases in local funding shares being driven by absolute increases in non-local subawards.

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<sup>16</sup> A Devex analysis of USAID’s global subawards patterns for FY2021-22 found a similar figure, with a majority of subawards funding directed to non-local subawardees and only 34.1% direct to local subawardees. See, Tamonan (2023).

**Figure 4: USAID Subaward Funding to Local Organizations in Colombia, Mexico, and Guatemala (2016-2022)**



Source: USASpending.gov (Data downloaded September 11, 2024).

Because data quality problems lead to underreporting, USAID may have been making more progress than public data showed. In these three countries, the total amount of \$271m in funding for local subawards identified here is likely a substantial underestimate given the issues with non-reporting by prime contractors. These findings show that in the three countries studied, more USAID funds reached local organizations via subawards than via direct funding—even though only 29% of projects reported subawards. Indeed, even those projects may have had unreported local subawards. If the patterns found here for the local subaward funding in these three countries were more generalizable, that would mean that total USAID global funding to local organizations (direct plus indirect contracts) could have doubled USAID’s 12.1% share for direct local funding reported globally in 2024. In other words, more consistent and reliable public disclosure of subaward data could have revealed very significant progress towards USAID’s overall localization goals.

## 4. Conclusion

This study of USAID's approach to publishing data on its localization agenda demonstrates the importance of open government data for independent monitoring of US foreign assistance. This brief aimed to address two key questions relevant for broader development discussions: 'what counts' as localization, and how can USAID's agenda be publicly monitored? Even with the dramatic dismantling of the agency in the early months of the second Trump administration, USAID's localization efforts undertaken between 2021-2024 provide important lessons for the development field.

First, USAID contributed to debates about how to conceptualize and measure locally-led development. This brief focused on two key pathways—direct funding to prime contractors and local subawards. Surprisingly, we found that for the countries studied, more USAID funding went to local subawardees than to local prime award recipients. This finding indicates that subawards represent an unappreciated pathway for international funders to scale resources to local communities.

USAID also contributed to conceptualizing localization by setting out a clear initial framework, then revising its goals and locally-led indicators through learning-by-doing as the agenda unfolded over time. To the agency's credit, they consistently published top-line findings and even provided reports explaining key updates and changes to their locally-led indicators. At the same time, they did not publicly recognize their revision of their 2030 locally-led goal from 50% of program funding to 50% of projects. And while topline reports about progress towards direct local funding were readily available, the figures were difficult to replicate, and specific project data was often difficult to find. Finally, none of the agency's locally-led indicators identified more user-centered access to project information access as relevant.

Second, the most relevant findings here required extensive, technically complex data analysis that is impractical for non-specialists. This issue is not unique to USAID. Other US agencies fare worse in their levels of transparency. In international transparency comparisons, USAID typically ranked in the middle of the pack, far ahead of State but behind the Millennium Challenge Corporation (PWYF 2024).

To improve public accountability, US foreign assistance requires the publication of reliable, consistent, user-centered data. Though the current administration uses transparency discourse to justify its actions, it has systematically removed vast quantities of government data from public access. Public interest groups have responded with efforts to recover some of this data, including USAID project evaluations.<sup>17</sup> The importance of improving and ensuring data transparency only heightens during periods of transition when funding streams are cut or repurposed, in order to detect unannounced patterns or disconnects between official discourse and practices. Public oversight during such transitions is essential, and the methods used in this brief can be modified and adapted to find gaps and discrepancies relevant to the public interest.

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<sup>17</sup> For an effort to recover DEC documents, see, <https://decfinder.devme.ai/>

As of early 2025, the future of US foreign aid policy—including longstanding goals of localization and open government—became a very open question. If future policy shifts ever enable a reimagining of foreign aid with ambitious localization goals, then a reconstructed approach should be grounded in user-centered open government practices.

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